

PWL

Decision No. 90236 APR 24 1979**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Ronald R. Hassler and)
 Ralph E. Simon, dba Inter Mountain)
 Stage Company, Canby, California for) Application No. 58615
 authorization to increase its fares) Filed January 23, 1979
 and rates as a passenger stage company)

O P I N I O N

Inter Mountain Stage Company, is a passenger stage corporation (PSC-999) and by Application 58615 seeks authority to increase its intrastate passenger fares and express rates by 25 percent for its service between Redding and Alturas, California and its on-call service between Hillcrest and Big Bend, California.

Applicant's fares and rates were last adjusted pursuant to authority granted by Decision No. 87759, signed August 23, 1977, in Application No. 56898.

Applicant alleges that its operating expenses and the cost of living have increased substantially since the last fare and rate increase and that the proposed fares and rates shown in Exhibits C and E are necessary to maintain scheduled service. Its route begins in Alturas at 7 a.m.; serves the communities of Canby, Adin, Bieber, Nubieber, McArthur, Fall River Mills, Johnson Park, Burney, Hillcrest, Montgomery Creek, Ingot, Bella Vista, Stillwater; arrives in Redding at 10:55 a.m.; and after a 7-hour layover returns to Alturas. The owners are working partners and take turns driving their 1974 Dodge Van and have an agreement to pay a minimum salary of \$20 per driving shift. However, due to low revenues, they have not been able to pay these wages. Applicant provides daily service with the exception of Saturdays, Sundays, Christmas Day and New Year's Day.

Orig

A.58615 PWL *

The staff of the Transportation Division has made an analysis of the applicant's operation and submitted a report on the estimated results of operations based on the rate year ending September 30, 1980 under present and proposed rates. The report is hereby received as Exhibit 1. The staff study includes reasonable driver wage allowance in the transportation expense and shows that under the present fare structure during the rate year, the operating ratio of the passenger and express service will be over 124 percent with a net loss of \$7,919. The study shows that the requested 25 percent fare increase will result in an operating ratio of 102.8 with a net loss of about \$1,100. The proposed passenger fare increase would be \$4,160 and the proposed express rate increase would be \$3,840.

The applicant is presently operating at a loss. The increase authorized herein is necessary to ensure the continued viability of the transportation service and will produce an operating ratio of only 102.8 percent. Thus, the increase is excepted from the President's Guidelines for Wage and Price Increases.

Exhibit 1 indicates the following results:

ESTIMATED RESULTS OF OPERATION
RATE YEAR ENDING OCTOBER 1, 1980

	<u>At Present</u> <u>Fares and Rates</u>	<u>At Requested</u> <u>Fares and Rates</u>
Revenues	\$ 32,000	\$ 40,000
Expenses	<u>39,919</u>	<u>41,101</u>
Operating Income	\$ <u>-7,919</u>	\$ <u>-1,101</u>
Operating Ratio - %	124.7	102.8

A. 58615 PWL

In accordance with Section 730.3 of the Public Utilities Code, the state and local agencies operating public transit systems were notified and asked for comments regarding the proposed rate increase. No comments have been received.

Notice of filing of this application appeared in the Commission's Daily Calendar of January 24, 1979. No protests have been received.

After consideration the Commission finds that:

1. The requested fare and rate increase will result in additional annual revenue of approximately \$8,000.
2. The proposed rate increase is justified.
3. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. The Inter Mountain Stage Company is authorized to establish the increased fares and rates proposed in Application 58615. 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 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 buses and terminals a printed explanation of its fares and rates. Such notice shall be posted not less than five days before the effective date of the fare and rate changes and shall remain posted for a period of not less than 30 days.

A. 58615 PWL

In view of the extreme operating losses under present fares and rates, the effective date of this order is the date hereof.

Dated at San Francisco, California this 24th day of APRIL, 1979.

John E. Canyon
President

Demetrius L. Stevenson

Rudolph D. Howell

Clair J. DeJure

Samuel Levine
Commissioners

App.No.58615
 Exhibit No. 1
 Witness:
W.W. Hickenbottom
 Date March 28, 1979
 Commissioner:
J.E. Bryson
ALJ W. H. Well

INTER MOUNTAIN STAGE COMPANY PSC-999
ESTIMATED RESULTS OF OPERATION
HISTORICAL AND RATE YEAR

Line: No.:	Reference	Item or Account No.:	Description	Historical: Year 1978	Rate Year 10-1-79 to 10-1-80	
					Present Fares	Proposed Fares
(1)	(2)	(3)	(4)	(5)	(6)	
1			Bus Miles	103,800	103,800	103,800
2			Passengers	1,869	1,980	1,980
			<u>REVENUES</u>			
3		320	Passenger	\$ 15,643	\$ 16,640	\$ 20,800
4		322	Express	<u>14,536</u>	<u>15,360</u>	<u>19,200</u>
5	L3,4	300	Total	\$ 30,179	\$ 32,000	\$ 40,000
			<u>EXPENSES</u>			
6		410	Maintenance	\$ 4,736	\$ 5,565	\$ 5,565
7		420	Transportation	* 14,458	16,988	16,988
8		430	Station	3,600	3,817	4,772
9		440	Traffic	166	176	176
10		450	Insurance	3,023	3,552	3,552
11		460	Administration	6,170	7,148	7,375
12		500	Depreciation	730	730	730
13		520	Taxes	632	743	743
14		530	Rents	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>
15	L6 to 14		Total	\$ 34,715	\$ 39,919	\$ 41,101
16	L5 less L15		Operating Income	\$ -4,536	\$ -7,919	\$ -1,101
17		800	Income Taxes	-	-	-
18	L16 less L17		Net Income	\$ -4,536	\$ -7,919	\$ -1,101
19	L15 ÷ L17		Operating Ratio-%	115.0	124.7	102.8

* Includes driver wages not paid in 1978.