

HK

Decision No. 87532 June 28, 1977

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of John E. Cook, an)
individual, doing business as)
DESERT STAGE LINES, for authority)
to adjust its rates.)

Application No. 57192
(Filed April 1, 1977)

O P I N I O N

John E. Cook, an individual, doing business as Desert Stage Lines, is operating as a passenger stage corporation (PSC-927) between the Twentynine Palms Marine Corps Base on the one hand, and Palm Springs, Los Angeles and San Diego, on the other hand.

By this application, John E. Cook seeks authority to increase passenger fares by approximately 11 percent and express rates by 25 cents on each shipment, which averages a 10 percent increase in rates.

The applicant states that he is operating at a loss and that he has not drawn any salary for himself or his wife although both are devoting full time to the operation.

The applicant alleges that the wage, fuel, tire, maintenance and insurance costs continue to rise since the present rates were authorized.

The present rates were established by Decision 86250, dated August 17, 1976, in Application 56443.

The staff of the Transportation Division has made an analysis of the applicant's operations and submitted a report on the estimated results of operations based on the future year ending December 31, 1977 under present and proposed rates.

The report is hereby received as Exhibit 1. The exhibit indicates the following results:

RESULTS OF OPERATIONS
IN COMMON CARRIER SERVICE

<u>Item or Account</u>		<u>Adjusted Historical Year 1976</u>	<u>Rate Year</u>	
<u>No.</u>	<u>Description</u>		<u>1/1/1977 Present Rates</u>	<u>to 12/31/1977 Proposed Rates</u>
(1)	(2)	(3)	(4)	(5)
	Bus Miles	149,060	149,060	149,060
	Passengers	22,350	22,350	21,750
<u>Revenues</u>				
320	Passengers	\$120,850	\$120,850	\$130,290
322	Express	4,720	4,720	5,190
	Total Revenue	<u>\$125,570</u>	<u>\$125,570</u>	<u>\$135,480</u>
<u>Expenses</u>				
410	Maintenance	\$ 25,330	\$ 29,810	\$ 29,810
420	Transportation	43,080	48,370	48,370
430	Station	1,170	1,170	1,170
440	Traffic	2,470	2,470	2,470
450	Insurance	16,260	16,260	16,260
460	Administration	10,700	29,420	29,420
500	Depreciation	6,762	5,870	5,870
520	Taxes	7,320	10,460	10,460
530	Rent	2,670	2,670	2,670
400 & 500	Total Expenses	<u>\$115,762</u>	<u>\$146,500</u>	<u>\$146,500</u>
	Operating Income	\$ 9,808	\$-20,930	\$-11,020
800	Income Taxes	1,136	-	-
	Net Income	<u>\$ 8,672</u>	<u>\$-20,930</u>	<u>\$-11,020</u>
	Operating Ratio - %	93.1	116.7	108.1

In accordance with Section 730.3 of the Public Utilities Code, affected state and local public agencies and corporations operating passenger transit systems were notified of the application and were requested to furnish an analysis of the effect of the proposed rate increase on overall transportation problems within the territories served by such passenger transit systems.

The parties so notified advised that the proposed increase would have no effect upon their operations.

In accordance with Section 730.5 of the Public Utilities Code, we find that the fare increase granted by this decision will result in a decrease in patronage of approximately three percent. The fare increase will have no effect upon public transit systems as proposed in required transportation plans prepared pursuant to Chapter 2.5 of Title 7 of the Government Code.

Notice of filing of this application appeared in the Commission's Daily Calendar on April 4, 1977. No protests have been received.

After consideration the Commission finds that:

1. The requested increase would result in additional annual revenue in the amount of \$9,910.
2. The proposed rate increase is justified.
3. A public hearing is unnecessary.

The Commission concludes that the application should be granted.

O R D E R

IT IS ORDERED that:

1. John E. Cook, doing business as Desert Stage Lines, is authorized to establish the increased rates proposed in Application 57192. Tariff publications authorized to be made as a result of this order may be made effective not earlier than five days after the effective date of this order on not less than five 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 his buses and terminals a printed explanation of his rates. Such notice shall be posted not less than five days before the effective date of the rate changes and shall remain posted for a period of not less than thirty days.

Since the applicant will be operating at a loss even with the rate increase, the effective date of this order is the date hereof.

Dated at San Francisco, California, this 28th day of JUNE, 1977.

Robert Bateman

President

William J. Symons Jr.

Yvonne L. Sturgeon

Richard C. Howell

Commissioners