

T/ctb

Decision 82 06 036 JUN 2 1982

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of application of WALTER P. HENRICKSEN, dba WALT'S COMMUTE SERVICE, for the authority to increase commuter passenger rates.

Application 82-04-39
(Filed April 19, 1982)

O P I N I O N

Walter P. Henricksen (applicant), dba Walt's Commute Service, is a passenger stage corporation (PSC-851) engaged in a home-to-work service between various Sonoma County residential communities and the United States Naval Shipyard at Mare Island (Vallejo). The service consists of 4 routes, with one-way distances of between 26 and 45 miles.

Applicant seeks authority to increase passenger stage fares as follows:

<u>Weekly Fares Between Mare Island and:</u>	<u>Present Authorized Weekly Fares</u>	<u>Increase Weekly Fares</u>
Sebastopol	\$11.00	\$15.00
Healdsburg	11.00	15.00
Windsor	11.00	15.00
Santa Rosa	11.00	15.00
Cotati	10.00	14.00
Penngrove	10.00	14.00
Petaluma	10.00	14.00
Daily Fare (all routes)	2.50	3.50

Applicant's fares were established by Decision 88625 dated March 21, 1978 in Application 57813.

Applicant alleges that the requested fare increases are necessary to offset increases in operating costs. As shown in the application, applicant's operations for the period ending December 31, 1981 were conducted at a loss of \$1,237, as represented by an operating ratio before taxes of 101%. ✓

The following table sets forth the results of our Transportation Division staff's engineering economics study of applicant's service under present and proposed fares for a test year ending June 30, 1983. The predicted revenues generated by the proposed fares allow for diminution due to the increased fares.

	<u>Test Year Ending June 30, 1983</u>	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenues	\$71,900	\$100,469
Expenses	87,260	87,260
Operating Income Before Income Taxes	(15,360)	13,209
Operating Ratio Before Income Taxes	121%	87%

(Red Figure)

As indicated by the above table, applicant's operating income in the test year under the present fares will be a loss of \$15,360 with an operating ratio of 121%. The proposed fares will result in an annual gross revenue increase of \$28,569, a profit of \$13,209 with an operating ratio of 87%. ✓

The Commission notified affected public transit district operators and planning agencies of the application under Public Utilities Code Sections 730.3 and 730.5. No responses were received.

Findings of Fact

1. Applicant seeks to increase passenger fares to offset increased operating expenses.
2. As shown above, applicant's operations in the test year will be conducted at a loss of \$15,360 under present fares. ✓

3. The requested fare increase will result in additional annual gross revenues of \$28,569 with an operating ratio of 87% 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 just and reasonable.

O R D E R

IT IS ORDERED that:

1. Walter P. Henricksen, doing business as Walt's Commute Service, is authorized to establish the increased fares proposed in A.82-04-39. 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 order.

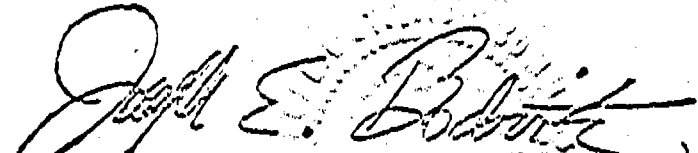
3. In addition to posting and filing tariffs, applicant shall post a printed explanation of his fares in his buses and terminals. The notice shall be posted at least five days before the effective date of the fare changes and shall remain posted for at least 30 days.

This order is effective today.

Dated JUN 2 1982, at San Francisco, California.

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

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


Joseph E. Bodovitz, Executive Director