

Decision No. 82430**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of PALM SPRINGS SIGHTSEEING &
CHARTER CO., doing business as
GOLDEN STATE CHARTER LINES and
LEISURE SIGHTSEEING AND CHARTER
CO., for authority to increase
certain rates,

Application No. 54404

(Filed October 23, 1973;
amended November 20, 1973)

Applicant.

INTERIM OPINION

Palm Springs Sightseeing & Charter Co. (applicant) doing business as Golden State Charter Lines and Leisure Sightseeing and Charter Co., a passenger stage corporation, is the successor of Studio Transportation, Inc.^{1/} It is presently engaged in the transportation of commuter passengers between the McDonnell Douglas plant located at 5301 Bolsa Avenue, Huntington Beach, and various points as set forth below and for which it seeks the rate increases hereinbelow stated:

Route	Weekly Rates	
	Present	Proposed
West Los Angeles, Route 1	\$ 8.75	\$11.50
Hermosa Beach, Route 2	8.75	11.50
San Fernando Valley:		
Route 3	11.40	13.75
Route 3 (Alternate)	11.40	13.75
Route 4	11.40	13.75

^{1/} Decision No. 79798 dated March 11, 1972, in Application No. 53028. The authority of Studio Transportation, Inc. is stated in Decision No. 78285 dated February 9, 1971, in Application No. 51825.

Applicant alleges it is presently allowing Mark IV Charter Lines to operate Route 3 and Alternate 3, and that permission for the operation is revocable at its will.

Applicant further alleges that it is not presently operating Route 2 run due to an insufficient number of passengers, but will operate the run when the demand therefor is sufficient.

In addition to the commuter bus runs hereinbefore set forth, applicant is engaged in charter bus operations and school bus operations.

A copy of applicant's balance sheet for July 31, 1973 and its income statement for the period of December 1972 to July 31, 1973 are attached to the application as Exhibit A. According to the exhibit applicant had an operating loss of \$35,855 for the period. At the same time applicant's current assets were \$302,374 and its current liabilities were \$461,060.

Below are the applicant's estimates of operations relative to its service excluding Route 2, which is not being operated, but including all phases of Route 3 at present and proposed rates:

Revenues and Expenses
(Year Ending November 30, 1972)

Item	Present	Proposed
<u>Revenue</u>		
Commuter	\$105,691.04	\$130,064.20
Charter	48,000.00	48,000.00
Total Revenues	\$153,691.04	\$178,064.20
<u>Expenses</u>		
Salary	\$ 57,376.00	\$ 57,376.00
Payroll Tax	5,841.09	5,841.09
Workmen's Compensation	1,186.78	1,186.78
Liability Insurance	2,100.00	2,100.00
Fuel, Repairs, Tires	63,537.60	63,537.60
Rent	1,260.00	1,260.00
Gas Tax & Vehicle License	4,128.40	4,128.40
Group Insurance	1,050.00	1,050.00
Vehicle Depreciation	17,220.00	17,220.00
Interest	5,265.00	5,265.00
Other Depreciation	1,400.00	1,400.00
General Administrative	15,000.00	15,000.00
Total Expenses	\$175,531.27	\$175,531.27
Net Income (Loss)	(\$21,840.23)	\$ 2,532.93

Applicant alleges it has had no rate increase on the runs since prior to 1968; that during the period of time from said date, expenses have continuously and steadily risen at a considerable rate; and that in order to provide and maintain the equipment required on these runs and in order to provide a proper level of service, while deriving therefrom a reasonable rate of return, it must seek the increases herein requested.

The staff made a study of applicant's results of operation. This study is filed hereon as Exhibit 1 and reads, insofar as pertinent, "that the staff of Finance and Accounts should have no objection to granting the increase in fares requested, on an interim basis, subject to refund of any fares determined to be excessive, after our study has been completed. Applicant indicates that increases requested will increase revenues by about \$25,000. It does not appear that this increase will bring the operating ratio after taxes below 96% for the eleven month period ended October 31, 1973."

Findings

The Commission finds that:

1. Applicant is a passenger stage corporation transporting commuter passengers between Huntington Beach, on the one hand, and West Los Angeles, Hermosa Beach, and the San Fernando Valley, on the other hand.
2. Applicant's present fares resulted in a loss for the seven-month period ending July 31, 1973, of approximately \$35,855 from its total operations.
3. Applicant proposed fare increases as set forth in the body of this opinion.
4. On the basis of the staff's study filed herein as Exhibit 1, the applicant is in need of an immediate rate increase. The rates proposed by the applicant do not appear excessive and should be allowed on an interim basis pending a hearing, except

that no interim increase is needed on Route 2, Route 3, and Route 3 (Alternate) as those routes are not operated at present.

5. Interim fare increases as requested by the applicant are justified as interim emergency increases.

Conclusions

We conclude that:

1. Interim fare increases as specified in the following order should be authorized subject to a refund provision in the event the final level of increased rates is less than the interim rates authorized herein.

2. The applicant should be authorized to establish the increased fares on less than thirty days' notice to the Commission and to the public. The tariffs authorized herein should be made effective five days after the date hereof.

INTERIM ORDER

IT IS ORDERED that:

1. Palm Springs Sightseeing & Charter Co., doing business as Golden State Charter Lines and Leisure Sightseeing and Charter Co., is authorized to establish the increased rates proposed in Application No. 54404, except for Route 2, Route 3, and Route 3 (Alternate). Tariff publications authorized to be made as a result of this order shall be filed not earlier than the effective date of this order and may be made effective not earlier than ten days after the effective date of this order on not less than five days' notice to the Commission and to the public. The increased rates herein authorized are subject to modification or refund to the extent that any part thereof is not found justified by a subsequent decision in this

proceeding. Prior to exercising the authority granted herein, applicant shall inform the Commission in writing that it accepts this condition.

2. The authority 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 is the date hereof.

Dated at San Diego, California, this
5th day of FEBRUARY, 1974.

Vernon L. Sturgeon
President
William J. Sturgeon
William J. Sturgeon
William J. Sturgeon
William J. Sturgeon
Commissioners