

Decision No. 86384

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Application of)
 Kenneth Henricksen, for the Authority) Application No. 56254
 to Increase Commuter Passenger Fares) (Filed February 3, 1976)

O P I N I O N

Kenneth Henricksen, dba Poodle Bus Line (Poodle), operates as a passenger stage corporation, pursuant to a Certificate of Public Convenience and Necessity issued by this Commission. Poodle additionally operates charter service, also pursuant to Commission authority. By this application, Poodle requests authority to increase its various passenger stage fares, as follows:

| <u>Weekly Fare Between Mare Island and</u> | <u>Present Fare</u> | <u>Proposed Fare</u> |
|--|---------------------|----------------------|
| Sebastopol | \$8.00 | \$12.00 |
| Santa Rosa | 8.00 | 12.00 |
| Kenwood | 7.50 | 11.50 |
| Hanna Road | 7.00 | 11.00 |
| Agua Caliente | 6.50 | 10.50 |
| Sonoma-Broadway | 6.00 | 9.00 |

Applicant alleges that its operating expenses have increased substantially since the present fares were established in 1968. In particular, applicant cites the following expense increases: insurance 207%; garage labor 300%; diesel fuel 190%; gasoline 144%; licenses 161%. Applicant states that charter work has subsidized its passenger stage commute service for many years and that it can no longer be relied on to do this.

The passenger stage service, which is the subject of this application, is a "home-to-work" service between various Sonoma County residential communities and the United States Naval Shipyard at Mare Island (Vallejo). It consists of three routes, with one-way distances of between 28 and 65 miles.

The Commission staff has prepared an engineering economic study of Poodle (adopted herewith as Exhibit 1), the essential

results of which are set forth in Appendices A and B attached. These passenger stage operations would be conducted at a loss in the absence of a further increase, but will, if the proposed fares are adopted, achieve a 99.5% operating ratio (slightly better than break even). The staff study includes reasonable allowances for the value of labor performed by Mr. and Mrs. Henricksen in mechanical and administrative functions, respectively.

The increase in revenue with the proposed fares is estimated to be \$6,700 annually.

Pursuant to Public Utilities Code Sections 730.3 and 730.5, the Commission staff has notified affected public transit operators and planning agencies of this application. The matter was also duly noted in the Commission's Daily Calendar. No protests or comments have been received.

The Transportation Division staff recommends that the application be granted by ex parte order.

After consideration, the Commission finds that the requested fare increases are justified. A public hearing is not necessary.

O R D E R


IT IS ORDERED that:

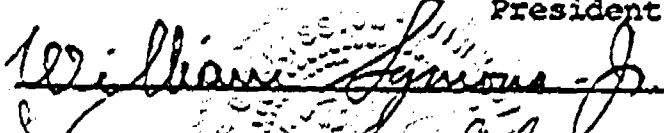
1. Kenneth Henricksen, dba Poodle Bus Line, is authorized to establish the increased fares as set forth above. Tariffs authorized to be made as a result of this order may be effective not earlier than five days after the effective date of this order and not less than five days' notice to the Commission and to the public.
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 buses a printed explanation of its fares. Such notice shall be posted not less than five days before the effective date of the

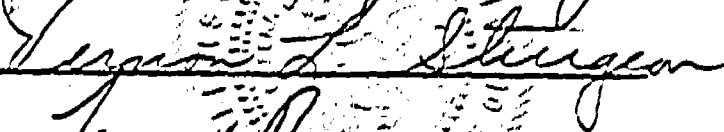
A. 56254 - VP

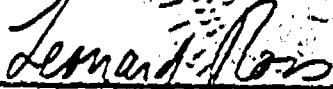
fare changes and shall remain posted for a period of not less than 30 days. In view of the fact that these common carrier operations are currently being conducted at a loss, the effective date of this order shall be the date hereof.


Dated at San Francisco, California, this 14th day of SEPTEMBER, 1976.



President








Commissioners

K. HENRICKSEN, DBA POODLE BUS LINE
STAFF ESTIMATED RESULTS OF OPERATIONS
FOR RATE YEAR SEPTEMBER 1, 1976 THROUGH AUGUST 31, 1977
AT PRESENT FARES

APPENDIX A

| | | Item or Account | | Staff Adjusted | | |
|-------------------|-------------|-----------------|-----------------------|----------------|----------|----------|
| Line | Reference | Number | Description | PSC | Charter | Total |
| <u>Statistics</u> | | | | | | |
| 1 | | | Bus Miles | 72,800 | 67,300 | 140,100 |
| 2 | | | Passenger Trips(Est.) | 28,200 | | |
| <u>Revenue</u> | | | | | | |
| 3 | | 3200 | Psg. Common Carrier | \$20,200 | - | \$20,200 |
| 4 | | 3100 | Charter | - | \$61,800 | 61,800 |
| 5 | | 3900 | Other | - | - | - |
| 6 | L3, 4, 5 | 3000 | Total | \$20,200 | \$61,800 | \$82,000 |
| <u>Expenses</u> | | | | | | |
| 7 | | 4100 | Equip. Maint. | \$ 9,250 | \$ 8,550 | \$17,800 |
| 8 | | 4200 | Transportation | 5,200 | 15,200 | 20,400 |
| 9 | | 4300 | Station | - | - | - |
| 10 | | 4400 | Traffic | 250 | 2,000 | 2,250 |
| 11 | | 4500 | Insurance & Safety | 5,500 | 6,000 | 11,500 |
| 12 | | 4600 | Admin. & General | 4,900 | 7,700 | 12,600 |
| 13 | | 5000 | Depreciation | - | 7,550 | 7,550 |
| 14 | | 5200 | Oper. Taxes & Lic. | 1,600 | 2,550 | 4,150 |
| 15 | | 5300 | Operating Rents | 70 | 110 | 180 |
| 16 | L7 thru 15 | | Total Expenses | \$26,770 | \$49,660 | \$76,430 |
| 17 | L6 less 16 | | Operating Income | \$-6,570 | \$12,140 | \$ 5,570 |
| 18 | | 8000 | Income Taxes | - | - | \$ 500 |
| 19 | L17 less 18 | | Net Income | \$-6,570 | - | \$ 5,070 |
| 20 | (L16,18)+L6 | | Operating Ratio-% | 132.5 | 80.4 | 93.8 |
| 21 | L19+L22 | | Rate of Return-% | - | - | 8.6 |
| 22 | | | Rate Base | | | \$59,200 |

TLR

K. HENRICKSEN, D3A POODLE BUS LINE
STAFF ESTIMATED RESULTS OF OPERATIONS
FOR RATE YEAR SEPTEMBER 1, 1973 THROUGH AUGUST 31, 1977 -
AT PROPOSED FARES

APPENDIX 3

| : : :Line: Reference | | : Item or Account : Number : Description | : Staff Adjusted : PSC :Charter : Total | : |
|-------------------------|----------------|---|--|-------------------|
| <u>Statistics</u> | | | | |
| 1 | | Bus Miles | 72,800 | 57,300 140,100 |
| 2 | | Passenger Trips(Est.) | 24,400 | |
| <u>Revenue</u> | | | | |
| 3 | 3200 | Passenger Common Carrier | \$26,900 | - \$26,900 |
| 4 | 3100 | Charter | - | \$61,800 61,800 |
| 5 | 3900 | Other | - | - |
| 6 | L3,4,5 3000 | Total | \$26,900 | \$61,800 \$88,700 |
| <u>Expenses</u> | | | | |
| 7 | 4100 | Equip. Maintenance | \$ 9,250 | \$ 8,550 \$17,800 |
| 8 | 4200 | Transportation | 5,200 | 15,200 20,400 |
| 9 | 4300 | Station | - | - |
| 10 | 4400 | Traffic | 250 | 2,000 2,250 |
| 11 | 4500 | Insurance & Safety | 5,500 | 6,000 11,500 |
| 12 | 4600 | Administrative & Gen. | 4,900 | 7,700 12,600 |
| 13 | 5000 | Depreciation | - | 7,550 7,550 |
| 14 | 5200 | Oper. Taxes & Licenses | 1,600 | 2,550 4,150 |
| 15 | 5300 | Operating Rents | 70 | 110 180 |
| 16 | L7 thru 15 | Total Expenses | \$26,770 | \$49,660 \$76,430 |
| 17 | L6 less L16 | Operating Income | \$ 130 | \$12,140 \$12,270 |
| 18 | 8000 | Income Taxes (Est.) | - | \$ 2,440 \$ 2,440 |
| 19 | L17 less L18 | Net Income - % | \$ 130 | \$ 9,700 \$ 9,830 |
| 20 | (L16, 18) + L6 | Operating Ratio - % | 99.5 | 84.3 88.9 |
| 21 | L19 + L22 | Rate of Return - % | - | - 16.6 |
| 22 | | Rate Base | - | - \$59,200 |