

Decision 91-04-017 April 10, 1991

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

Application of Foothill's Flyer)
Incorporated, for authority to)
adjust its rates.)
_____)

Application 90-10-049
(Filed October 22, 1990)

OPINION

Foothill's Flyer, Incorporated, (applicant) is a passenger stage corporation (PSC-5812) engaged in the transportation of persons and their baggage on an on-call basis between Sacramento Metro Airport (SMA), Sacramento (SACTO), Roseville (ROSE), and Colfax (COL) Amtrak stations, on the one hand, and the counties of Placer, and Nevada, on the other.

Applicant was granted passenger stage authority by Decision (D.) 89-07-051, in Application 89-05-054.

Applicant requests authority to increase its present authorized fares by 27%¹ 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 August 21, 1989, when applicant was authorized to extend it's passenger stage authority by D.89-05-054.

¹Calculated from the test year ending 1991. Applicant projected its gross revenues based on a 15% increase in ridership with and without fare increases.

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

TABLE 1

Between *Area One and **Area Two

	<u>Present Fares</u>		<u>Proposed Fares</u>	
	Area One One-Way	Area Two One-Way	Area One One-Way	Area Two One-Way
SMA	\$25.00	\$35.00	\$30.00	\$45.00
SACTO	\$25.00	\$35.00	\$30.00	\$45.00
ROSE	\$12.00	\$20.00	\$20.00	\$30.00
COL	\$10.00	\$15.00	\$15.00	\$20.00

*Area One includes Auburn, Ophir, Bowman, Christian Valley, Meadow Vista, Clipper Gap, Heather Glen, Weimar, Lake of the Pines, and Newcastle.

**Area Two includes Grass Valley, Nevada City, Colfax, Chicago Park, and Lake Wildwood.

On February 26, 1991, applicant provided the Transportation Division staff with additional information in support of the application.

Using the data provided by applicant, the following table sets forth the estimated results of operations under present and proposed passenger fares for the test year ending December 31, 1991.

TABLE 2Test Period Ending December 31, 1991

INCOME STATEMENT

	Historical Year ending	Test Year ending	
	September 30, 1990	December 31, 1991	
	<u>Present Fares</u>	<u>Present Fares</u>	<u>Proposed Fares</u>
Operating Revenue	\$89,600	\$113,024	\$154,923
Operating Expenses	108,146	154,525	154,525
Operating Income(Loss)			
Income Before Tax	(18,546)	(41,501)	398
Income After Tax	0	0	298
Operating Ratio	117.15%	126.86%	99.74%
After Income Tax			

Table 2, shows that applicant's operations in the year ending December 1990 under the present fares resulted in a loss of \$18,546 with an operating ratio of 117.15% after income taxes. If present trends continue, applicant's projected operations for 1991 will indicate a loss of \$41,501 with an operating ratio of 126.86%. In 1991, applicant projects ridership to increase by 15% over that of 1990. However, increases in expenses including wages, equipment, rents, maintenance, insurance, and fuel will offset the projected increases in ridership and revenue.

The proposed fares, on the other hand, will result in an annual gross operating revenue of \$154,923 and operating income of \$398 before income tax, with an operating ratio of 99.74% after income taxes.

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 27% to offset increases in operating costs.

2. Applicant's present fares were granted by D.89-05-054.

3. Applicant's operations in the test period ending December 31, 1990, under present fares would result in a loss of \$18,546 with an operating ratio of 117.15%.

4. The proposed fares will result in an annual gross revenue of \$154,923 which will generate an annual net income before taxes of \$398 with an operating ratio of 99.74% after income taxes.

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

6. Notice of filing of this application appeared on the Commission's Daily Transportation Calendar of October 31, 1990. No protests have been received.

7. Applicant is now 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.

ORDER

IT IS ORDERED that:

1. Foothill's Flyer, Inc. (applicant), is authorized to establish the increased passenger fares proposed in Application 90-10-049 under Public Utilities 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 its 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 granted as set forth above.
This order is effective today.

Dated April 10, 1991, at San Francisco, California.

PATRICIA M. ECKERT
President
G. MITCHELL WILK
JOHN B. OHANIAN
DANIEL Wm. FESSLER
NORMAN D. SHUMWAY
Commissioners

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


NEAL J. SCHULMAN, Executive Director