

ORIGINAL

Decision 87 11 001

NOV 5 1987

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application )	
of Pacific Messenger Service, Inc. )	Application 87-08-013
seeking authority to increase )	(Filed August 6, 1987;
rates and charges in PMSQ Tariff 3, )	amended October 7, 1987)
CA PUC 2. )	

O P I N I O N

Pacific Messenger Service, Inc. (Pacific), a California corporation, with authority to transport general commodities as a highway common carrier, seeks authority to increase by 5% the rates and charges published in its PMSQ Tariff 3, CA PUC 2. This tariff names rates applicable to the transportation of general commodities in packages weighing 70 pounds or less, between certain points in Southern California.

Pacific has not previously sought authority to increase the rates named in its PMSQ Tariff 3, since the tariff became effective January 19, 1981. Also, the rates in this tariff which represent 69% of Pacific's total revenue were not adjusted by the now expired 3% (insurance) increase authority granted by Decision (D.) 86-05-033, dated May 7, 1986, which was a permissive rate increase granted to all highway common carriers.

Pacific asserts that additional revenue is required to offset increased operating expenses, the most significant being the increased costs of equipment, other fixed and running expenses and overhead.

Applicant has furnished financial data for the 12-month period ending May 31, 1987, setting forth actual revenue and expenses as well as projected results under the proposed rates. From that data, the staff has prepared a comparison of Pacific's financial position using current costs in conjunction with current and proposed revenues.

	<u>Test Period Ending May 31, 1988</u>	
	<u>Present Rates</u>	<u>Proposed Rates</u>
Revenue	\$2,221,796	\$2,298,448
Current Expenses	2,227,190	2,227,190 <u>1/</u>
Profit (Loss)	(5,394)	71,258
Operating Ratio	100.2	96.9

The operating ratio of 96.9 is reasonable.

The application and amendment were listed on the Commission's Daily Transportation Calendars of August 14 and October 14, 1987. No protest to the granting of the application, as amended, has been received. The application was not filed under authority granted pursuant to Section 496 of the Public Utilities (PU) Code.

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1/ Pacific's PMSO Tariff 3 represents 69% of its total revenue or \$1,533,039. The proposed rates reflect a 5% increase of that amount.

Findings of Fact

1. Pacific has experienced increases in operating expenses.
2. Pacific requests authority to increase its rates and charges by 5%.
3. It is estimated that the proposed rates will increase Pacific's annual revenue by \$76,652.
4. The increases resulting from this proposal are justified.
5. A public hearing is not necessary.

Conclusions of Law

1. The application, as amended, should be granted.
2. This order should be made effective today, since there is an immediate need for rate relief.

O R D E R

IT IS ORDERED that:

1. Pacific Messenger Service, Inc., is authorized to increase its tariff rates and charges by 5% for the transportation of general commodities in packages, as specifically provided in the body of the opinion.
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. Pacific Messenger 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.

4. This authority shall expire if not exercised within 60 days of the effective date of this order.

5. The application, as amended, is granted as set forth above.

6. This order is issued pursuant to Section 308 of the Public Utilities Code and Resolution TS-678.

This order is effective today.

Dated NOV 5 1987, at San Francisco, California.

*P. J. Trahan*

for NORMAN KELLEY, Director  
Transportation Division

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

*Victor Weiser*  
Victor Weiser, Executive Director