

T/IE

Decision No. 92527 DEC 16 1980

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.)

ORIGINAL

Application No. 59727
(Filed June 12, 1980)

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 and express rates by approximately 10 percent and proposes that the minimum fare be increased to \$0.85 and that round-trip fares continue at 190% of one-way fares.

The present fares and rates currently authorized for Orange Belt Stages were established by Decision No. 90729 dated August 28, 1979 in Application 59938.

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

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The Transportation Division staff has analyzed the information contained in applicant's annual report for 1979, has made an engineering economic study, and prepared a report on the estimated results of intrastate operations for the rate year ending December 31, 1981 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 in its intrastate operations.

The following is a summary of the staff's study:

<u>Item</u>	<u>Intrastate Totals</u>	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenue	\$ 325,640	\$ 358,200
Expenses	474,980	475,940
Operating Income	-149,340	-117,740
Income Taxes	200	200
Net Income	-149,540	-117,940
Operating Ratio - %	145.9	132.9

Orange Belt Stages has the operating authority between Bakersfield and Barstow over which Greyhound Lines, Inc. interlines. Greyhound Lines, Inc. pays Orange Belt Stages for use of these rights and this revenue subsidizes Orange Belt Stages' intrastate losses so that on a system-wide basis it realizes an overall profit. The rates authorized by this order qualify for an exemption under the President's Guidelines for Wage and Price Stability since they are necessary to ensure the continued viability of this transportation service.

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Notice of filing of this application appeared in the Commission's Daily Calendar on June 16, 1980. 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.

Findings of Fact

1. The requested fare and rate increases would result in additional annual revenue of approximately \$32,564.
2. The proposed fare and rate increases are justified.
3. A public hearing is not necessary.

Conclusions of Law

1. The requested passenger fare and express rate increases are just and reasonable and should be granted.
2. Since there is an immediate need for the relief sought, the effective date of this order should be the date hereof.

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. 59727. 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 five days after the effective date of this order on not less than five days' notice to the Commission and to the public.

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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.

The effective date of this order is the date hereof.

Dated DEC 16 1980 at San Francisco, California.

John E. Byrne
President

Robert W. Gould

Clair T. Deitch

Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Leonard M. Grimes, Jr., being necessarily absent, did not participate.