

Decision No. 8338

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application
of PICKWICK STAGES, INC., UNITED
STAGES, INC. and WHITE STAR AUTO
STAGES for an order granting per-
mission to increase certain pas-
senger fares on one day's notice.

Application No. 6071.

H. W. Kidd and Warren Libby for
Pickwick Stages, Incorporated, and
White Star Auto Stages.

S. W. Thompson for United Stages, Inc.

Jess Stephens and H. S. Payne for
Board of Public Utilities of the City
of Los Angeles.

BY THE COMMISSION:

O P I N I O N

Applicants join in requesting authority
to increase passenger fares on their automobile stage
lines between various points in Southern California.
They are each asking horizontal increases of substantially
15% in all rates and are asking that rates in territory
served by each shall be uniform and the same in amount
as any rates which may be granted to Motor Transit Company
under its Application No. 5897, in any territory served
by either of applicants and Motor Transit Company.

Applicants join in the above application because they each serve between San Diego and El Centro via Coyote Wells. Each applicant states that the rates requested are designed to cover operating expenses without providing return upon investment.

A public hearing upon the application was held by Examiner Westover at Los Angeles.

Applicant, Pickwick Stages, Inc. operates lines between Los Angeles and San Diego via the Coast route; between Los Angeles and San Diego via Riverside, Perris and Fallbrook; between San Diego and El Centro via Coyote Wells; a separate line between San Diego and El Centro via Descanso; also a line between Brawley and Calexico through El Centro and a line between San Diego and Julian via Foster and Ramona.

At the hearing it presented exhibits showing for the period October 1, 1919, to May 31, 1920, gross revenue of \$140,340.85 with operating expenses of \$146,212.28 or an operating deficit of \$5,871.42; that since beginning of the period cost of repairs and gasoline and oil have increased 30% and tires and tubes 25%, while rental of leased cars, drivers wages and overhead expenses have increased 10%. Applying these percentages and the 15% increase in rates to gross revenue and operating expenses for the period referred to would indicate an operating deficit for the period in question of \$564.24 when adjusted for errors in computation.

United Stages, Inc. operates a line between Los Angeles and Santa Barbara via Ventura; between Los Angeles and Oxnard via Newhall, Santa Paula and Saticoy; between Riverside and Blythe via Banning and Mecca; between Los Angeles and San Diego via Coast route; between San Diego and

El Centro via Coyote Wells and a line between Niland and Calexico through El Centro.

The testimony shows for the six months period January 1st to June 30, 1920 revenue of \$154,227.90 with operating expenses of \$154,488.91, resulting in an operating deficit of \$261.01 for the period. It also shows that since the beginning of the period the cost of repairs, gasoline, oil and tires have increased 30%, rental of leased cars and drivers' wages 15%, and overhead expenses 10%. These percentages applied to operating costs for the period with a 15% increase applied to the gross revenue, it shows by one of its exhibits would have resulted in an operating deficit of \$3,343.58 for the period.

White Star Auto Stages, operates a line between San Diego and El Centro via Coyote Wells. Its testimony showed for the eight months period October 1, 1919 to May 31, 1920, gross revenue of \$30,210.58 with operating expenses for the period of \$30,239.18, resulting in an operating deficit for the period of \$28.60 with an increase of 10% in operating costs for leased cars, drivers' wages and expenses.

Applying the 15% increase requested to gross revenue, and the 10% increase to operating expense for the period referred to, would have produced a net operating revenue of \$1,479.08.

For the guidance of transportation companies who contemplate applying for increases or adjustment of rates in the future, we call attention to several particulars in which the present application and its presentation are unsatisfactory. In the first place the parties are not united in interest and are not seeking the same relief. They are operating in different territories by different methods and under somewhat different conditions. We consider it better practice for each applicant to file a separate application and make a separate showing. If the testimony in one is applicable to the other the Commission can arrange to set them for hearing together.

Secondly, tabulations showing revenue and operating expenses by lengthy periods not very recent are not wholly satisfactory in a critical study of operating conditions for the reason that such lengthy periods do not fairly show the effect of increases or reductions in operating expenses from time to time nor the effect of seasonal travel or of inclement weather. Operating results should be shown by months or by seasonal periods or by periods closely related to increases or decreases in operating expenses or in travel or revenue.

In this instance we are granting the increases sought because we are satisfied that a substantial emergency exists and that a denial of the application might result in decreased ability to properly serve the public. The rates as thus increased are generally speaking somewhat lower than corresponding rail rates in territories where both rail and stage carriers serve.

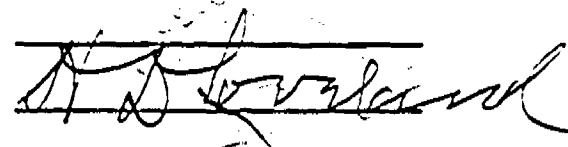
The rates applied for in the Los Angeles-Santa Barbara territory are the same as those authorized by Decision No. 8152 of September 25th upon application of Pickwick Stages, Northern Division, upon Application No. 6037.

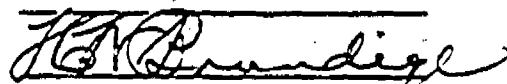
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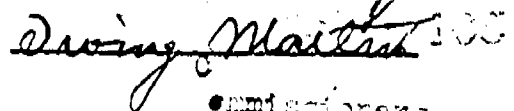
Pickwick Stages, Inc., United Stages, Inc. and White Star Auto Stages having applied to the Railroad Commission for authority to increase their respective rates, a public hearing having been held upon said application and the Commission being fully advised in the premises,

IT IS HEREBY ORDERED that said Pickwick Stages, Inc. United Stages, Inc. and White Star Auto Stages be and they are each respectively hereby authorized to establish on one day's notice by publication, posting and filing, with the Railroad Commission a new tariff of passenger fares as set forth in Exhibit "A" attached to and made part of the above Application No. 6071, except that rates between Los Angeles and San Diego and intermediate points shall be those authorized by the order upon Application No. 5897 of Motor Transit Company.

Dated at San Francisco, California, this
15th day of November, 1920.







Commissioners