

Decision No. 81807**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 PAUL H. SCHNEIDER, an individual,
 doing business as COMMUTE SERVICE,
 for authority to adjust fares.

Application No. 53639
 (Filed October 13, 1972)

O P I N I O N

Applicant operates as a passenger stage corporation pursuant to a certificate of public convenience and necessity authorizing commute operations between United Air Lines Maintenance Base at San Francisco International Airport, on the one hand, and certain nearby cities, on the other hand. By this application, he seeks authority to increase his weekly round-trip commute fares by 50 cents and to change his fare structure to a two-week round-trip basis. The present and proposed round-trip commute fares for two weeks and the percent increase of the proposed over the present fares are as follows:

Between United Air Lines Maintenance Base and	<u>Present</u>	<u>Proposed</u>	<u>Percent Increase</u>
Hayward	\$10.00	\$11.00	10.0
Fremont and Newark	11.00	12.00	9.1
North San Jose and Milpitas	12.00	13.00	8.3
San Mateo	8.00	9.00	12.5
Pleasanton and Livermore	13.00	14.00	7.7

The application states as follows: The Hayward, Fremont, Newark, North San Jose, and Milpitas fares have not been increased since service was established to these points in 1969, and the San Mateo, Pleasanton, and Livermore fares have not been increased since service was established to these points in 1971. Applicant's operating costs have increased substantially since the fares were established. Without the sought increase, applicant

cannot maintain a profitable operation and continue to meet the demands of the public for his service. The proposed fares are similar to those of his competitors.

A financial report and study of applicant's operations prepared by staff members of the Commission's Finance and Accounts Division and Transportation Division is incorporated in the record as Exhibit 1. The exhibit states that applicant performs a home-to-work type of passenger stage service; that service is operated over ten different routes; that applicant has ten buses and carries approximately 350 passengers per working day; that applicant has recently ceased operations over the San Mateo route and has increased service on another route; that applicant does not keep its records in accordance with the prescribed system of accounts for motor carriers of passengers or maintain a record of miles operated or passengers transported; and that the staff, by analysis, has developed such required data for its study.

The estimate of operating results under present fares for the historical year (1972) and under present and proposed fares for the rate year (July 1, 1973 to June 30, 1974) as set forth in Exhibit 1 are as follows:

	<u>Historical Year</u>	<u>Rate Year</u>	
	<u>Present Fares</u>	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenues	\$79,045	\$91,250	\$99,110
Expenses	79,833	95,580	95,580
Operating Income	\$ (788)	\$ (4,330)	\$ 3,530
Income Taxes	-	-	520
Net Income	\$ (788)	\$ (4,330)	\$ 3,010
Operating Ratio (1)	101.0%	104.7%	96.4%
Average Rate Base	\$32,242	\$36,060	\$36,060
Rate of Return	-	-	8.3%

() Indicates loss.

(1) Before Income Tax.

The conclusions and recommendations set forth in Exhibit 1 are that applicant be required to follow the prescribed system of accounts for motor carriers of passengers; that the suggested restriction to the proposed rates which states "This fare is for 50 weeks out of 52 weeks, excluding any days off" is ambiguous and should not be authorized; and that the proposed fares should be granted.

The application was served in accordance with the Commission rules. No protests have been received.

Findings

1. The estimates of operating results set forth in the staff's Exhibit 1 for the historical and rate years reasonably represent the results of applicant's operations for the purposes of this proceeding.
2. Under present rates, applicant's operations are not profitable.
3. The proposed increase in passenger fares is reasonable and justified.
4. The suggested restriction to the proposed fares which states "This fare is for 50 weeks out of 52 weeks, excluding any days off" is ambiguous.
5. Applicant does not maintain his records in accordance with the prescribed system of accounts for motor carriers of passengers.
6. Applicant has discontinued his service to San Mateo.
7. A public hearing is not necessary.

Conclusions

1. Applicant should be authorized to increase his common carrier passenger fares as proposed in the application.

2. The suggested restriction to the proposed fares which states "This fare is for 50 weeks out of 52 weeks, excluding any days off" should be denied.

3. Applicant should inaugurate the accounting procedures recommended in the staff's Exhibit 1.

4. Applicant should be authorized to discontinue its service to San Mateo.

O R D E R

IT IS ORDERED that:

1. Paul H. Schneider is authorized to establish the increased fares proposed in Application No. 53639. 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 ten days after the effective date of this order on not less than ten days' notice to the Commission and to the public.

2. The proposed restriction to the increased fares which states "This fare is for 50 weeks out of 52 weeks, excluding any days off" is denied.

3. Applicant is authorized to discontinue service between the United Air Lines Maintenance Base at San Francisco International Airport and San Mateo.

4. The authority shall expire unless exercised within ninety days after the effective date of this order.

5. 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. 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.

6. Applicant shall maintain accounting records in accordance with the prescribed system of accounts for motor carriers of passengers.

The effective date of this order shall be ten days after the date hereof.

Dated at San Francisco, California, this 28th day of AUGUST, 1973.

Vermon L. Stevenson
President
William J. Jones
D. W. Holmes
Sam M. ...
Commissioners

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