

T/VP/jgd

Decision 88 05 052

MAY 25 1988

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of	)	
Southern California Coach (PSC-1363)	)	Application 88-03-022
seeking authority to publish tariff,	)	(Filed March 4, 1988)
provisions resulting in increases.	)	

**O P I N I O N**

Southern California Coach (applicant) is a passenger stage corporation (PSC-1363) operating between portions of San Bernardino, Riverside, Orange, and Los Angeles counties, on the one hand, and Los Angeles International Airport (LAX), Long Beach Municipal Airport (LGB), Ontario International Airport (ONT), John Wayne Airport (SNA), and the docks and piers at Los Angeles and Long Beach Harbors, on the other hand. It also holds and operates under charter-party carrier of passenger permit TCP 2418-P.

By this application, applicant seeks an approximate 18 percent increase in basic passenger fares as set forth in Exhibit B of the application.

Applicant's present fares were established by Decision (D.) 85-09-041, dated September 5, 1985, in Application (A.) 85-06-039.

Applicant alleges that since the last fare increase, it has experienced increases in operating costs, including insurance, workers compensation, wages and vehicle maintenance.

Based on the data contained in the application, the following table sets forth the estimated results of operations under present and proposed fares for a test year ending December 31, 1988.

	<u>Test Year Ending December 31, 1988</u>	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Operating Revenues	\$ 681,672	\$ 800,000
Operating Expenses	747,340	747,340
Operating Income (Loss)		
Before Income Taxes	(65,668)	52,660
Operating Ratio		
Before Income Taxes	109.6%	93.4%

(Red Figure)

As indicated by the above table, applicant's operations in the test year ending December 31, 1988, under present fares, will be at a loss of \$65,668. The proposed fares will result in an annual gross revenue increase of \$118,328 with an operating ratio of 93.4%, before income taxes.

Notice of the filing of this application appeared on the Commission's Daily Calendar of March 15, 1988. No protests or requests for public hearing have been received.

#### Findings of fact

1. Applicant seeks authority to increase passenger fares by approximately 18%.
2. Applicant's present fares were authorized by D.85-09-041, dated September 5, 1985.

3. Applicant's operations in the test year ending December 31, 1988, under present fares, will be at a loss of \$65,668.

4. The requested fare increases will result in an annual gross revenue increase of \$118,318 with an operating ratio of 93.4% before income taxes.

5. The requested fares are necessary and justified.

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

7. Since applicant's operations under the present fares will be at a loss, the effective date of this order should be the date of signature.

Conclusions of Law

1. The fares requested in A.88-03-022 are just and reasonable and should be granted.

2. Because the carrier is operating at a loss, the order should be effective today.

**ORDER**

IT IS ORDERED that:

1. Southern California Coach is authorized to establish the increased passenger fares proposed in A.88-03-022. Tariffs shall be filed on or after 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. 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 operating vehicles a printed explanation of the 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 30 days.

4. The application is granted as set forth above.

This order is effective today.

Dated MAY 25 1988, at San Francisco, California.

STANLEY W. HULETT  
President

DONALD VIAL  
FREDERICK R. DUDA  
G. MITCHELL WILK  
JOHN B. OHANIAN  
Commissioners

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

*Victor Weisser*  
Victor Weisser, Executive Director