

Decision 88 04 020 APR 13 1988

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Michael Earle McBain)
doing business as Central Courier)
Service for authority to increase)
rates in Local Freight Tariff No. 1)
containing rates of this common)
carrier for the transportation of)
commodities and the performance of)
special services related thereto.)

-AND-

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

Application 88-01-016
(Filed January 20, 1988)

O P I N I O N

Central Courier Service (Central) seeks authority to increase by 5% to 33% rates and charges in its Local Freight Tariff No. 1, CAL PUC No. 1 as follows:

- a) Item 155 - Special Rush Service
from \$1.15/mile to \$1.25/mile
- b) Item 155 - Rush Service
from \$1.00/mile to \$1.05/mile
- c) Item 155 - Regular Service
from \$0.80/mile to \$0.85/mile
- d) Item 155 - Minimum Mileage
from 7 miles to 8 miles
- e) Item 270 - Waiting Time
from \$0.25/minute to \$0.30/minute
- f) Item 325 - Extra Stops
from \$3 to \$4,
from \$6 to \$8, and
from \$9 to \$12, (depending on the number of
miles from the basing point).

The total weighted average of the increase is 6.844 percent which is estimated to produce a revenue increase of \$2,422 annually.

Applicant states that the increase is necessary to offset increased labor and insurance costs. Central's last rate increase authorized by the Commission became effective in March 1986.

Central has furnished its financial data for the 12 month period ending December 31, 1986, on its rate regulated operation,¹ 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 Central's financial position using current costs in conjunction with current and proposed revenue.

	<u>Test Period Ended December 31, 1987</u>	
	<u>Present Rates</u>	<u>Proposed Rates</u>
Revenue	\$35,416	\$37,838
Expenses	33,766	33,766
Profit	1,650	4,072
Operating Ratio	95.3	89.2

The operating ratio of 89.2 is reasonable.

The application was listed on the Commission's Daily Transportation Calendar of January 25, 1988. 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.

Central provided a letter to the Commission, received on March 2, 1988, specifying the rates being increased by tariff item number, and the amount of the increases.

¹ Central performs substantial courier service operations pursuant to the Commission's document entitled "Commodities and Geographic Areas Exempt from Rate Regulation." Therefore, total revenue of the carrier from all transportation operations during 1986 is reported to be \$198,519, with total operating expenses of \$178,417, giving an overall operating ratio of 89.9%.

Findings of Fact

1. Central has experienced increased operating expenses.
2. Central is seeking increases resulting in a 6.84% increase in its annual revenue.
3. Central was granted its last rate increase in March, 1986.
4. The proposed rates will increase the applicant's annual revenue by approximately \$2,422.
5. The increases resulting from this proposal are justified.
6. A public hearing is not necessary.

Conclusion of Law

1. The application should be granted.

O R D E R

1. Central Courier Service 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 and on not less than 5 days' notice to the Commission and to the public.
3. Central Courier Service, 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 justified 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.

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

5. The application is granted as set forth above.

This order becomes effective 30 days from today.

Dated APR 13 1988, at San Francisco, California.

STANLEY W. HULETT
President
FREDERICK R. DUDA
G. MITCHELL WILK
JOHN B. OHANIAN
Commissioners

Commissioner Donald Vial, being necessarily absent, did not participate.

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

Victor Weiden
Victor Weiden, Executive Director