

Decision 89 12 062 DEC 29 1989

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 Con-Way Western Express, Inc., for)
 Authority Pursuant to Section 454 of)
 the Public Utilities Code to Increase)
 Rates and Charges Shown in Tariff)
 CWWE 200, CA PUC 10, and PMTB 125,)
 CA PUC 2, of which this Carrier is)
 Party Thereto, for this Carrier's)
 Participation Only, Containing Rates)
 and Charges for the Transportation of)
 General Commodities and the Perfor-)
 mance of Specified Services Related)
 Thereto and to Depart from the Terms)
 of Sections 460, 461.5, and 491 of)
 the Public Utilities Code.)

ORIGINAL

Application 89-11-014
(Filed November 15, 1989)

OPINION

Con-Way Western Express, Inc. (Con-Way) seeks authority to increase the minimum charges contained in Tariffs CWWE 200, CA PUC 10 and Pacific Motor Tariff Bureau (PMTB) 125, CA PUC 2 respectively, by 15% and an increase of 10% on all other rates and charges contained in Tariffs CWWE 200, CA PUC 10 and PMTB 125, CA PUC 2.

Con-Way's last rate increases were in amounts of 8%, authorized by Decision 88-01-078, dated December 19, 1988, and 2.9%, based upon changes in the Truck Freight Cost Index (TFCI), ordered by Resolution TS 684 effective October 11, 1989.

Con-Way asserts that since those rate increases, it has experienced increases in labor and other operating expenses. For example, during 1988, wage increases of 6.2% for salaried and 8.8% for hourly employees were required. Furthermore, in an effort to reduce driving time, reduce total fleet mileage and improve customer service, Con-Way has purchased \$23,133,000 worth of real property, improvements and equipment to improve and expand several of its California terminals. Costs have increased as a result of compliance with new and developing air quality and traffic congestion regulations. Substantial additional increased operating costs are expected.

Con-Way has furnished recorded and pro forma financial data for the 12-month period ending December 31, 1988, setting forth actual revenues and expenses as well as projected results under the proposed increases. These data, indicate that the carrier will realize approximately \$3,207,000 in new California intrastate revenue if its request is granted, resulting in an overall before tax operating ratio of 88.6 and an overall operating ratio of 96.5 after tax and interest expense is considered.

The application was listed on the Commission's Daily Transportation Calendar of November 27, 1989. No protest to the granting of the application has been received. The company states there is an immediate need for rate relief, and requests that its application be granted by ex parte action on less than 30 days' notice, so that the increase may be implemented on January 1, 1990.

Findings of Fact

1. Con-Way has experienced further increased operating expenses since last receiving authority to increase its intrastate rates and charges.
2. Con-Way seeks an increase of 15% in minimum charges contained in Tariffs CWWE 200, CA PUC 10 and PMTB 125, CA PUC 2 and an increase of 10% on all other rates and charges contained Tariffs CWWE 200 and PMTB 125.
3. The application, if granted, would increase Con-Way's intrastate revenues by \$3,207,000 annually.
4. The increases resulting from this decision are justified.
5. A public hearing is not necessary.

Conclusions of Law

1. The application should be granted.
2. This order should be effective today, since there is an immediate need for rate relief.
3. A public hearing is not necessary.

ORDER

IT IS ORDERED that:

1. Con-Way Western Express, Inc. (Con-Way) 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 1 day after the effective date of this order on not less than 1 days' notice to the Commission and to the public.

3. Con-Way, in establishing and maintaining 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. The authority granted herein shall expire if not exercised within 60 days after 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 29 1989 at San Francisco, California.

William R. Schulte
WILLIAM R. SCHULTE, Director
Transportation Division

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

Wesley Franklin

- 3 WESLEY FRANKLIN, Acting Executive Director
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