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Decision 82 03 062 MAR 16 1982

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SOUTHERN CALIFORNIA COMMUTER BUS)
SERVICE, INC., doing business as)
COM-BUS, for authority to increase)
rates on certain commuter routes,)
Applicant.)

Application 61120
(Filed December 9, 1981)

O P I N I O N

Southern California Commuter Bus Service, Inc., a California corporation doing business as COM-BUS (PSC-943), is a passenger stage corporation transporting commuter passengers between various residential areas in Los Angeles, Orange, and Ventura Counties and employment centers in the Los Angeles Airport area, the South Bay area, the Los Angeles Civic Center, the Century City/Westwood area, and the Huntington Beach area.

Applicant seeks authority to increase its passenger stage fares as follows:

<u>ROUTE</u>	<u>PRESENT RATE S/WEEK</u>	<u>PROPOSED RATE S/WEEK</u>	<u>INCREASE PERCENTAGE</u>
1, CC 501, CC 503, CC 504, CC 505-1, CC 505-2, CC 507, CC 508, CC 509, CC 511, WLA-2, WLA-3, WLA-4, WLA-6, WLA-7, NA-1, NA-2, NA-3, NA-3a, NA-4, NA-4a, NA-7, NA-7a, NA-8, SB-4, SB-4a, SB-4b, SB-7, SB-7a, SB-8, SB-8a: ALL STOPS EXCEPT AS NOTED BELOW.	23.00	25.50	10.9
WLA-9, SB-9: ALL STOPS	19.00	21.00	10.5
WC-1, WC-2, WC-3, WC-4, WC-5	22.00	24.50	11.4

<u>ROUTE</u>	<u>PRESENT RATE \$/WEEK</u>	<u>PROPOSED RATE \$/WEEK</u>	<u>INCREASE PERCENTAGE</u>
MDAC-1	21.50	24.00	11.6
MDAC-3, MDAC-4	24.00	27.00	12.5
MDAC-5	20.00	22.00	10.0
1, WLA-6, NA-1: ALL STOPS PRIOR TO CULVER DRIVE	26.00	29.25	12.5
NA-7, SB-7, WLA-7: ALL STOPS PRIOR TO VALLEY CIRCLE	26.00	29.25	12.5
NA-7a: ALL STOPS PRIOR TO MALIBU CANYON ROAD	25.00	28.00	12.0

Applicant currently charges strictly on a weekly basis. Applicant requests permission to experiment with a reduced monthly fare on various routes. The monthly fare would be set between 0% and 10% below the weekly fare, prorated for the number of working days in an average month.

The present fares were authorized by Decision 92840, dated March 17, 1981.

Applicant alleges that the requested fare increase is necessary to offset increases in operating costs. As shown in the application, applicant's operations for the period ending December 31, 1980 were conducted at loss of \$939, as represented by an operating ratio after taxes of 100.3%.

The following table sets forth our Transportation Division staff's estimated results of operations under present and proposed fares for a test year ended March 31, 1983.

TABLE 1

	Test Year Ending March 31, 1983	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenues	394,580	429,224
Expenses	407,400	407,400
Operating Income	(12,420)	21,824
Income Taxes	200	5,449
Net Income	(12,620)	16,375
Operating Ratio (after taxes)	103.3%	96.2%

(Red Figure)

As indicated by the above table, applicant's operating income in the test year under its present fares will be loss of \$12,620 with an operating ratio of 103.3%. The proposed fares will result in an annual gross revenue increase of \$34,644, a profit of \$ 16,375, with an operating ratio of 96.2%.

Notice of the filing of this application appeared on the Commission's Daily Calendar of December 10, 1981. No protest or request for public hearing has been received.

The Commission notified affected public transit district operators of the application under Public Utilities Code Sections 730.3 and 730.5, and the Commission requested the public agency to prepare an analysis of the effect of the fare increase on overall transportation problems within the territory served by the public transit system. No response has been received from any public transit district. The fare increase will not affect transit system plans prepared under Chapter 2.5 of Title 7 of the Government Code.

Findings of Fact

1. Applicant seeks an 11% increase in its passenger fares to offset increased operating expenses.
2. As shown in Table 1, applicant's operations in the test year will be conducted at a loss of \$12,620 under present fares.
3. The requested fare increase will result in additional annual gross revenues of \$34,644 with an operating ratio of 96.2%, after taxes.
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.

Conclusion of Law

The increased fares are reasonable and justified.

O R D E R

IT IS ORDERED that:

1. Applicant, Southern California Commuter Bus Service, Inc., is authorized to establish the increased fares proposed in Application 61120. In addition to the weekly fares authorized, applicant may offer monthly fares at reduced rates. Tariffs shall be filed not earlier than the effective date of this order. They may go into effect 10 days or more after the effective date of this order on not less than 10 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 order.

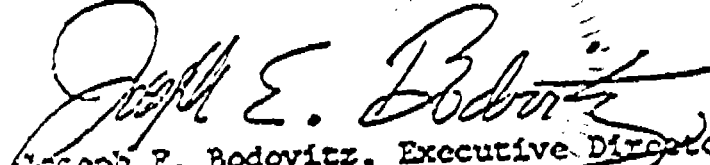
3. In addition to posting and filing tariffs, applicant shall post a printed explanation of its fares in its buses and terminals. The notice shall be posted at least 10 days before the effective date of the fare changes and shall remain posted for at least 30 days.

This order is effective today.

Dated MAR 16 1982, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. CRIMES, JR.
VICTOR CALVO
PRISCILLA C. CREW
Commissioners

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


Joseph E. Bodovitz, Executive Director