

ORIGINAL

Decision No. 92844 MAR 17 1981

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Willig Freight Lines)
for authority to increase rates in)
Willig Freight Lines Tariff No. 5)
(including reissues thereof) con-)
taining rates of this common)
carrier for the transportation of)
commodities and the performance of)
specified services related thereto.)

-And-

For authority to depart from the)
terms of Sections 454 and 491 of)
the Public Utilities Code when)
accomplishing such publications.)

Application No. 60232
(Filed January 30, 1981;
amended February 19, 1981)

OPINION AND ORDER

By this application, as amended, Willig Freight Lines, a corporation, seeks authority to increase the rates in its Willig Freight Lines Tariff No. 5. This tariff names rules, conditions and rates for the transportation of general commodities statewide.

Applicant cites increases in labor and payroll tax costs which will be experienced April 1, 1981. Also cited is the general increase in the consumer price guide with no indication that the increases will not continue. Applicant submitted data detailing a

reduction of 39.5 percent in net income for the year 1980 compared to 1979. Note: The firm showed an increase in gross revenue of 6.98 percent for the 1980 year.^{1/}

Applicant has determined that it would require a surcharge increase of seven percent on its rates and charges to maintain a financially viable transportation concern. Applicant states that if the full seven percent increase as sought were to be taken the impact would be an increase of approximately \$1,756,690 in its gross operating revenues.

The application and the amendment were listed on the Commission's Daily Calendars of February 6 and 26, 1981, respectively. No objection to the granting of the increase has been received.

The present competitive situation under carrier-made rates causes applicant certain uncertainties in fully applying any surcharge. Applicant in order to fully exercise its managerial prerogatives requests that any increase authorized not be subject to an expiration date.

<u>1/</u>	GROSS OPERATING REVENUE	NET INCOME AFTER TAXES	OPERATING RATIO
1979	\$21,898,363	\$1,277,727	94
1980	\$23,463,628	\$ 772,986	97

In the amendment, applicant states, "(t)hat Application No. 60232 does not constitute a major action affecting energy efficiency under Sections 3502.1 and 3502.2 of the California Public Utilities Code."

Findings of Fact:

1. Willig Freight Lines, a corporation, is a highway common carrier operating under authority granted by the Commission in Decision No. 81904 in Application No. 53457 as amended by Decision No. 81528.
2. Willig Freight Lines publishes its rules, conditions and rates for the transportation of general commodities statewide in its Tariff No. 5.
3. Willig Freight Lines has submitted financial data indicating operating costs are increasing at a faster rate than revenues.
4. The financial data submitted substantiates applicant's need for increased revenue.
5. The impact of labor costs accruing April 1, 1981 and other costs incidental to operations which are the subject of this application have not been covered by any previous rate increase application.
6. A surcharge increase of seven percent is needed to offset the present costs being experienced and the costs to be experienced commencing April 1, 1981.

7. The sought increase is justified.

8. Since Willig Freight Lines 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.

9. Limited authority to depart from the provisions of Section 461.5 of the Public Utilities Code should be granted.

10. Limited authority to depart from the terms and rules of General Order 80-Series should be granted.

11. The order should not be subject to an expiration date in order to enable applicant to maintain its competitive position within the industry.

12. The following order has no reasonably foreseeable impact upon the energy efficiency of highway common carriers and is consistent with the Commission's Energy Efficiency Plan.

Conclusion of Law

The proposed rates are just and reasonable, and the application should be granted to the extent set forth in the ensuing order.

IT IS ORDERED that:

1. Willig Freight Lines, a corporation, is authorized to publish a seven percent surcharge in its Local Freight Tariff No. 5.

2. The tariff publications authorized to be made as a result of the order herein shall be filed not earlier than the effective date of this order and may be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and to the public.

3. Willig Freight Lines, in establishing and maintaining the rates authorized by this order, is authorized to depart from the provisions of Section 461.5 of the Public Utilities Code to the extent necessary to adjust long- and short-haul departures now maintained under outstanding authorizations; such outstanding authorizations are hereby 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. Willig Freight Lines is authorized to depart from the Commission's tariff circular requirements only to the extent necessary in establishing the surcharge supplements authorized by this order.

The effective date of this order is the date hereof.

Dated MAR 17 1981, at San Francisco, California.

John E. Byrne
President
William W. ...
...
Victor Calvo

Commissioners