

Decision 88 01 026 JAN 26 1988

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application Con-Way )  
Western Express, Inc., for authority )  
pursuant to Section 454 of the Public )  
Utilities Code to increase rates and )  
charges in Tariff CWWE 200 and PMTB 125, )  
of which this carrier is party thereto, )  
for this carriers (sic) participation )  
only, containing rates and charges of )  
this carrier for the transportation of )  
commodities and the performance of )  
specified services related thereto )

Application 87-12-029  
(Filed December 14, 1987)

-AND-

For authority to depart from the terms )  
of Sections 460 and 491 of the Public )  
Utilities Code in publishing. )

O P I N I O N

Con-Way Western Express, Inc. (Con-Way), seeks authority to increase its common carrier rates and charges by 7% in the following tariffs:

- Con-Way Western Express, Inc. Tariff CWWE 200
- Pacific Motor Tariff Bureau Rules Tariff 125

Con-Way's last rate increase was in accordance with Resolution TS 679 which mandated a 1.2% increase in all rates and charges not subject to a minimum weight of 10,000 pounds or more, in CWWE 200 effective July 22, 1987, and in PMTB 125 effective August 30, 1987. Con-Way did not apply the permissive 0.7% increase under Resolution TS 679 to rates and charges subject to a minimum weight of 10,000 pounds or more.

Con-Way asserts that additional revenue is required to offset increased operating expenses, resulting primarily from increased labor and equipment costs.

Applicant has furnished financial data for the 12-month period ending December 31, 1986, setting forth actual revenue and expenses as well as projected results under the proposed rates. From this data, the staff has prepared a comparison of Con-Way's financial position using current costs in conjunction with current and proposed revenue:

	<u>Test Period Ending December 31, 1987</u>	
	<u>Present Rates</u>	<u>Proposed Rates</u>
Revenue	\$ 49,799,998	\$ 52,072,870
Current Expenses	47,473,609	47,473,609
Profit	2,326,389	4,599,261
Operating Ratio	95.3	91.2

The operating ratio of 91.2 is reasonable.

The application was listed on the Commission's Daily Transportation Calendar of December 22, 1987. No protest to the granting of the application has been received. The application was not filed under authority granted pursuant to Section 496 of the Public Utilities Code.

Con-Way made a minor revision to Application 87-12-029 to reflect proper revenue and expense allocation. The revision is explained in a letter to the Commission dated January 14, 1988.

By letter which the Commission received on January 15, 1988, Con-Way indicates there is an immediate need for rate relief, and requests that the increase authority being sought be made effective on less than 30 days' notice.

Findings of Fact

1. Con-Way Western Express, Inc., has experienced increased operating expenses.
2. Con-Way is seeking a 7% rate increase.

3. Con-Way implemented the mandatory 1.2% increase on all rates and charges not subject to a minimum weight of 10,000 pounds or more in CWWE 200 effective July 22, 1987, and in PMTB 125 effective August 30, 1987.

4. The proposed rates would increase Con-Way's annual revenue by approximately \$2,272,872.

5. The increases resulting from this proposal are justified.

6. A public hearing is not necessary.

Conclusions of Law

1. The application 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. Con-Way Western Express, Inc., is authorized to increase its rates and charges as specifically set forth 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. Con-Way Western Express, Inc., in establishing and maintaining 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.

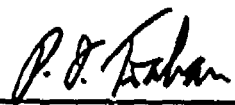
4. This authority shall expire if not exercised within 60 days of the effective date of this order.

5. The application 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 JAN 26 1988, at San Francisco, California.

  
for NORMAN KELLEY, Director  
Transportation Division

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

  
Victor Weisberg, Executive Director