

T/VP/jgd

Decision 88 04 044 APR 27 1988

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of DESERT STAGE LINES,
a California Corporation, for
authority to adjust its rates.

)
) Application 88-02-025
) (Filed February 16, 1988)

O P I N I O N

Desert Stage Lines (applicant), is a passenger stage corporation (PSC-927) providing intercity passenger and express service between Twentynine Palms, Palms Springs, Los Angeles and San Diego. Applicant also holds authority as a charter-party carrier of passengers (TCP-145A).

Applicant seeks authority to increase its passenger fares and express rates by approximately 15%. The present fares and rates were established by Decision (D.) 84-09-054, dated September 6, 1984, in Application (A.) 84-03-077.

By D.86-04-039, dated April 2, 1986, all passenger stage corporations were authorized to adjust rates by 5% to offset increases in insurance costs. On May 1, 1986, applicant filed a surcharge supplement to its tariff increasing all fares and rates by the authorized 5%.

Applicant alleges that it is losing money at the current fares and rates and is compelled to ask for a fare increase to offset increases in operating costs. For the year ended December 31, 1987,

applicant shows gross revenues of \$1,045,295, expenses of \$1,161,777 resulting in a loss of \$116,482.

Based on the data contained in the application, staff has prepared the following table showing the estimated results of operations for the 12-month period ending June 30, 1989.

	<u>Test Year Ending June 30, 1989</u>	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Passenger stage revenue	\$ 252,800	\$ 290,700
Charter revenue	885,800	885,800
Express revenue	2,600	3,000
Other revenue	<u>22,600</u>	<u>22,600</u>
Total Revenues	\$ 1,163,800	\$ 1,202,100
Total Operating Expenses	<u>1,176,800</u>	<u>1,176,800</u>
Operating Income (before taxes)	(\$ 13,000)	\$ 25,300
Operating Ratio (before taxes)	101.1%	97.9%

(Red Figure)

As indicated by the above table, applicant's operations in the test year ending June 30, 1989, under present fares, will be at a loss of \$13,000 with an operating ratio of 101.1%, before taxes. The proposed fares and rates will result in an annual gross revenue increase of \$38,300 and operating income of \$25,300 with an operating ratio of 97.9%, before taxes.

Notice of the filing of this application appeared on the Commission's Daily Calendar of February 22, 1988. No protests or requests for public hearing have been received.

Findings of fact

1. Applicant seeks authority to increase passenger fares and express rates by approximately 15%.
2. Applicant's last general fare and rate increases were authorized by D.84-09-054, dated September 6, 1984.
3. Applicant's operations in the test year ending June 30, 1989, under present fares, will be at a loss of \$13,000 with an operating ratio of 101.1%, before taxes.
4. Applicant's operations at the proposed fares and rates will result in an annual gross revenue increase of \$38,300, with an operating ratio of 97.9%, before taxes.
5. The requested fare and rate increases are necessary and justified.
6. No protests have been received, and a public hearing is not necessary.
7. To ensure applicant's continued operations, the effective date of this order should be the date of signature.

Conclusions of Law

1. The fares and rates requested in A.88-02-025 are just and reasonable and should be granted.
2. To ensure applicant's continued operations, the order should be effective today.

O R D E R

IT IS ORDERED that:

1. Desert Stage Lines is authorized to establish the increased passenger fares and express rates proposed in A.88-02-025 as shown in the attached Appendix A. Tariffs shall be filed on or after the effective date of this order. They may go into effect ten days or more after the effective date of this order on not less than ten days' notice to the Commission and to the public.

2. This authority shall expire unless exercised within 90 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 operating vehicles a printed explanation of the fares and rates. Such notice shall be posted not less than ten days before the effective date of the fare and rate changes and shall remain posted for a period of not less than 30 days.

4. The application is granted as set forth above.

This order is effective today.

Dated APR 27 1988, at San Francisco, California.

STANLEY W. HULETT
President
DONALD VIAL
FREDERICK R. DUDA
G. MITCHELL WILK
JOHN B. OHANIAN
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Victor Weiss, Executive Director

Appendix A
DESERT STAGE LINES
Authorized Passenger Fares and Express Rates

PASSENGER FARES

BETWEEN AND		29 Palms MCB	29 Palms	Joshua Tree	Yucca Valley	Morongo Valley	Pierson Corner	Desert Hot Springs
Twentynine Palms	OW RT	1.25 NA						
Joshua Tree	OW RT	3.85 7.30	2.60 4.95					
Yucca Valley	OW RT	5.30 10.05	3.85 7.30	1.25 NA				
Morongo Valley	OW RT	7.05 13.40	5.80 11.00	3.20 6.05	1.90 3.60			
Pierson Corner	OW RT	8.20 15.60	6.95 13.20	4.25 8.10	3.15 6.00	1.25 NA		
Desert Hot Springs	OW RT	8.85 16.80	7.60 14.45	5.05 9.60	3.70 7.05	2.15 4.10	1.25 NA	
Palm Springs	OW RT	9.70 18.45	8.45 16.05	7.30 13.90	6.05 11.50	4.65 8.85	3.35 6.40	2.60 4.95
Los Angeles	OW RT	20.75 39.45	19.50 37.05	18.45 35.05	17.35 32.95	15.95 30.30	NA NA	NA NA
San Diego	OW RT	26.85 51.00	25.60 48.65	23.35 44.35	23.15 44.00	22.10 42.00	NA NA	NA NA

OW-One Way
RT-Round Trip
NA-Not Available
MCB-Marine Corps Base

EXPRESS RATES PER SHIPMENT

BETWEEN 29 PALMS AND PALM SPRINGS LOS ANGELES SAN DIEGO

Shipment Weight:

0-2 lbs	2.90	3.20	3.00
3-10	3.80	4.05	3.80
11-20	4.15	4.40	4.05
21-30	4.45	5.00	4.65
31-40	4.80	5.55	5.10
41-50	5.05	6.05	5.75
51-60	5.40	6.60	6.25
61-70	5.70	7.40	7.00
71-80	6.05	7.95	7.65
81-90	6.35	8.50	8.05
91-100	6.60	8.80	8.55

C.O.D Charges on express shipments (up to \$200) - \$3.00