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Decision 93706 NOV 3 1981

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Eureka-Redding Stages, Inc. dba Redwood Empire Lines, for authority to increase rates and charges applicable to the transportation of passengers and express.

Application 60712
(Filed July 6, 1981)

O P I N I O N

Eureka-Redding Stages, Inc. (applicant) is a passenger stage corporation (PSC-126, TCP-48A) operating between Eureka and Redding.

Applicant seeks authority to increase its passenger fares by 10% and its express rates by 50% to offset increases in operating costs.

Applicant's fares were established July 20, 1977 by Decision 87483 dated June 21, 1977 in Application (A.) 57153.

Applicant alleges that the requested fare increase is necessary to offset increases in operating costs. As shown in the application, applicant's operations for the period ending December 31, 1980 were conducted at a profit of \$18,981, as represented by an operating ratio after taxes of 94.1%.

The following table sets forth our Transportation Division staff's estimated results of operations under present and proposed fares for a test year ended December 31, 1981.

TABLE 1

	Test Year Ending December 31, 1981	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Operating Revenues	\$320,500	\$341,900
Operating Expenses	327,500	330,040
Operating Profit After Income Taxes	(6,900)	11,100
Operating Ratio After Income Taxes	102%	97%

(Red Figure)

As indicated by the above table, applicant's operating income in the test year under its present fares will be a loss of \$6,900 with an operating ratio of 102%. The proposed fares will result in an annual operating revenue increase of \$21,400, a profit of \$11,100, with an operating ratio of 97%.

Notice of the filing of this application appeared on the Commission's Daily Calendar of July 8, 1981. No protest or request for public hearing has been received. No public transit districts (Public Utilities Code Section 730) will be affected by the proposed rate increase.

Findings of Fact

1. Applicant seeks a 10% increase in its passenger fares and a 50% increase in its express rates to help offset increased operating expenses.

2. As shown in Table 1, applicant's operations in the test year will be conducted at a loss of \$6,900 under present fares.

3. The requested fare increase will result in additional annual gross revenues of \$21,400 with an operating ratio of 97% after taxes.

4. The requested fare increase is necessary to offset increased operating expenses.

5. The requested fare increase is justified.

6. No protests have been received, and a public hearing is not necessary.

7. In order to avoid the hardship caused by delay, the effective date of this order should be the date of signature.

Conclusion of Law

The increased passenger fares and express rates are reasonable and justified.

O R D E R

IT IS ORDERED that:

1. Eureka-Redding Stages, Inc. is authorized to establish the increased rates proposed in A.60712. Tariffs shall be filed not earlier than the effective date of this order. They may go into effect five days or more 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 posting and filing tariffs, applicant shall post a printed explanation of its fares in its buses and terminals. The notice shall be posted at least five days before the effective date of the fare changes and shall remain posted for at least 30 days.

This order is effective today.

Dated NOV 3 1981, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. GRIMES, JR.
VICTOR CALVO
PRISCILLA C. GREW

*I certify that this decision was approved
by the above Commissioners today!*
John E. Bryson