

**ORIGINAL**Decision No. 70537

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 and express.

Application No. 48089  
(Filed December 2, 1965)

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 increases of approximately ten percent in passenger fares and approximately 35 percent in express rates are sought.

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 as Exhibit No. 1.

Service between the above cities and to intermediate communities is conducted over U. S. Highways 299 and 101. Three round trips are made each week. A one-way trip consumes approximately 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 October 1960. Present express rates have been in effect since August 1953.

Applicant's proposed passenger fares and express rates are set forth in detail in the application. The proposed increase in passenger fares is ten percent except that the minimum fare would be increased from \$0.25 to \$0.30. The proposed increase in express rates ranges from 35 to 45 percent with an increase in the minimum rate from \$0.75 to \$1.00. Applicant also proposes to eliminate from its tariff certain fare points no longer in existence due to dam construction and highway relocation.

The following table shows applicant's estimates of operating results under present fares and proposed fares for the calendar year 1966:

	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenue:		
Passenger	\$17,939	\$19,338
Express	<u>2,127</u>	<u>2,727</u>
Total Revenues	\$20,066	\$22,065
Expenses	<u>27,266</u>	<u>27,526</u>
Net Loss	\$ 7,200	\$ 5,461
Operating Ratio	135.8%	124.7%

The above expenses include an allowance for equipment rental of \$7,277, based on 15 cents a mile, although no charge is actually made by Mt. Hood Stages, Inc. for the lease of the bus. If this allowance is deleted, present fares would result in net income of \$77, and proposed fares would result in net income of \$1,816.

Exhibit No. 1 does not include either bus rental or depreciation expense for the bus. No rental is recorded on applicant's books as the bus has been fully depreciated on the books of the owner, Mt. Hood Stages, Inc. The stockholders of Eureka-Redding Stages, Inc. also own stock in Mt. Hood Stages, Inc.

Applicant's records do not include any charges for management. Using an allowance of \$150 per month for management, the staff study shows that the results of operations under present fares would result in an operating ratio of 102 percent. Results of operations under proposed fares will produce a net income of \$1,110 and an operating ratio of approximately 95 percent (after provision for income tax).

The public has been informed of the applicant's request to increase passenger fares and express rates. Copies of the application have been sent to the Counties of Humboldt, Trinity and Shasta, and the Cities of Eureka and Redding. Announcement by public notice has been posted in the terminals at Eureka and Redding, and in the bus. No protests have been received.

It is clear, and the Commission finds, that under present fares and charges, applicant will not receive sufficient revenues to continue to provide a satisfactory service. We also find that proposed fares and charges will not result in excessive income; that the resultant increases are justified; and that the fare points of Essex and Redwood Creek should be eliminated from Local Passenger Tariff No. 8 Cal. P.U.C. No. 6 as those fare points no longer serve any practical purpose. We conclude that the application should be granted. A public hearing is not necessary.

Therefore, good cause appearing,

IT IS ORDERED that:

1. Eureka-Redding Stages, Inc. is hereby authorized, on not less than ten days' notice to the Commission and to the public, to establish the increased fares and charges proposed in Application No. 48089, and to eliminate certain fare points from its tariff as indicated in Exhibit "C" of said application.

2. 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. 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 5<sup>th</sup> day of APRIL, 1966.

Frederick B. Helshoff  
President

George T. Grover

August

William A. Benick  
Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.