

Decision No. 81136**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 KERNVILLE STAGE AND FREIGHT LINES)
 OF CALIFORNIA, a corporation, for)
 an order authorizing schedules of)
 increased rates and charges for the)
 transportation of passengers and)
 express.)

Application No. 53692
 (Filed November 15, 1972)

O P I N I O N

Kernville Stage and Freight Lines of California, a corporation, is a passenger stage corporation and a highway common carrier with operations upon and along the route between Bakersfield, Kernville, and Onyx serving all intermediate points. It here seeks authority to increase passenger fares and express rates. Notice of the proposed increases in fares and rates was served pursuant to Rule 24 of the Commission's Rules of Procedure, and in addition, notices were posted by applicant in all passenger buses and at all passenger terminals. No protests or communications other than from applicant have been received by the Commission concerning this application.

The present passenger fares and express rates have remained in effect since 1962. Applicant asserts that said fares and rates are substantially below those charged by other passenger stage corporations for similar service and that the present passenger fares have contributed only one percent and the express rates only three percent of applicant's total revenues. The increased passenger fares it proposes are approximately double the present fares. The present minimum fare is 30 cents and the proposed minimum is 60 cents; the maximum fare, which is for passage between Bakersfield and Onyx

(78 constructive miles), is presently \$1.70 and the proposed fare is \$3.32. Applicant's proposed fare structure is based upon 5.0¢ per mile up to 25 miles, 4.5¢ per mile up to 50 miles, and 4.25¢ per mile over 50 miles with round-trip fares at 180 percent of the one-way fares. This fare structure comports generally with the fare structures authorized Greyhound Lines, Continental Trailways, Inc., American Buslines, Inc., and other major passenger stage corporations operating in California.^{1/}

Applicant's proposed charges for express shipments are identical to those maintained by Greyhound and other major passenger stage corporations. They represent increases ranging from 70 percent to almost 400 percent. The principal reason for the larger increases is that applicant's present express rates are \$1.00 per shipment of less than 15 pounds and \$1.05 per shipment weighing between 15 pounds and 100 pounds regardless of distance. The proposed express rate structure provides different rates for each 10 pounds of weight for distances in multiples of 25 miles.

^{1/} Applicant uses a different mileage scale from that used by the other named carriers resulting in greater rate-making distances between points; however, the Greyhound rates per mile are greater than those proposed by applicant so that the fares proposed by applicant approximate those which would result from Greyhound's fare structure. Two principal differences in the fares are (1) applicant proposes a minimum one-way fare of \$0.60, whereas the minimum Greyhound fare is \$0.50; and (2) applicant's proposed round-trip fare is 180 percent of the one-way fare, whereas the Greyhound round-trip fare is 190 percent of the one-way fare.

Applicant's revenues and expenses for the month of September 1972 and for total operations from May 16, 1972 through September 30, 1972 are set forth below.^{2/}

	Month of September 1972	Total Operations Ended September 30, 1972
<u>Revenues</u>		
Passenger	\$ 45.21	\$ 276.95
Express	128.10	840.70
Freight	5,432.69	22,666.74
Mail-Contract	1,071.15	4,058.40
Total	<u>\$6,677.15</u>	<u>\$27,842.79</u>
<u>Expenses</u>		
Equipment Maintenance	\$ 301.72	\$ 3,703.11
Transportation	3,304.39	14,813.89
Traffic	98.25	334.45
Insurance & Safety	480.10	1,978.98
Administrative & General	1,920.91	10,045.05
Depreciation	295.99	1,254.71
Depreciation Adjustment		269.25
Taxes & Licenses	935.28	2,917.96
Total	<u>\$7,336.64</u>	<u>\$35,317.40</u>
Operating Income (Loss)	\$ (659.49)	\$(7,474.61)
Operating Ratio	109.88%	126.85%

The average number of employees of applicant and its predecessor during the preceding year was six. Applicant has seven employees at present.

We find that the proposed fare and express rate increases are justified and conclude that the application should be granted. A public hearing is not necessary.

^{2/} Applicant assumed ownership of this operation on May 16, 1972 from Kernville Stage and Freight Lines, Inc., pursuant to authority granted in Decision No. 80072 in Application No. 53258, and adopted the tariffs of the previous owners.

O R D E R

IT IS ORDERED that:

1. Kernville Stage and Freight Lines of California, a corporation, is authorized to establish the increased passenger fares and express rates proposed in Application No. 53692. Tariff publications authorized to be made as a result of the order herein shall be filed not earlier than the effective date of this order and may be made effective not earlier than five days after the effective date hereof on not less than five days' notice to the Commission and to the public.

2. The authority herein granted shall expire unless exercised within ninety days after the effective date of this order.

3. 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 its fares. Such notice shall be posted not less than five days before the effective date of the fare changes and shall remain posted for a period of not less than thirty days.

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

Dated at San Francisco, California, this 13th day of MARCH, 1973.

Norman L. Sturgeon
President
William J. Symons, Jr.
William J. Symons, Jr.
William J. Symons, Jr.
William J. Symons, Jr.
Commissioners

Commissioner Thomas Moran, being
necessarily absent, did not participate