

Decision No. 84231**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Winfrad D. Breland to increase rates from \$2.10 per round trip to \$2.75 per round trip as set forth herein. Short notice is specified - long haul from San Bernardino to Marine Corps Base at Nebo, and an extension thereof to Yermo Marine Supply Center at Yermo, California.

Application No. 55112
(Filed August 14, 1974)

O P I N I O N

Applicant Winfred D. Breland, an individual, operating as a passenger stage corporation between San Bernardino, on the one hand, and, on the other hand, the Marine Corps Base at Nebo and the Yermo Supply Center at Yermo, requests approval to increase his round-trip fares from \$2.10 to \$2.75, a gross annual revenue increase of approximately \$4,460. The present round-trip fare of \$2.10 was authorized by Decision No. 72512 dated December 7, 1967.

Applicant contends the present fare is inadequate to give him a fair profit and that he is in fact operating at a loss. The application shows that for the year ended December 31, 1973 applicant had a net loss of \$980. Applicant owns two buses used in the operation: one, a 1960 Silver Eagle used on a daily basis and the other, a 1955 Flexible used as a standby. Applicant is an employee at one of the facilities and drives the bus himself.

The Commission's staff made an investigation of applicant's operation and submitted a study, identified as Exhibit 1, showing the estimated results of applicant's operation for the year 1975 (Appendix A). The staff found that applicant operated approximately 41,000 miles in the year 1974 and would operate the same miles in the rate year. In its investigation the staff found applicant was

carrying 28 passengers per day in his round-trip service and took four hours to make the round trip. Based on 253 working days the staff estimates that the operating revenue for the year would be \$15,020, resulting in a loss of \$2,200 based on present fares but, if the proposed fares were instituted he would gross \$19,480 with a resulting profit of \$2,260, or an operating ratio of 92 percent after income taxes and a 9.9 percent rate of return. Expenses for the rate year include an allowance of \$3,600 per year for the service performed by applicant in driving the bus. Based on its study the staff recommends that the application be granted. No protests to the application have been received.

After consideration the Commission finds that the increase in rates and charges authorized by this decision are justified and are reasonable; and the present rates and charges, insofar as they differ from those prescribed by this decision, are for the future unjust and unreasonable. A public hearing on this application is not necessary.

O R D E R

IT IS ORDERED that:

1. Winfred D. Breland is authorized to establish the increased rates proposed in Application No. 55112. 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 ten days' notice to the Commission and to the public.
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 Francisco, California, this 25th
day of MARCH, 1975.

Vernon L. Spurgeon
President
William J. Spurgeon
Donald Rose
Commissioners

APPENDIX A

WINFRED D. BRELAND

Estimated Results of Operation
For the Year 1975

<u>Description</u>	<u>At Present Fares</u>	<u>At Proposed Fares</u>
<u>Statistics</u>		
Bus Miles	40,600	40,600
Number of Passengers	7,084	7,084
<u>Revenue</u>		
Passengers	15,020	19,480
<u>Expenses</u>		
Equipment Maintenance	\$ 3,250	\$ 3,250
Transportation	7,128	7,128
Insurance & Safety	3,230	3,230
Administration & Gen.	200	200
Depreciation	2,120	2,120
Oper. Taxes & Lic.	845	845
Operating Rents	450	450
Total Expenses	<u>\$17,223</u>	<u>\$17,223</u>
Operating Income	(2,203)	2,257
Income Tax (Estimated)	-	632
Net Income	(1,633)	1,625
Operating Ratio - %	-	92.0
Rate of Return - %	-	9.9
Rate Base	-	16,400

(Red Figure)