

ORIGINALDecision No. 60517

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Eureka-Redding Stages, Inc., for authority to increase rates and charges applicable to the transportation of passengers.)
) Application No. 42188

OPINION AND ORDER

Eureka-Redding Stages, Inc., operates as a passenger stage corporation between the cities of Eureka and Redding. Applicant also transports express between these points. By this application, filed April 22, 1960, an increase of approximately ten percent in passenger fares is sought. No change is proposed in the express rates.

A transportation engineer on the Commission's staff made a study of applicant's operations, which study is hereby made a part of this record and identified as Exhibit No. 1.

Service between the above cities and to intermediate communities is conducted over U. S. Highways 299 and 101, and is on a daily basis in each direction during the summer period of June through September. During the remainder of the year, three round trips are made each week. A one-way trip consumes five hours from terminal to terminal. Applicant commenced operations in February 1952, under authority granted by Decision No. 46733, and the present passenger rates have been in effect since September 1956. Present express rates, which are not proposed to be changed, have been in effect since August 1953.

Applicant proposes to increase passenger fares, which vary from 20 cents to \$5.65 depending on the length of the trip, by the addition of 10 percent to the present fares, and to increase the minimum one-way adult or children's fare from 20 cents to 25 cents.

The following table shows the estimated operating results under the present fares and the proposed fares, for a future 12-month period, as prepared by the applicant and by the staff engineer.

	<u>Present Fares</u>		<u>Proposed Fares</u>	
	<u>Applicant</u>	<u>Staff</u>	<u>Applicant</u>	<u>Staff</u>
Revenue	\$20,841	\$22,990	\$22,154	\$24,310
Expenses	<u>23,441</u>	<u>27,750</u>	<u>23,441</u>	<u>27,900</u>
Net Loss	\$ 2,600	\$ 4,760	\$ 1,287	\$ 3,590

Although the estimates prepared by the applicant and by the staff differ to a slight degree, they both reach the conclusions that expenses will exceed the revenues under either the present or the proposed fares. The application shows that this operation has been conducted at a loss since 1955.

The public has been informed of applicant's proposal to increase passenger fares. Local authorities were notified by being served copies of the application. Public notice was given by announcements posted in the buses and terminals. No protests have been received. The City of Redding supports the granting of the fare increase.

It is clear that immediate relief is necessary and that granting of the sought increase will not enable applicant to operate at a profit but will just reduce the loss to some extent. In the circumstances, the Commission is of the opinion and finds that the proposed fare increase is justified. The application will be granted. A public hearing is not necessary.

In view of the operating loss being experienced, applicant will be authorized to establish the increased fares on five days' notice and the order which follows will be made effective in ten days.

Therefore, good cause appearing,

IT IS ORDERED:

1. That Eureka-Redding Stages, Inc., be and it is hereby authorized, on not less than five days' notice to the Commission and to the public, to establish the increased fares proposed in Application No. 42188.

2. That, in addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in its buses and terminals a printed explanation of the fare increase. Such notice shall be posted not less than five days before the effective date of the fare change and shall remain posted until not less than twenty days after said effective date.

3. That the authority granted in paragraph 1 above shall expire unless exercised within sixty days after the effective date of this order.

The effective date of this order shall be ten days after the date hereof.

Dated at San Francisco, California, this 2nd day of August, 1960.

[Signature]
 President

[Signature]

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 Commissioners