

ROC/IE

Decision No. 91390 MAR 4 1980

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application )  
of SAN SIMEON STAGES, INC., a )  
California corporation for )  
authority to increase its fares )  
between San Luis Obispo and Hearst )  
Castle, pursuant to Section 454 of )  
the Public Utilities Code of the )  
State of California. )

Application No. 59360  
(Filed December 31, 1979)

O P I N I O N

San Simeon Stages, Inc. operates as a passenger stage corporation (PSC-981) for the transportation of passengers between the City of San Luis Obispo and Hearst Castle.

By this application, applicant request authority to increase its round trip fare of \$10 to \$17. This is the first fare increase request by applicant since the service was authorized by Decision No. 85219 dated December 9, 1975 in Application No. 55970. Applicant also requests authority to modify Rules Nos. 1(a) and 1(b) of its Tariff Cal. P.U.C. No. 1 currently on file to provide that children under two years of age rather than five years of age shall travel free and that children over the age of two years but under twelve years of age will travel for one-half of the adult fare.

Applicant alleges that its operating expenses, particularly the cost of fuel, tires, insurance, and wages have increased substantially since inception of the service and that the requested fare increase is necessary to maintain the existing service.

The staff of the Transportation Division has made an engineering economic study of applicant's operations for the rate

year ending June 30, 1981 at present and proposed fares which shows the following results:

<u>Item</u>	<u>Rate Year Ending 6/30/81</u>	
	<u>Present Authorized Fares</u>	<u>Proposed Fares</u>
Bus Miles	9,360	9,360
Passengers	2,570	2,570
Revenue	\$ 25,700	\$43,685
Expenses	\$ 39,435	\$39,435
Gross Income	\$-13,735	\$ 4,250
Income Taxes	\$ 200	\$ 1,061
Net Income	\$-13,935	\$ 3,189
Operating Ratio-%	154.2	92.7

The report on this study is hereby received as Exhibit 1. An analysis of the study shows that at present authorized fares applicant will sustain a loss and at proposed fares experience a profit of approximately \$3,200 at an operating ratio of 92.7 percent. The proposed rates qualify for an exemption under the President's Guidelines for Wage and Price Increases since they are necessary to ensure the continued viability of this transportation service.

The application was listed in the Commission's Daily Calendar on January 3, 1980. The Commission staff notified affected public transit operators and planning agencies of the filing of the application, pursuant to California Public Utilities Code Sections 730.3 and 730.5. No protests or comments have been received.

Applicant alleges in its application that it has been charging unauthorized fares.

Applicant is cautioned of the requirements of Section 454 of the Public Utilities Code which states in part "No Public Utility shall raise any rate or so alter any classification, contract, practice or rule as to result in any increase in any rate except upon a showing before the commission and a finding by the Commission that such increase is justified;...". Applicant is warned that such an occurrence in the future will be subject to punitive action.

After consideration the Commission finds that:

1. The proposed 70 percent increase in authorized fares will provide \$17,985 additional annual revenue.
2. The proposed fare increase is justified.
3. A public hearing is not necessary.

The Commission concludes that the application should be granted, and since the operation is being conducted at a loss, at present fares the effective date of the order should be the same date that the order is signed.

O R D E R

IT IS ORDERED that:

1. San Simeon Stages, Inc. is authorized to establish the increased fares and rule change proposed in Application No. 59360. 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. This 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 operating vehicles a printed explanation of its fares. Such notice shall be posted not less than five days before the effective date of the fare changes and shall remain posted for a period of not less than thirty days.

The effective date of this order shall be the date hereof.

Dated MAR 4 1980 at San Francisco, California.

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

John E. Byron  
President

William L. Stinson

Richard W. Howell

[Signature]  
Commissioners