

ORIGINAL

Decision No. 83590

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of Roesch Lines, Inc. for an order authorizing applicant to increase fares pursuant to Public Utilities Code Section 454, and Rule 23 of the Commission's Rules of Procedure.

Application No. 54793
(Filed April 5, 1974)

O P I N I O N

Roesch Lines, Inc. (Roesch), a California corporation, operating as a passenger stage corporation seeks authority to increase its fares contained in Local Passenger Tariff No. 1, Cal. P.U.C. No. 8, from \$3.25 to \$4.50 per round trip. The fares are for transportation of passengers from Riverside, San Bernardino, and Ontario to the baseball games at Dodger Stadium and Anaheim Stadium and return.

Roesch alleges that the fares have been in effect since April 11, 1966 and that during the past eight years costs of operation have increased substantially, viz., wages of drivers have increased from \$2.50 per hour, plus fringe benefits, to \$3.38 per hour, plus fringe benefits; fuel has also increased substantially as well as the cost of new equipment, parts, and repairs. Roesch also alleges that the transportation service to baseball games is not a necessary service, but one provided for the pleasure and entertainment of the users, is therefore not burdensome to the users thereof, and requests the authority be granted ex parte. Notice of the application was published in the Commission's Daily Calendar on April 10, 1974. No protests have been received. A public hearing is not necessary.

Discussion

Among other things, Rule 23 requires an applicant to provide a summary of earnings for the period upon which justification for the increase is based (subparagraph (e)). The Rule also requires a general description of applicant's property and equipment, and separated results of earnings from the total utility earnings (subparagraphs (d) and (f)).

Roesch submitted Exhibit A with its application which contains a balance sheet dated December 31, 1973, and an income statement of the same date. The financial statements appear to be for Roesch's entire operations. Upon request of the examiner, Roesch submitted Exhibit B to the application on July 25, 1974, which is received as Exhibit 1. Exhibit 1 is a combined summary of earnings for the transportation to and from the Dodger Stadium and the Anaheim Stadium for the 1973 season.

Exhibit 1 shows that Roesch transported 3,722 passengers during the 1973 season. Applying the \$1.25 increase sought to this figure, Roesch estimates that the increase will produce \$4,653 increase in gross revenues for this operation. This will not approach offsetting the reported loss of \$16,208 on earnings of \$10,692 for the 1973 season.

Nowhere does Roesch show the method or basis upon which the separated results of operations were derived, nor is a showing made where the increased operating expenses occur, and the magnitude thereof. Even if the sought increase had been in effect during the 1973 season, according to Roesch's figures, it would still have sustained an operating loss of \$11,555. This raises serious questions as to the method and validity of the allocation of expenses to this operation.

Based upon the showing made, Roesch has not proved that the sought increase will reasonably cover expenses and will not be a burden upon the other bus operations it conducts. We do recognize, however, that Roesch's operating expenses have increased over the years and that a rate increase is justified. Because Roesch has filed Application No. 54883, increased fares for its Hemet-Riverside operation, we shall consider these matters with that application.

Findings

1. The fares for transportation to and from the Dodger and Anaheim Stadiums have not been increased since April 11, 1966.
2. Roesch's operating expenses for the stadium transportation have increased since 1966. The magnitude of the increase is not precisely determinable on this record, but it is reasonable to assume that the increased expenses exceed the expected increase in revenue from the sought rate increase.
3. The sought increase in fares is justified and should be granted.

O R D E R

IT IS ORDERED that:

1. Roesch Lines, Inc. is authorized to increase its fares in its Local Passenger Tariff No. 1, Cal. P.U.C. No. 8 to \$4.50.

2. Tariff publications authorized to be made as a result of this order may be made effective on the effective date of this order.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 16th day of OCTOBER, 1974.

Vernon L. Stenger
President
William J. Vukasin, Jr.

[Signature]
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Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.