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ORIGINAL

Decision S2 07 051 JUL 7 - 1982

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Homer W. Price (C.V. Commute Service), a Sole Proprietorship for the authority to increase fares for the transportation of passengers on regular scheduled home-to-work routes between points in Alameda County and the United Airlines Maintenance Base in San Francisco, San Mateo County.

Application 61056  
(Filed November 18, 1981)

O P I N I O N

Homer W. Price (applicant), doing business as C. V. Commute Service, is a passenger stage corporation (PSC-1138) between points in Alameda County and the United Air Lines Maintenance Base at the San Francisco International Airport. The service is designed to provide a convenient and economical mass transit alternative to the private automobile for persons commuting to the Maintenance Base from Hayward and Castro Valley.

Applicant seeks authority to increase his passenger fares from \$10.25 to \$16.00 per person, weekly tickets, to offset increases in operating costs.

Applicant's present fares were established by Decision 92285 dated October 8, 1980.

Applicant alleges that the requested fare increase is necessary to offset increases in operating costs, including the costs of mechanics' labor, replacement costs, and diesel fuel. As shown in the application, applicant sustained a loss of nearly \$3,000 for the year ending September 30, 1981.

The Transportation Division staff has prepared an engineering economics review of applicant's operations. The following table sets forth the adjusted results of operations under present and proposed fares for a test year ending June 30, 1983, allowing for diminution from the fare increase:

TABLE 1

	Test Year 1983	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenues	\$17,774	\$25,000
Expenses	24,643	24,643
Operating Income (Loss) Before Income Taxes	(6,869)	357
Operating Ratio Before Income Taxes	139%	99%

(Red Figure)

As indicated by the above table, applicant's operating income in the test year under his present fares will be a loss of \$6,869 with an operating ratio of 139%. The proposed fares will result in an annual gross revenue increase of \$7,226, a profit of \$357, with an operating ratio of 99%.

Notice of the filing of this application appeared on the Commission's Daily Calendar. 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 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 authority to increase his 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 \$6,869 under present fares.
3. The requested fare increase will result in additional annual gross revenues of \$7,226 with an operating ratio of 99%, before 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. Homer W. Price is authorized to establish the increased fares proposed in Application 61056. Tariffs shall be filed not earlier than the effective date of this order. They may go into effect 5 days or more after the effective date of this order on not less than 5 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 5 days before the effective date of the fare changes and shall remain posted for at least 30 days.

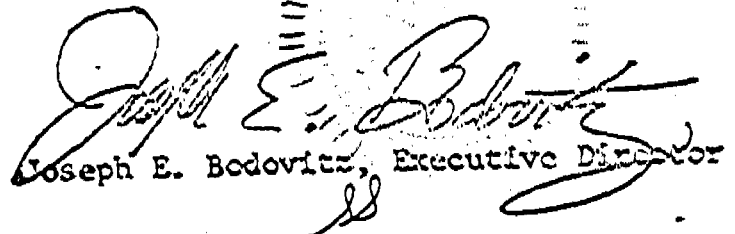
This order is effective today.

Dated JUL 7 1982, at San Francisco, California.

RICHARD D. CRAVELLE  
LEONARD M. CRIMES, JR.  
VICTOR CALVO  
PRISCILLA C. CREW  
Commissioners

Commissioner John E. Bryson,  
being necessarily absent, did  
not participate.

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

  
Joseph E. Bodovitz, Executive Director