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ORIGINAL CA-16

Decision 90 10 028 OCT 12 1990

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
Joanne H. Blizzard, an individual,)	Application 90-08-008
dba Easy Ride Commute for authority)	(Filed August 2, 1990)
to adjust its rates.)	
_____)	

O P I N I O N

Joanne H. Blizzard, an individual (applicant) is a passenger stage corporation (PSC-1339) engaged in home-to-work transportation of persons and their baggage on a regular scheduled service between the United Airlines Maintenance Base (UAL) at San Francisco International Airport, and to certain points in the Counties of Solano, Napa, Contra Costa, Alameda, San Joaquin, Sonoma, Marin, and Santa Clara.

Applicant was granted passenger stage authority by Decision (D.) 84-05-093, in Application (A.) 84-04-31.

Applicant requests authority to increase her present authorized fares by 26% under Public Utilities (PU) Code § 454.

Applicant has submitted a Balance Sheet, Income Statement and a projected Income Statement that includes present and proposed cash flow data.

Present fares as reflected in their tariff filed with the Commission has not been increased since September 1, 1985, when applicant was authorized to extend her passenger stage authority by D.85-07-125.

Present and proposed fares are shown in Table 1. These fares are one-way fares.

TABLE 1Between UAL and Points named below

	<u>Present Fares</u>			<u>Proposed Fares</u>		
	<u>UAL</u> Monthly	Weekly	Daily	<u>UAL</u> Monthly	Weekly	Daily
Vacaville	\$100	25.00	6.00	115	30.00	7.50
Fairfield	\$90	23.50	5.50	105	29.00	7.00
Vallejo	\$85	22.00	5.00	100	28.00	6.50

The projected data provided by applicant has been adjusted by the staff to reflect present operations. Applicant included projected revenues and expenses for its proposed operations that have not yet been authorized by the Commission. The staff adjusted projected revenue from \$606,079 to \$492,982 and total projected expenses from \$548,079 to \$451,888. The adjustments included payroll expenses from \$125,480 to \$93,833; fuel from \$107,387 to \$93,864; insurance PL & PD from \$93,100 to \$50,000; and workman's compensation from \$31,920 to \$24,000. The following table sets forth the estimated results of operations under present and proposed passenger fares for the test year ending December 31, 1990.

TABLE 2Test Period Ending December 31, 1990

INCOME STATEMENT

	<u>Historical Year ending</u> December 31, 1989	<u>Test Year ending</u> December 31, 1990	
	<u>Present Fare</u>	<u>Present Fare</u>	<u>Proposed Fare</u>
Operating Revenue	\$392,428	\$392,428	\$492,982
Operating Expenses	\$347,201	\$451,888	\$451,888
Operating Income(Loss)			
Income Before Tax	\$45,227	(\$59,460)	\$41,094
Income After Tax	\$38,443	0	\$34,266
Operating Ratio After Income Taxes	88.93%	131.58%	92.42%

Table 2, shows that applicant's operations in the year ending December 1989 under the present fares resulted in a profit of \$38,443 with an operating ratio of 88.93% after income taxes. However, in the first half of 1990, applicant's operations has been unprofitable. If present trend continues applicant will show a loss of \$59,460 with an operating ratio of 131.58%.

Applicant asserts that the costs of equipment, fuel, repairs and maintenance, salaries, wages of drivers and mechanics, and insurance have increased to a level that is causing the service to be operated at a deficit.

The proposed fares, on the other hand, will result in an annual gross operating revenue of \$492,982 and operating income of \$41,094 before income tax, with an operating ratio of 92.42% after income taxes.

Notice of filing of this application appeared on the Commission's Daily Transportation Calendar of August 10, 1990. No protests have been received. A public hearing is not necessary. In the opinion of the staff, the proposed fare increases are justified and should be granted.

Findings of Fact

1. Applicant seeks authority to increase its passenger stage fares by approximately 26% to offset increased operating costs.
2. Applicant's present fares were granted by D.85-07-125.
3. Applicant's operations in the test period ending December 31, 1990, under present fares would cause it to lose \$59,460 with an operating ratio of 131.58%.
4. The proposed fares will result in an annual gross revenue of \$492,982 which will generate an annual net income before taxes of \$41,094 and provide an operating ratio of 92.42% after income taxes.

5. The requested fare increases under PU Code § 454 are necessary and justified.

6. No protests have been received.

7. Applicant is presently operating at a loss.

Conclusions of Law

1. The passenger fare increases under PU Code § 454 herein requested are justified and reasonable.

2. The application, as amended, should be granted.

3. A public hearing is not necessary.

4. Since applicant is operating at a loss this order should be effective on the date it is signed.

O R D E R

IT IS ORDERED that:

1. Joanne H. Blizzard is authorized to establish the increased passenger fares proposed in A.90-08-008 under PU Code § 454. Tariffs may be filed on or after the effective date of this order. They may become effective five days or more after the effective date of this order provided that the Commission and the public are given not less than five days' notice.

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 her operating vehicles a printed explanation of the fares. Such notice shall be posted not less than ten days before the effective date of the fare changes and shall remain posted for a period of not less than 30 days.

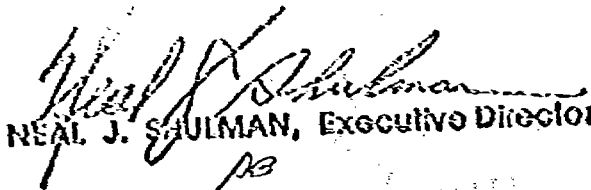
4. The application is granted as set forth above.

This order is effective today.

Dated OCT 12 1990, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

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


NEAL J. SAULMAN, Executive Director
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