

Decision 84 07 093 July 5, 1984

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the application of
 Airport Bus of Bakersfield, Inc.,
 for the authority to increase fares
 for the transportation of passengers
 on regular scheduled Airport Access
 Service between points in Kern and
 Los Angeles County and the Los Angeles
 Airport.

Application 84-04-114
(Filed April 20, 1984)

O P I N I O N

Airport Bus of Bakersfield, Inc. (ABB) is a passenger stage corporation (PSC-1166) operating between points in Kern and Los Angeles Counties and Los Angeles International Airport (LAX). ABB was granted its authority by Decision (D.) 82-06-100 dated June 15, 1982 in Application (A.) 60826.

ABB seeks authority to increase its one-way fare from \$23 to \$25 to offset increases in operating costs. The requested increase is approximately 8.7%.

ABB's fares were established by D.82-08-091 dated August 18, 1982 in A.82-06-26.

The application, as originally filed, did not contain accounting records in conformity with the Uniform System of Accounts. The Transportation Division staff contacted ABB and requested further information. ABB responded by sending a copy of its Annual Report for the year ended December 31, 1983.

The Transportation Division has conducted a review of the application and ABB's Annual Report. The following table sets forth the estimated results of operations under present and proposed fares for a test year ending June 30, 1985.

	<u>Test Year Ending June 30, 1985</u>	
	Present Fares	Proposed Fares
<u>Operating Revenue</u>		
Passenger	\$ 803,169	\$ 873,010
Special Bus (Charter)	665,832	665,832
Freight	23,807	23,807
Total Operating Revenue	<u>\$1,492,808</u>	<u>\$1,562,649</u>
 <u>Operating Expenses</u>		
Equipment Maintenance & Garage	\$ 217,547	\$ 217,547
Transportation	554,132	554,132
Station	179,132	179,132
Traffic Solicitation and Advertising	39,772	39,772
Insurance and Safety	107,490	107,490
Administrative and General	136,698	136,698
Depreciation	128,570	128,570
Operating Taxes and Licenses	71,392	71,392
Operating Rents	24,532	24,532
Total Operating Expenses	<u>\$1,459,265</u>	<u>\$1,459,265</u>
 Net Operating Revenue (before taxes)	 \$33,543	 \$103,384
Income Taxes (est.)	\$8,508	\$37,232
Net Income (after taxes)	\$25,035	\$66,152
Operating Ratio (before taxes)	97.8%	93.4%
Operating Ratio (after taxes)	98.3%	95.7%

The proposed fare increase will result in a total revenue increase of approximately \$69,841 per year.

A.84-04-114 was placed on the Commission's Transportation Calendar on April 30, 1984. The Commission has received no requests for notification under PU Code Section 730.3. There have been no protests and a public hearing is not necessary.

Findings of Fact

1. ABB seeks an increase in its one-way fare from \$23 to \$25 to offset increases in operating costs. The requested increase is approximately 8.7%.

2. The requested fare increase will result in a total revenue increase of approximately \$69,841 per year.

3. The Commission has received no requests for notification under PU Code Section 730.3.

4. The requested fare increase is necessary to offset increased operating expenses and to ensure applicant's continued operations.

5. The requested fare increase is justified.

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

7. Since the fare increase is necessary to ensure applicant's continued operations, the effective date of this order should be the date of signature.

Conclusions of Law

The increased fares are reasonable and justified and should be granted.

O R D E R

IT IS ORDERED that:

1. Airport Bus of Bakersfield, Inc. is authorized to establish the increased fares proposed in Application 84-04-114. 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 year.

3. In addition to posting and filing tariffs, applicant shall post a printed explanation of its fares in its vehicles. 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.

4. The application is granted as set forth above.

This order is effective today.

Dated JUL 5 1984, at San Francisco, California.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO

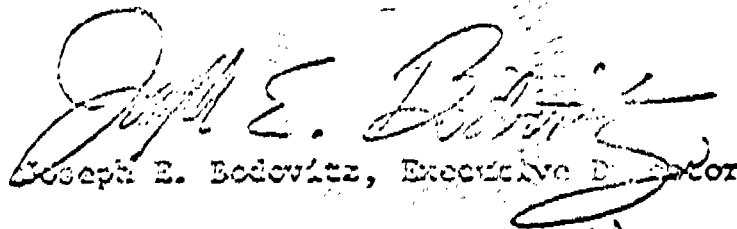
PRISCILLA C. CREW

DONALD VIAL

WILLIAM T. BAGLEY

Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bodovitz, Executive Director

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