

Decision 84 04 021

APR 4 1984

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CONVOY COMPANY by)
 its consultant, James C. Olsson,)
 for authority to increase rates)
 and charges contained in Local)
 Freight Tariff No. 32 Cal. P.U.C.)
 No. 1.)
 AND)
 For authority to depart from the)
 terms of Section 454 and 491 of)
 the Public Utilities Code when)
 accomplishing such publication.)

Application 83-10-29
 (Filed October 19, 1983;
 Amended January 6, 1984)

O P I N I O N

By this application, Convoy Company (Convoy) requests a 2 percent increase in rates and charges contained in its Local Freight Tariff No. 32, Cal. P.U.C. No. 1 for the transportation of motor vehicles in truckaway service.

Convoy alleges that its present rates do not yield sufficient revenues to allow it to conduct its operations at a reasonable profit. As justification for the proposed increase, Convoy cites the higher operating expenses it is experiencing, the most significant being the increased costs of labor, fuel, and taxes.

Convoy's rates were last adjusted November 29, 1982 when it cancelled its adoption of Minimum Rate Tariff 12-A and filed its own tariff.

Convoy has prepared financial data for a test period (the second quarter of 1983). From that data, the staff has prepared a comparison of Convoy's financial position using the present costs being experienced with the revenue earned in 1983 and the projected 1984 revenue including the sought increase.

	<u>Present Rates</u> <u>(1983-2nd Quarter)</u>	<u>Proposed Rates</u> <u>(1984-2nd Quarter)</u>
Revenue	\$350,848	\$357,865
Expenses Revised to Reflect Current Costs	332,225	332,225
Profit	18,623	25,640
Operating Ratio	94.7	92.8

Convoy estimates that the sought increase would increase its California intrastate revenue by approximately \$7,017 for the test period.

The application and amendment were listed on the Commission's Daily Calendars of October 21, 1983 and January 18, 1984. No objection to the granting of the application, as amended, has been received.

Applicant indicates that the proposal is not considered to be a major action significantly affecting energy efficiency within the meaning of Public Utilities (PU) Code Sections 3502.1 and 3502.2.

Findings of Fact

1. Applicant's rates were last adjusted November 29, 1982. Since then it has experienced increases in operating expenses, the most significant being costs of labor, fuel, and taxes.

2. Under the increases, applicant estimates it will realize additional revenue of \$7,017 for the test period.

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. Convoy Company is authorized to increase its rates and charges by 2 percent in its Local Freight Tariff No. 32, Cal. P.U.C. No. 1.

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. Convoy Company, 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.

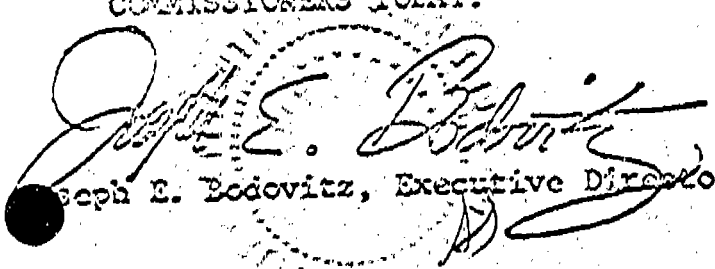
This order becomes effective 30 days from today.

Dated APR 4 1984, at San Francisco, California.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
Commissioners

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


Joseph E. Bodovitz, Executive Director

Commissioner William T. Bagley
being necessarily absent, did
not participate.