ORIGINAL   JAN 5 1984

Decision **84 01 014**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of FOREST PRODUCTS)
TRANSPORTATION, a corporation,)
for authority to increase rates)
in Transition Tariff No. 2 con-)   Application 83-09-01
taining rates and charges for the)   (Filed September 1, 1983)
transportation of Lumber and)
Forest Products and rates and)
regulations applicable thereto.)

O P I N I O N

Forest Products Transportation (Products) seeks authority

to increase rates by 10% on lumber and forest products in Items 690

and 691 of the adopted Transition Tariff 2.

Products 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, Products cites

the higher operating costs it is experiencing, the most significant

being the increased costs of equipment, fuel and taxes.

Applicant's rates were last adjusted on April 20, 1980.

Products has prepared financial data for the test year ending December 31, 1982. From that data, the staff has prepared a comparison of Products' financial position using the present costs being experienced with revenue earned in 1982 and with the projected 1983 revenue including the sought increase.

| | Test Year Ending Dec. 31, 1983 | |
	Present Rates (1982)	Proposed Rates (1983)
Revenue	$1,177,402	$1,250,403
Expenses Revised to Reflect Current Costs	1,198,491	1,198,491
Profit (Loss)	(21,089)	51,912
Operating Ratio	101.8	95.8

Products estimates that the sought increase would increase its California annual gross revenue by approximately $73,001.

The application was listed on the Commission's Daily Calendar of September 2, 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 April 20, 1980. Since then it has experienced increases in operating expenses, the most significant being the increased costs of equipment, fuel and taxes.

2. Under the increases, applicant estimates it will realize additional revenue of $73,001.

3. The increases resulting from this proposal are justified.

4. Limited authority to depart from the provisions of PU 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. Forest Products Transportation is authorized to increase its rates by 10% on lumber and forest products in Items 690 and 691 in its adoption of Transition Tariff 2 and to publish new rates incorporating the authorized increase and existing surcharges.

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. Forest Products Transportation, in establishing and maintaining the rates and charges authorized by this order, is authorized to depart from the provisions of PU 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 orders authorizing long- and short-haul departures and to this order.
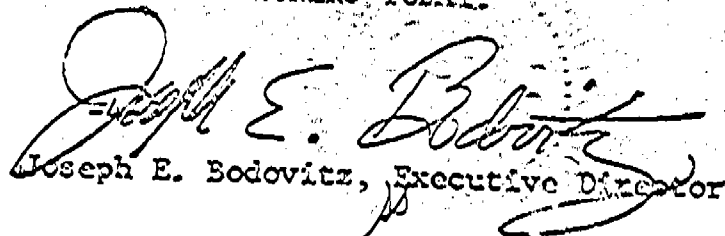
This order becomes effective 30 days from today.

Dated _____ JAN 5 1984 _____, at San Francisco, California.

LEONARD M. GRIMES, JR.
                                President
VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
WILLIAM T. BAGLEY
                                Commissioners

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

Joseph E. Bodovitz, Executive Director