

Decision No. 83955**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of ROY L. ARLEDGE,
doing business as UNITED TRANSIT,
to increase its rates from \$6.00
per week to \$8.00 per week on
Commuter Bus Service for which
United Transit holds a certificate
of public convenience and necessity.

Application No. 54728
(Filed March 14, 1974)

FINAL OPINION

By Decision No. 83131 dated July 9, 1974, Roy L. Arledge, doing business as United Transit and presently providing a passenger stage service for the transportation of employees of United Air Lines between Peninsula points and the United Air Lines Maintenance Base at the San Francisco International Airport, was granted interim authority to increase fares from \$6.00 per week to \$8.50 per week pending final determination of applicant's request for an increased fare of \$10.00 per week.

A study prepared by the Commission staff and received in this proceeding as Exhibit 1 indicates the following results of operation for the year ending June 30, 1975 at the proposed fare of \$10.00 per passenger:

Passenger Revenue	\$191,400
<u>Expenses</u>	
Equipment Maintenance	43,000
Transportation	53,300
Insurance and Safety	13,200
Administration and General	17,000
Depreciation	13,600
Operating Taxes and Licenses	20,400
Operating Rents	<u>9,200</u>
Total Expenses	169,700
Operating Income	21,700
Income Tax (Estimated)	<u>6,080</u>
Net Income	15,620
Operating Ratio	91.8%
Rate of Return	17.0%
Rate Base	\$ 91,830

A diminution in passengers of 10 percent due to the fare increase was considered appropriate by the staff.

In Decision No. 83451 in Application No. 54439 the Commission found that an operating ratio of 90.9 percent (after taxes) fell in the zone of reasonableness for a carrier of comparable size to the applicant.

After consideration the Commission finds that the proposed \$10.00 weekly fare and the proposed one-way fare of \$1.00 are justified. A public hearing is not necessary.

FINAL ORDER

IT IS ORDERED that:

1. Roy L. Arledge, dba United Transit, is authorized to establish the increased fares proposed in Application No. 54728. 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.

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 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 twenty days after the date hereof.

Dated at San Francisco, California, this 7th day of JANUARY, 1975.

William L. Sperry
President
William Sperry
Adrian

Commissioners