

ORIGINAL

Decision 90 03 048 MAR 19 1990

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 publish tariff) Application 90-02-017
provisions resulting in increases in its) (Filed February 7, 1990)
Tariff PMSQ 3, CA PUC 2.)

O P I N I O N

Pacific Messenger Service, Inc. (Pacific) conducts operations as a highway common carrier under authorities issued by this Commission. Pacific requests authority to increase the rates and charges for parcel service in its PMSQ Tariff 3, CA PUC 2. Pacific proposes to publish increases in parcel rates and additional service charges on; (1) Collect on Delivery Charge Per Shipment, (2) Proof of Delivery or Pickup Per Service, and (3) Pickup Service Charge Per Week, as set forth in Exhibit "A" of the application. While the percentage of increase varies by each rate and each service, the projected overall increase in revenue is approximately 8%. Pacific's last rate increase was 4% granted in Decision 88-12-002 effective January 1, 1989.

Pacific has stated by letter dated February 22, 1990 that it has experienced increases in wages, workman's compensation, group insurance, payroll taxes, and truck expenses. Pacific has furnished financial data for the 12-month period ending December 31, 1989, 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 applicant's financial position using projected costs in conjunction with current and proposed revenue:

	<u>Test Period Ending December 31, 1991</u>	
	<u>Present Rates</u>	<u>Proposed Rates</u>
Revenue	\$1,641,462*	\$1,773,817
Projected Expenses	1,717,322	1,717,322
Profit (Loss)	(75,860)	56,495
Operating Ratio	104.6	96.8

*This amount represents 69% of the total revenue of \$2,378,930 and 100% of 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 February 14, 1990. No protest to the granting of the application has been received.

Findings of Fact

1. Pacific is seeking increases for specific rate items that would result in a 8% increase in its operating revenue.
2. Pacific's rates were last increased January 1, 1989 by authority of Decision 88-12-002.
3. Pacific has experienced increases in operating expenses.
4. The proposed rates will increase Pacific's annual revenue by approximately \$132,355.
5. The increases resulting from this proposal are justified.

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.
3. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Pacific Messenger Service, Inc. is authorized to increase its rates and charges in its PMSQ Tariff 3, CA PUC 2, 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 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 (PU) Code 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 PU Code and Resolution TS-678.

This order is effective today.

Dated MAR 19 1990, 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

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Neal J. Shulman
NEAL J. SHULMAN, Executive Director
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