

Decision No. SI001 NOV 6 1979**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Ronald R. Hassler
 Ralph E. Simon, dba Inter Mountain
 Stage Company, Canby, California for
 authorization to increase its fares
 and rates as a passenger stage
 company

Application No. 59170
 (Filed October 1, 1979)

OPINION

Ronald R. Hassler and Ralph E. Simon, dba Inter Mountain Stage Company (applicant), operate as a passenger stage corporation (PSC 999) engaged in the transportation of passengers, baggage and express between Redding and Hillcrest, California providing daily service to the communities of Canby, Adin, Bieber, Nubieber, McArthur, Fall River Mills, Johnson Park, Burney, Hillcrest, Montgomery Creek, Ingot, Bella Vista and Stillwater. Applicant also provides on-call service between Hillcrest and Big Bend, California.

By this application, applicant seeks authority to increase its intrastate passenger fares and express rates by 7.5 percent. Applicant's fares and rates were last adjusted pursuant to authority granted by Decision No. 90236 signed April 24, 1979, in Application No. 58615 in which the approved operating ratio at proposed fares was 102.8 percent. Applicant alleges that its operating expenses, particularly the cost of fuel have increased substantially since the last fare and rate increase, and that the requested increase is necessary to maintain the existing service.

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 December 31, 1980 under present and proposed rates. The report is hereby received as Exhibit 1. The staff study includes reasonable owner/driver wage allowance in the transportation expense and shows that under the present fare structure during the year, the operating ratio of the passenger and express service will be over 123 percent with a net loss of \$8,840. The study shows that the requested

7.5 percent fare increase will result in an operating ratio of 115.5 with a net loss of about \$6,329. The proposed passenger fare increase would be \$1,500 and the proposed express rate increase would be \$1,300

The applicant is presently operating at a loss. The increase authorized herein is necessary to ensure the continuation of the transportation service. Thus, the increase is excepted from the President's Guidelines for Wage and Price Increases.

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 October 4, 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 \$2,800.
2. The proposed rate increase is justified.
3. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Ronald R. Hassler and Ralph E. Simon, dba Inter Mountain Stage Company is authorized to establish the increased fares and rates proposed in Application 59170. 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

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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.

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

Dated NOV 6 1979, at San Francisco, California.

John E. Boyer
President

Herbert L. Stinson

Clayton D. Grock

Clare J. Schuch

Edward J. Smith
Commissioners

INTER MOUNTAIN STAGE CO. PSC-999
ESTIMATED RESULTS OF OPERATION
HISTORICAL YEAR 1978 RATE YEAR 1980 AT PRESENT AND PROPOSED FARES

Line No.	Reference	No.	Item or Account Description	1978	Rate Year 1980	
				Historical Year Amount	Present Fares Amount	Proposed Fares Amount
	(1)	(2)	(3)	(4)	(5)	(6)
1			Bus Miles	86,976	86,976	86,976
2			Passenger	1,959	1,959	1,959
			<u>Revenue</u>			
3			Passenger	\$16,030	\$20,038	\$21,541
4			Express	14,329	17,911	19,254
5			Total	\$30,359	\$37,949	\$40,795
			<u>Expenses</u>			
6		410	Maintenance	\$ 5,424	\$ 5,966	\$ 5,966
7		420	Transportation	17,545	23,546	23,546
8		430	Station	4,058	4,464	4,799
9		440	Traffic	-	-	-
10		450	Insurance	3,223	3,545	3,545
11		460	Administration	4,485	4,933	4,933
12		500	Depreciation	730	730	730
13		520	Taxes	1,820	2,745	2,745
14		530	Rents	600	660	660
15	L6 thru L14		Totals	\$37,885	\$46,589	\$46,924
16	L5 Less L15		Operating Income	\$-7,726	\$-8,640	\$-6,129
17			Income Taxes	\$ 200	\$ 200	\$ 200
18	L16, L17		Net Income	\$-7,726	\$-8,840	\$-6,329
19	L15, L17+L5		Operating Ratio -%	125.4	123.3	115.5

* / Includes annual allowance of \$10,000 for owner/driver wages which are not paid.