

ORIGINAL

Decision 84 05 022

MAY 2 1984

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of VALLEY PARCEL)
 SERVICE, INC., by its consultant,)
 James C. Olsson, for authority to)
 increase rates and charges con-)
 tained in California Public)
 Utilities Commission Transition)
 Tariffs 1-B, 2, 15 and 19.)
 -AND-)
 For authority to depart from the)
 terms of Section 454 and 491 of)
 the Public Utilities Code when)
 accomplishing such publication.)

Application 83-10-40
 (Filed October 21, 1983;
 amended January 6 and
 March 14, 1984)

O P I N I O N

Valley Parcel Service, Inc. (Valley), seeks authority to increase by 3% the rates and charges in its adopted Commission Transition Tariffs 1-B, 2, 15, and 19.

As justification for the proposed increase, Valley cites increases in operating expenses, the most significant being the increased costs of labor and equipment maintenance. Allegedly, the increased revenue sought will enable applicant to continue its service to the public at current levels. Applicant's rates were last adjusted March 20, 1982. Applicant has applied all previously granted authority to increase its rates and may not make further increase adjustments without the Commission's approval.

Valley has prepared financial data for a 12-month test period ending September 30, 1983. From that data, the staff has prepared a comparison of the applicant's financial position using the present costs being experienced compared with revenue earned in fiscal year 1982-83 and with the projected fiscal year 1983-84 revenue, including the sought increase.

: <u>Test Year Ending September 30, 1984</u> :		
	<u>Present Rates</u>	<u>Proposed Rates</u>
	<u>(1982-83)</u>	<u>(1983-84)</u>
Revenue	\$1,753,260	\$1,805,858
Expenses Revised to Reflect Current Costs	1,791,770	1,791,770
Profit or (Loss)	(38,510)	14,088
Operating Ratio	102.2	99.2

The sought increase would increase Valley's California intrastate annual gross revenue by approximately \$52,598.

The application and amendments were listed on the Commission's Daily Calendars of October 26, 1983, January 12 and March 20, 1984, respectively. No protest to the granting of the application, as amended, 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 March 20, 1982. Since then it has experienced increases in operating expenses, the most significant being the increased costs of labor and equipment maintenance.

2. Under the sought increase, applicant estimates it will realize additional revenue of about \$52,598.

3. The increases in Valley's rates and charges have been shown to be 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.

Conclusions of Law

The application, as amended, should be granted.

O R D E R

IT IS ORDERED that:

1. Valley Parcel Service, Inc., is authorized to increase by 3% the rates and charges in its adopted Commission Transition Tariffs 1-B, 2, 15, and 19.

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. Valley Parcel Service, Inc., in establishing and maintaining the rates 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.

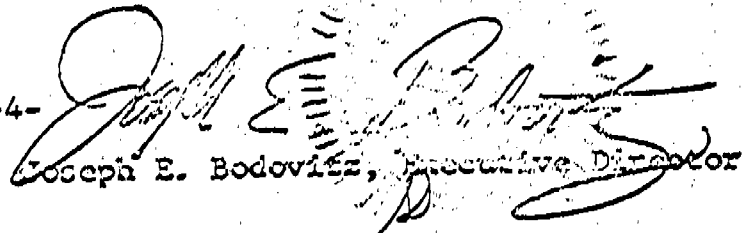
This order becomes effective 30 days from today.

Dated MAY 2 1984, at San Francisco, California.

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

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

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Joseph E. Bodovitz, Executive Director