

Decision No. 86011

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of Lois J.)  
Kohler, an individual, doing business as )  
WEST VALLEY CHARTER LINES, for authority to) Application No. 56087  
increase fares for passenger stage service ) (Filed November 24, 1975)  
from San Jose, Cupertino, Sunnyvale, Santa )  
Clara, and Campbell to the United Air Lines)  
Maintenance Base at the San Francisco )  
International Airport )

O P I N I O N

The applicant, Lois J. Kohler, an individual doing business as West Valley Charter Lines, seeks an increase in her passenger stage fares.

The applicant is engaged in the business of transporting airline employees as a passenger stage corporation as defined in Section 226 of the California Public Utilities Code. The passengers are transported between the Cities of San Jose, Cupertino, Sunnyvale, Santa Clara, Campbell and Milpitas, on the one hand, and the United Airlines Maintenance Base at the San Francisco International Airport, on the other hand, pursuant to the authority granted by Decision 81099, dated March 6, 1973, in Application 53816.

The existing daily fare of \$2.00 per round trip was authorized by Decision 83954 in Application 54615, dated January 7, 1975.

By this application, West Valley Charter Lines seeks Commission authority to increase the daily round trip fare to \$3.00.

The reasons given for the sought increase are as follows:

1. That cost of insurance, automotive parts, tires and fuel, as well as other direct costs, have nearly doubled since the last fare increase.

2. That applicant is presently operating at a considerable loss and operations cannot be continued under the present fare.

3. The continued operation at this rate of loss is a serious strain upon the financial position of the operation.

The applicant presently provides bus service on ten routes, which consist of six runs for the day shift employees, two runs for evening shift employees and two runs for the graveyard shift employees.

The most recent information obtained from her 1975 annual report indicates that the combined operation for charter (TCP-207A) and commute services (PSC-887) incurred a net loss.

By letter of May 24, 1976, applicant has amended her requested fares to \$2.50 daily per round trip.

The Transportation Division staff study of the carrier's estimated results of operation based on 1975 expenses is as follows:

RESULTS OF OPERATION  
(PASSENGER STAGE OPERATION ONLY)

	<u>Allocated From Company Records For Year-1975</u>	<u>Estimated At The Proposed Fare Increase To \$2.50 Daily</u>
<u>Statistics</u>		
Bus Miles	241,000	241,000
Number of Passengers	61,676	63,540
<u>Revenue</u>		
Common Carrier	\$ 123,352	\$ 158,840
Other	11,061	10,000
Total	\$ 134,413	\$ 168,840
<u>Expenses</u>		
Equipment Maintenance	\$ 44,138	\$ 44,140
Transportation	46,763	46,760
Traffic	44	40
Insurance & Safety	21,038	21,040
Administration & General	23,007	23,010
Depreciation	7,420	7,420
Operating Taxes & Licenses	8,557	8,560
Total Expenses	\$ 150,967	\$ 150,970
<u>Operating Income</u>	(\$16,554)	\$17,870
Income Taxes (Est.@0.48)	-	8,580
Net Income	-	9,290
Operating Ratio	112%	94.5%
Rate Base	\$ 54,720	\$ 44,430
Rate of Return	-	21%

The number of passengers projected at the proposed fare includes an adjustment for the airline employee's strike which occurred in 1975.

The increase in revenue with the proposed fare of \$2.50 daily round-trip is estimated at \$31,770.

The Transportation Division staff recommends that the amended request for increase in fare be granted by ex parte order since no protests were received.

After consideration the Commission finds that the increase to the proposed \$2.50 daily round-trip fare is justified. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Lois J. Kohler, doing business as West Valley Charter Lines, is authorized to establish the increased fare of \$2.50 daily per round trip. Tariff publications authorized to be made as a result of this order may be made effective not earlier than five days after the effective date of this order on not less than five days's 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 29th day of JUNE, 1976.

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President  
William Aguirre, Jr.  
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Vernon L. Stangen  
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Leonard Ross  
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Robert Bateman  
Commissioners

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