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Decision 93295 JUL 7 1981

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Ardella Cook
an individual, doing business
as DESERT STAGE LINES,
for authority to adjust its
rates.

Application 60474
(Filed April 23, 1981)

O P I N I O N

Applicant (Cook) is a passenger stage corporation (PSC-927) engaged in the business of transporting passengers over routes between Twentynine Palms, Palm Springs, Los Angeles, and San Diego. These services are scheduled to serve the needs for passengers in the High Desert area. Applicant also carries express shipments in connection with these passenger stage services, and, under Commission Charter-party Certificate TCP-145-A, offers charter bus service on a statewide basis.

By this application, Cook seeks authority to increase her passenger stage fares and express rates by specified amounts averaging 10%.

In connection with this application, the Commission staff has made an engineering-economics review of applicant's operations. A summary of the estimated results of operations is as follows:

	<u>Historic Year</u> 1980	<u>Rate Year 7/1/81-6/31/82</u>	
		<u>Present Fares</u>	<u>Proposed Fares</u>
Revenues	\$407,822	\$407,822	\$448,603
Expenses	328,730	404,468	404,468
Net Operating Revenue	67,642	3,454	15,929
Income Taxes, Est.	20,000	500	4,000
Net Income, After Taxes	47,642	2,945	11,929
Operating Ratio	75.7%	99.3%	91.1%

The figures summarized above include \$12,000 labor allowance for the proprietor's personal efforts in the full-time management of these utility services. Also included are applicant's stated cost increases for fuel, tires, insurance, wages, and maintenance. Interest is not a proper item of expense for utility ratemaking purposes and is accordingly not included. The staff recommends that the application be granted.

Copies of this application were served on interested parties and the application was listed in the Commission's Daily Calendar. Additionally, the Commission staff notified affected public transit operators and planning agencies of the filing of this application, under Public Utilities Code Sections 730.3 and 730.5. No protests were filed.

Findings of Facts

1. The requested fare and rate increases will result in additional annual revenue of \$40,781.
2. The proposed fares and rates are necessary to ensure the continued viability of these transportation services.
3. The proposed fare and rate increases are justified.
4. No protests or substantive comments have been received concerning this application.
5. A public hearing is not necessary.

Conclusion of Law

The application should be granted as set forth below. This order should be effective on the date of signature. because of the applicant's marginal results of operations and the need for the proposed fares and rates to ensure the continued viability of these important transportation services.

O R D E R

IT IS ORDERED that:


1. Ardella Cook is authorized to establish the increased fares and rates as proposed in A.60474. Tariff publications authorized to be made as a result of this order 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 the public. Tariffs shall specify fares and rates for each route on a point-to-point basis.
2. This 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 operating vehicles a printed explanation of its fares and rates. Such notice shall be posted not less than ten days before the

A.60474 T/seq


effective date of the fare changes and shall remain posted for a period of not less than thirty days.


This order is effective today.

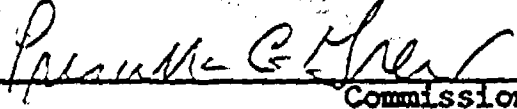
Dated JUL 7 1981, at San Francisco, California.



President







Commissioners

Commissioner Richard D. Gravelle, being necessarily absent, did not participate in the disposition of this proceeding.