

Decision 89 05 041 MAY 26 1989**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Eureka-Redding Stages,)
 Inc., dba Redwood Empire Lines, for)
 authority to increase rates and charges)
 applicable to the transportation of)
 passengers and express.)

Application 89-02-008
 (Filed February 3, 1989)

O P I N I O N

Eureka-Redding Stages, Inc. (applicant) is a passenger stage corporation (PSC-126) operating between Redding and Eureka.

By this application applicant seeks authority to increase passenger fares by an average of 10% to offset increased operating cost.

Applicant's present passenger fares were established by Decision (D) 86-01-019 in Application (A) 85-10-048.

Based on the data contained in the application, the following table sets forth the estimated results of operations under present and proposed passenger fares for the test year ending December 31, 1989:

Test Year Ending December 31, 1989

	Present Fares	Proposed Fares
Operating Revenue	\$114,124	\$125,536
Operating Expenses	124,093	124,093
Operating Income (Loss)		
Before Income Taxes	(8,092)	2,661
Income Taxes	0	500
Net Income (Loss)	(8,092)	2,161
Operating Ratio After		
Income Taxes	104%	99%

(Red Figure)

As indicated by the above table, applicant's operations in the test year ending December 31, 1989 under present fares will be at a loss of \$8,092 with an operating ratio of 104%. The proposed fares will result in an annual gross revenue of \$125,536 and an annual gross revenue increase of \$11,412 with an operating ratio of 99% after income taxes.

Notice of the filing of this application appeared on the Commission's Transportation Daily Calendar of February 9, 1989.

No protest or request for hearing has been received.

Findings of Fact

1. Applicant seeks authority to increase passenger stage fares on certain routes by an average of 10% to offset increased operating cost.
2. Applicant's present fares were authorized by D.85-10-048 dated January 8, 1986.
3. Applicant's operations in the test year ending December 31, 1989 under present fares would be at a loss of \$8,092 with an operating ratio of 104%.
4. The proposed fares will result in an annual gross revenue of \$125,536 and an annual gross revenue increase of \$11,412 with an operating ratio of 99% after income taxes.
5. The requested fares are necessary and justified.
6. No protests have been received concerning this application, and a public hearing is not necessary.
7. Applicant is operating at a loss; therefore the effective date of this order should be the date of signature.

Conclusions of Law

1. The fares requested in A. 89-02-008 are just and reasonable and should be granted.
2. Because the applicant is operating at a loss, the order should be effective today.

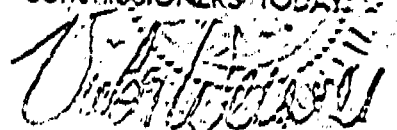
O R D E R

IT IS ORDERED that:

1. Eureka-Redding Stages, Inc. is authorized to establish the increased passenger fares proposed in A. 89-02-008. Tariffs shall be filed on or after the effective date of this order. They may go into effect five days or more after the effective date of this order on not less than five 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 the required posting and filing of tariffs, applicant shall give notice to the public by posting in applicant's operating vehicles a printed explanation of the 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 30 days.
4. The application is granted as set forth above.
This order is effective today.
Dated MAY 26 1989, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

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


Victor Weissar, Executive Director