

Decision 82 11 079 NOV 17 1982

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 82-07-38
(Filed July 19, 1982)

O P I N I O N

This application was filed by Desert Stage Lines, a California corporation. The Commission has not granted a passenger stage certificate to the corporation. Ardella Cook, who signed the application on behalf of the corporation, is the holder of a passenger stage certificate (PSC-927). On October 15, 1982, Cook filed Application 82-10-33 requesting authority to transfer her passenger stage certificate to the corporation. ✓

Cook provides passenger stage services between Twentynine Palms, Palm Springs, Los Angeles, and San Diego. These services are scheduled to serve the needs of passengers in the High Desert area. Cook also carries express shipments in connection with these passenger stage services and, under Commission Charter-party Certificate TCP-145A, offers charter bus service on a statewide basis.

By this application Cook seeks authority to increase her passenger stage fares and express rates by specified amounts averaging 10%.

Cook's present fares were established by Decision 93295, dated July 7, 1981. Cook alleges that she is losing money at the current rates and charges and is compelled to ask for a further increase to offset increases in operating costs.

The Transportation Division staff has made an engineering-economics review of the application. The following table sets forth the estimated results of operations under present and proposed fares for a test year ending June 30, 1983.

TABLE 1

	Test Year 1983	
	Present Fares	Proposed Fares
Revenues	\$554,053	\$609,456
Expenses	557,750	557,750
Operating Income (Loss) Before Income Taxes	(3,697)	51,706
Operating Ratio Before Income Taxes	100.7%	91.5%

(Red Figure)

The figures summarized above include \$24,000 labor allowance for the proprietor's personal efforts in the full-time management of these utility services. Interest is not a proper item of expense for utility ratemaking purposes and is accordingly not included.

As indicated by Table 1, Cook's operating income in the test year under her present fares will be a loss of \$3,697 with an operating ratio of 100.7%. The proposed fares will result in an annual gross revenue increase of \$55,403, a profit of \$51,706, and an operating ratio of 91.5%.

Notice of the filing of this application appeared on the Commission's Daily Calendar. No protest or request for public hearing has been received.

The Commission notified affected public transit district operators of the application under Public Utilities Code Sections 730.3 and 730.5, and the Commission requested the public agency to prepare an analysis of the effect of the fare increase on overall

transportation problems within the territory served by the public transit system. No response has been received from any public transit district. The fare increase will not affect transit system plans prepared under Chapter 2.5 of Title 7 of the Government Code.

Findings of Fact

1. Cook seeks authority to increase her passenger fares to offset increased operating expenses.

2. As shown in Table 1, Cook's operations in the test year will be conducted at a loss of \$3,697 under present fares.

3. The requested fare increase will result in additional annual gross revenues of \$51,706 with an operating ratio of 91.5%, before taxes.

4. The requested fare increase is necessary to offset increased operating expenses and to ensure continued operations.

5. The requested fare increase is justified.

6. No protests have been received, and a public hearing is not necessary.

7. Since the fare increase is necessary to ensure applicant's continued operations, the effective date of this order should be the date of signature.

Conclusion of Law

The increased fares are reasonable and justified.

O R D E R

IT IS ORDERED that:

1. Ardella Cook is authorized to establish the increased fares proposed in Application 82-07-38. Tariffs shall be filed not earlier than the effective date of this order. They may go into effect 10 days or more after the effective date of this order on not less than 10 days' notice to the Commission and to the public.

2. The authority shall expire unless exercised within 90 days after the effective date of this order.

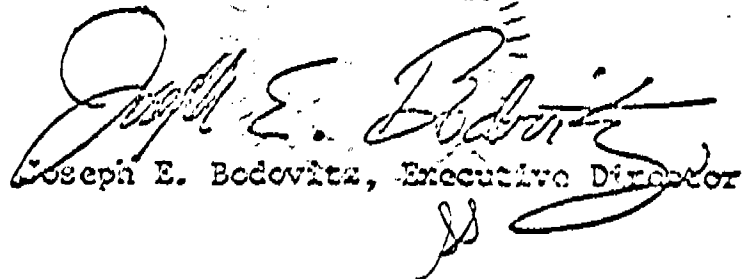
3. In addition to posting and filing tariffs, Cook shall post a printed explanation of her fares in her buses and terminals. The notice shall be posted at least ten days before the effective date of the fare changes and shall remain posted for at least 30 days.

This order is effective today.

Dated NOV 17 1982, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. CRIMES, JR.
VICTOR CALVO
PRISCILLA C. CREW
Commissioners

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


Joseph E. Bodovitz, Executive Director

The Transportation Division staff has made an engineering-economics review of the application. The following table sets forth the estimated results of operations under present and proposed fares for a test year ending June 30, 1983.

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