

ORIGINAL

Decision 82 07 060 JUL 7 - 1982

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of)
CALNEV PIPE LINE COMPANY a Delaware)
corporation, for authority to)
increase transportation rates for)
petroleum products pursuant to the)
provisions of Sections 454 and 491)
of the Public Utility Code of the)
State of California.)

Application 82-05-24
(Filed May 11, 1982)

O P I N I O N

By this application, Calnev Pipe Line Company (Calnev) seeks authority to increase its rates by 10%. The rates, rules, and regulations are published in its Local Pipe Line Tariff 2-A, Cal. P.U.C. 3.

Calnev alleges that its present rates do not yield sufficient revenue to allow it to conduct its operations at a reasonable profit. Calnev further alleges that additional revenue is required because of increased costs in all phases of operation as shown in the following table:

<u>Item of Expense</u>	<u>Amount of Increase</u>	<u>% Increase</u>
Wages & Salaries	\$57,384	29.3
Fuel & Power	79,563	30.3
Rentals (Includes Computer Rental)	38,747	212.0
EDP Programming and Legal Services	54,685	48.3

The impact of these increased expenses is an overall cost increase of approximately 13%.

Calnev states that even though a greater increase would be justified, Calnev has limited its rate increase proposal to 10% to limit the impact on shippers.

Calnev has prepared financial data for a test period ending December 31, 1981. From that data, the staff has prepared a comparison of the Calnev financial position using the present costs being experienced compared with revenue earned in 1981 and with the projected revenue (1981-82) including the sought increase.

		<u>Test Year Ending December 31, 1982</u>	
		<u>Present Rates</u>	<u>Proposed Rates</u>
Revenue	(1981)	\$1,202,334	(1982) \$1,390,925
Expenses Revised to			
Reflect Current Costs		1,120,893	1,120,893
Income		81,441	270,032
Net Investment		4,188,933	4,188,933
Return on Investment (after taxes)		1.00%	3.22%

The application was listed on the Commission's Daily Calendar of May 5, 1982. No objection to the granting of the application has been received.

Findings of Fact

1. Applicant's rates were last adjusted October 25, 1981. Since then applicant has experienced increases in operating expenses.

2. Under the increase sought, applicant estimates it will realize additional annual revenue of \$188,591.

3. An increase of 10% is justified to offset increased operating costs being experienced.

4. The proposed increases in applicant's rates and charges have been shown to be justified.

5. Limited authority to depart from the provisions of PU Code Section 461.5 is justified.

6. A public hearing is not necessary.

Conclusions of Law

1. The application should be granted.

2. Since Calnev is already experiencing the increased operating costs, the order which follows should be made effective on the date of signature. The tariff pages to be published should be made effective no sooner than the fifth day after the effective date of this order.

O R D E R

IT IS ORDERED that:

1. Calnev Pipe Line Company is authorized to increase its rates and charges by 10%.

2. Tariff publications authorized to be made as a result of this order shall be filed not earlier than 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. The authority shall expire unless exercised within 60 days after the date of signature.

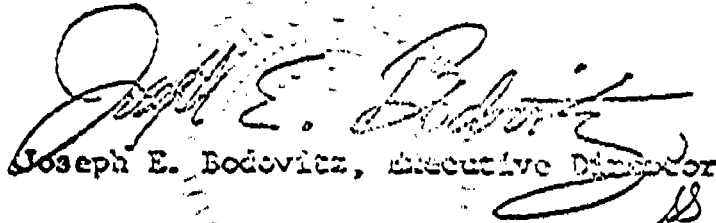
4. Nothing in this opinion and order constitutes a finding of fact regarding the reasonableness of any particular rate or charge filed under this order and applicant, by reason of this declaration, has no ground to contend to the contrary in any proceeding under Public Utilities Code Section 734 or in any other proceeding.

This order is effective today.

Dated JUL 7 1982, at San Francisco, California.

RICHARD D. GRAVELLE
LEONARD M. GRIMES, JR.
VICTOR CALVO
PRISCILLA C. CREW
Commissioners

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


Joseph E. Bodovitz, Executive Director

Commissioner John E. Bryson,
being necessarily absent, did
not participate.

