

T/JRE/ARM/WPSC

Decision 84 67 032

JUL 5 1984

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of R.S. Greitz, Tariff)
 Issuing Officer of Pacific Motor)
 Tariff Bureau, Inc. on behalf of)
 Con-Way Western Express, Inc.,)
 authorizing an increase in rates in)
 Pacific Motor Tariff Bureau, Inc.,)
 Tariffs 100, 125, 250, and 550, also)
 Con-Way Western Express, Inc.,)
 Tariff 501, Cal. P.U.C. No. 1)
 containing rates of this common)
 carrier for the transportation of)
 commodities and the performance of)
 specified services related thereto.)

Application 84-02-23
 (Filed February 9, 1984)

-And-)

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

O P I N I O N

By this application, R.S. Greitz, Tariff Issuing Officer of Pacific Motor Tariff Bureau, Inc., Agent (PMTB), on behalf of Con-Way Western Express, Inc. (Con-Way) seeks authority to make effective immediately, general increases of 23% in its rates as published by PMTB in the following tariffs:

Tariff No. 100, Cal. P.U.C. No. 4;
 Tariff No. 125, Cal. P.U.C. No. 2;
 Tariff No. 250, Cal. P.U.C. No. 3; and
 Tariff No. 550, Cal. P.U.C. No. 1;
 also
 Con-Way Western Express, Inc. Tariff
 No. 501, Cal. P.U.C. No. 1.

These tariffs provide class and commodity rates and related rules and conditions applicable to the transportation of general commodities.

Con-Way's Tariff 501, Cal. P.U.C. No. 1, is a proposed new tariff that is the subject of a proceeding in Application (A.) 83-06-43 that is pending before the Commission. Since Tariff 501 is not yet approved for filing with the Commission, any increase requested in rates for that tariff is premature. It will not be included in the ensuing order.

As justification for the proposed rate increase, Con-Way cites increases in operating expenses, the most significant being the increased costs of labor and payroll taxes. Since beginning operations May 16, 1983, Con-Way has been assessing charges at the transition tariff level. Con-Way acquired the operating rights of De Anza Delivery Systems, Inc. through transfer dated April 11, 1983 in Resolution 18140. De Anza had been performing transportation services at the transition tariff level. These tariff rates have not been adjusted since April, 1980.

It is Con-Way's intent initially to publish any increases granted by this application in supplemental form and then to incorporate the increases into specific rates as soon thereafter as possible.

Reginald Clark
7-5-84

Con-Way will apply the proposed 23% increase as follows:

Rules, including Minimum Charges	18%
Class rates (AQ)	18%
1,000 pounds minimum weights (Los Angeles Metropolitan Zone)	23%
2,000 and 5,000 pounds minimum weights	15%
On minimum weights of 10,000 pounds and higher	3%

Con-Way has prepared financial data for a three-month test period ending October 31, 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 the three-month test period ending October 31, 1983 and the projected three-month test period ending October 31, 1984.

Test Three-Month Period Ending
October 31, 1984

	<u>Present Rates</u>	<u>Proposed Rates</u>
Revenue	\$ 3,294,044	\$ 4,051,674
Expenses Revised to Reflect Current Costs	3,693,443	3,693,443
Profit (Loss)	(399,399)	358,231
Operating Ratio	112.1	91.2

The application was listed on the Commission's Daily Transportation Calendar of February 17, 1984. No protest to the granting of the application has been received.

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

Findings of Fact

1. Con-Way has experienced increases in operating expenses.
2. The assessment of a 23% increase in Con-Way's Tariff 501, Cal. P.U.C. No. 1 would necessitate another rate increase application by Con-Way because Tariff 501 is the subject of a pending application and is not currently in effect.
3. Under the sought 23% increase, Con-Way estimates that it will realize additional revenue of \$757,630.
4. The increases resulting from this proposal are justified.
5. Authority to depart from the provisions of PU Section 461.5 is justified.
6. The following order has no reasonably foreseeable impact on the energy efficiency of highway common carriers.
7. A public hearing is not necessary.
8. The effective date of this order should be today since there is no reason to delay the increase.

Conclusion of Law

The application should be granted.

O R D E R

IT IS ORDERED that:

1. R.S. Greitz, Tariff Issuing Officer of Pacific Motor Tariff Bureau, Inc., Agent, on behalf of Con-Way Western Express, Inc., is authorized to increase its rates by 23% as specifically proposed in the body of this opinion.

2. The request by applicant to assess a 23% increase in Con-Way's Tariff 501, Cal. P.U.C. No. 1 is denied.

3. 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.

4. Con-Way Western Express, 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.

5. The application is granted as set forth above.

This order is effective today.

Dated JUL 5 1984, at San Francisco, California.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO

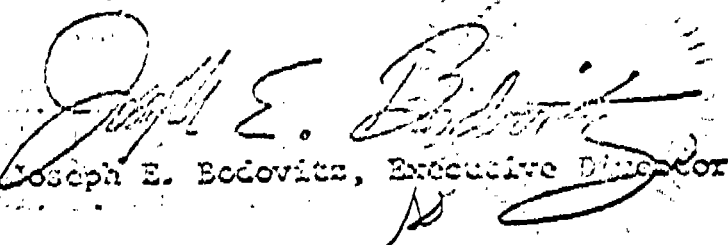
FRISCILLA C. CREW

DONALD VIAL

WILLIAM T. BAGLEY

Commissioners

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


Joseph E. Bodovitz, Executive Director