

ORIGINAL

Decision 88 12 002 DEC 5 1988

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application )	
of Pacific Messenger Service, Inc. )	
(T-99722), seeking authority to )	Application 88-10-016
publish tariff provisions result- )	(Filed October 7, 1988)
ing in increases in its Tariff )	
PMSQ 3, CA PUC 2. )	

OPINION

Pacific Messenger Service, Inc. (Pacific), seeks authority to increase by 4% its rates and charges on pages 7, 13 and 14 of its PMSQ Tariff 3, CA PUC 2, relating to collect on delivery shipments and parcel rates and charges, as set forth in Exhibit "A" of the application.

Pacific's rates in this tariff were last increased by 5% pursuant to authority granted by Decision 87-11-001, dated November 5, 1987.

Pacific states that the increase is not only minimal but also absolutely necessary to continue the existence of its service which commenced 78 years ago. Applicant further states that due to commodity exemptions, gypsy and proprietary operations, less than a handful of regulated parcel carriers currently operate resulting in a highly competitive rate arena.

Pacific has furnished financial data for the 12-month period ending August 31, 1988, 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 projected costs in conjunction with current and proposed revenues:

	<u>Test Period Ending August 31, 1989</u>	
	<u>Present Rates</u>	<u>Proposed Rates</u>
Revenue	\$1,703,200*	\$1,771,328
Projected Expenses	1,765,764	1,765,764
Profit (Loss)	(62,564)	5,564
Operating Ratio	103.7	99.7

\* This amount represents 69% of the total revenue of \$2,468,406 for the revenue earned from parcel rates and charges in Pacific's PMSQ Tariff 3.

The application was listed on the Commission's Daily Transportation Calendar of October 13, 1988. No protest to the granting of the application has been received.

Findings of Fact

1. The increase sought by Pacific is minimal but also necessary for applicant to continue its service and be competitive with other parcel carriers.

2. Pacific's last increase for the rates in PMSQ Tariff 3 was a 5% increase authorized by Decision 87-11-001, dated November 5, 1987.

3. Pacific is seeking a rate increase of 4% in its rates and charges on Pages 7, 13 and 14 of PMSQ Tariff 3 as set forth in Exhibit "A" of the application.

4. The proposed rates would increase Pacific's annual revenue by approximately \$68,128.

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.

ORDER

IT IS ORDERED that:

1. Pacific Messenger Service, Inc., is authorized to increase its rates and charges by 4% in its PMSQ Tariff 3, CA PUC 2, as specifically stated 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 Public Utilities 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 will 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 DEC 5 1988, at San Francisco, California.

  
Kenneth K Henderson, Director  
Transportation Division

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

  
Victor Weiss, Executive Director