

Decision 83 11 027 NOV 2 - 1983

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Request of Richway Transport, Inc.)  
CAL-T 118760 to increase rates in )  
Minimum Rate Tariff 2, Items 690, )  
to 700 by 5 percent under the )  
Formal Procedure Tariff Docket. )

Application 83-07-32  
(Filed July 18, 1983)

O P I N I O N

Richway Transport, Inc., (Richway), seeks authority to increase rates by 5% on lumber and forest products in Items 690 to 700, inclusive, in its Minimum Rate Tariff (MRT) 2. Richway has adopted MRT 2 as its own common carrier tariff.

Richway alleges that its present rates do not yield sufficient revenues to allow it to conduct its operations at a profit. As justification for the proposed increase, Richway cites the higher operating costs it is experiencing, the most significant being the increased cost of labor and taxes. Applicant's rates were last adjusted on April 20, 1980.

Richway has prepared financial data for a test period ending March 31, 1984. From that data, the staff has prepared a comparison of Richway's financial position using the present costs being experienced with revenue earned in 1982-83 and with the projected 1983-84 revenue including the sought increase.

	: <u>Test Year Ending March 31, 1984</u> :	
	: Present Rates :	: Proposed Rates :
	: (1982-83) :	: (1983-84) :
Revenue	\$398,578	\$406,000
Expenses Revised to Reflect Current Costs	407,000	407,000
Profit (Loss)	(8,422)	(1,000)
Operating Ratio	102.1	100.2

Richway estimates that the sought increase would increase its California annual gross revenue by approximately \$7,422.

The application was listed on the Commission's Daily Calendar of July 21, 1983. No objection to the granting of the application has been received.

The proposal is not a major action significantly affecting energy efficiency within the meaning of Sections 3502.1 and 3502.2 of the Public Utilities (PU) Code.

Findings of Fact

1. Applicant's rates were last adjusted in April 20, 1980. Since then it has experienced increases in operating expenses, the most significant being the increased cost of labor.

2. Under the increases, applicant estimates it will realize additional revenue of \$7,422.

3. The increases resulting from this proposal are justified.

4. Limited authority to depart from the provisions of PUC Code Section 461.5 is justified.

5. The following order has no reasonably foreseeable impact upon the energy efficiency of highway common carriers.

6. A public hearing is not necessary.

Conclusion of Law

The application should be granted.

O R D E R

IT IS ORDERED that:

1. Richway Transport, Inc., is authorized to increase its rates by 5% on lumber and forest products in Items 690 to 700 inclusive by amending its adoption notice to Minimum Rate Tariff 2.

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 on 5 days' notice to the Commission and to the public.

3. Richway Transport, Inc. in establishing and maintaining the rates and charges authorized by this order, is authorized to depart from the provisions of PUC Code Section 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 order authorizing long- and short-haul departures and to this order.

This order becomes effective 30 days from today.

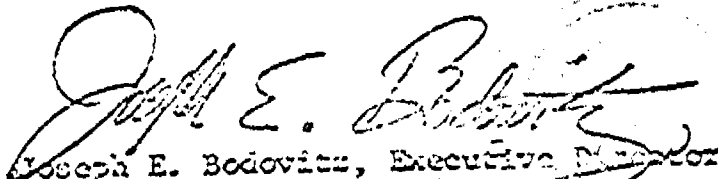
Dated NOV 2 1983, at San Francisco, California.

LEONARD M. GRIMES, JR.  
President

VICTOR CALVO  
PRISCILLA C. CREW  
WILLIAM T. BAGLEY  
Commissioners

Commissioner Donald Viel, being necessarily absent, did not participate.

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

  
Joseph E. Bodovitz, Executive Director