

MAY 20 1992

Decision 92-05-041 May 20, 1992

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Matheson Fast Freight, Inc., for authority to eliminate Section 2-A found in Matheson Fast Freight, Inc., CAL P.U.C. No. 2, Local Freight Tariff No. 2.

ORIGINAL Application 82-19-007 (Filed December 11, 1991)

O P I N I O N

Applicant Matheson Fast Freight, Inc. (T-142,777) seeks authority to eliminate Section 2-A found in its CAL P.U.C. No. 2, Local Freight Tariff No. 2. The cancellation of Section 2-A will result in rate increases for some shippers ranging from 34.9% through 57%, but with a total effect on gross revenue of 3.6%.¹

Applicant has submitted its latest unaudited financial statements, covering January 1 through September 30, 1991. These indicate that applicant's operations for the test period ending September 30, 1991, under the current rates would result in a loss of \$507,274 with an operating ratio of 105.9. The proposed change would allegedly result in an annual gross revenue of \$8,891,376 which would reduce operating loss by \$312,812.

Transportation Division's (Division) analysis shows that the elimination of Section 2-A will slightly improve carrier's operating ratio, from 105.9 to 102.2. The Division agrees that the

¹ Section 2-A of Local Freight Tariff No. 2 is a local class rate for transportation of general commodities from named points to any point in California. Elimination of Section 2-A will result in rate increases because traffic that used to be rated out of Section 2-A will now have to be rated out of Section 2 or 4, whichever is lower, which have a higher rate level than those published in Section 2-A.

requested rate increases are justified and recommends that the application be granted.

Findings of Fact

1. Notice of the proposed change was published in the Commission's Daily Transportation Calendar on December 23, 1991. No protests have been received. No public hearing is necessary.
2. Applicant's operations for the test period ending September 30, 1991, under the current rates would result in a loss of \$507,274 with an operating ratio of 105.9.
3. Cancellation of Section 2-A will result in rate increases ranging from 34.9% through 57%, but with a total effect on gross revenue of 3.6%. Elimination of Section 2-A will slightly improve carrier's operating ratio, from 105.9 to 102.2.
4. The increases resulting from this decision are justified.
5. A public hearing is not necessary.

Conclusions of Law

1. The application should be granted.
2. This order should be effective today, since there is an immediate need for rate relief. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Matheson Fast Freight, Inc. is authorized to increase its rates and charges as specifically set forth in the body of the opinion.
2. Tariff publications authorized to be made as a result of this order shall be filed on or after the effective date of this order and may be made effective not earlier than 5 days after the effective date of this order on not less than 5 days' notice to the Commission and to the public.
3. In establishing and maintaining rates authorized by this order, Matheson Fast Freight, Inc. is authorized to depart from the

provisions of Public Utilities (PU) Code § 461.5 to the extent necessary to adjust long- and short-haul departures now maintained under outstanding authorizations; such outstanding authorizations are modified only to the extent necessary to comply with this order; and schedules containing the rates published under this authority shall make reference to the prior orders authorizing long- and short-haul departures and to this order.

4. Matheson Fast Freight, Inc. is authorized to make some or all of the authorized increases effective on a delayed basis when necessary in its judgment to meet competitive conditions, and is granted an exemption from PU Code § 491 for this purpose.

5. This authority shall expire unless exercised within 180 days from today.

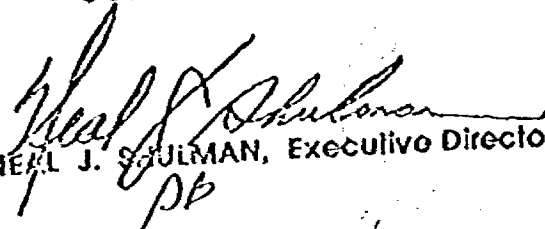
6. The application is granted as set forth above.
This order is effective today.

Dated May 20, 1992, at San Francisco, California.

DANIEL Wm. FESSLER
President
JOHN B. OHANIAN
NORMAN D. SHUMWAY
Commissioners

Commissioner Patricia M. Eckert,
being necessarily absent, did
not participate.

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY


NEAL J. SULMAN, Executive Director
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