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Decision No. 90729 AUG 28 1979**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of ORANGE BELT STAGES for an)
order authorizing an increase)
in its fares for Intrastate)
Passenger Stage Service and its)
rates for Intrastate Express)
Service.)

Application No. 58938
(Filed June 15, 1979)

O P I N I O N

Orange Belt Stages, a passenger stage corporation (PSC-885) is engaged in the business of transporting passengers, baggage and express between points in California. Applicant operates three divisions of service on intrastate routes: (1) the Bakersfield-Barstow portion of Greyhound-Orange Belt joint through service, (2) local operations in the vicinity of Visalia and (3) intrastate charters (TCP-169-A).

Applicant seeks authority to increase its intrastate passenger stage fares by approximately 15 percent and proposes that the minimum fare remain at \$0.75 and that round-trip fares continue at 190% of one-way fares.

Applicant also seeks authority to increase its intrastate express rates by 15 percent, to the level requested by Greyhound Lines, Inc. in Application 58347 filed with the Commission September 11, 1978.

The present fares and rates currently authorized for Orange Belt Stages were established by Decision No. 89642 dated November 9, 1978 in Application 58041.

Applicant alleges that costs have further increased, and as a result, its intrastate regular route service is now conducted at a greater loss, and that the present fares and rates have not compensated applicant for the cost of providing service.

The Transportation Division staff has analyzed the information contained in applicant's annual report for 1978, and has made an engineering economic study and prepared a report on the estimated

results of operations for the rate year ending June 30, 1980 under both present and proposed fares and rates. The report is hereby received as Exhibit 1. The study indicates that even with the proposed fare increase, applicant will operate at a substantial loss.

The increase authorized herein is necessary to insure the continuation of the transportation service. Thus the requested 15 percent increase should be excepted from the President's Guidelines for Wage and Price Increases.

Notice of filing of this application appeared in the Commission's Daily Calendar on June 19, 1979. Additionally, the Commission staff notified public transit operation and planning agencies of the filing of this application, pursuant to California Public Utilities Code Sections 730.3 and 730.5. No protests have been received.

After consideration, the Commission finds that:

1. The requested fare and rate increases would result in additional annual revenue of approximately \$39,434.
2. The proposed fare and rate increases are justified.
3. A public hearing is not necessary.

The Commission concludes that the requested passenger fare and express rate increases should be granted.

O R D E R

IT IS ORDERED that:

1. Orange Belt Stages is authorized to establish the increased passenger fares and express rates proposed in Application No. 58938. Tariff publications authorized to be made as a result of this order shall be filed not earlier than the effective date of this order and may be made effective not earlier than ten days after the effective date of this order on not less than ten 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 its buses and terminals a printed explanation of its passenger fares and express rates. Such notice shall be posted not less than five days before the effective date of the passenger fare and express rate changes and shall remain posted for a period of not less than thirty days.

In view of the operating loss, the effective date of this order is the date hereof.

Dated AUG 28 1979, at San Francisco, California.

John E. Simpson President
Thomas L. Stephens
Robert D. Kvale
Lawrence M. Quinn Commissioners

Commissioner Claire T. Dedrick, being necessarily absent, did not participate in the disposition of this proceeding.