

ORIGINAL

Decision S2 07 061

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of Andresa Dulay and Daniel Dulay,
Jr., dba Delano-Visalia Bus Pool,
a California general partnership,
for the authority to increase fares
for the transportation of passengers
on regular scheduled home-to-work
routes between points in Delano,
California and the Cambridge Filter
Corporation in Visalia, California,
to offset recent increases in fuel,
labor and other operating expenses.

Application 82-06-22
(Filed June 7, 1982)

O P I N I O N

Andresa Dulay and Daniel Dulay, Jr. (applicants), doing business as Delano-Visalia Bus Pool, are a passenger stage corporation (PSC-1176) operating home-to-work service between Delano and Visalia.

Applicants seek authority to increase their passenger fares from \$3.00 to \$5.00 per day to offset increases in operating costs.

Applicants' present fares were established by Decision 93409 dated August 4, 1981, by which decision applicants' passenger stage authority was also granted.

Applicants allege that the requested fare increase is necessary because they were not familiar with and did not anticipate all of the costs involved in the operation of the business. As shown in the application, applicants sustained a net loss of \$5,130 for the period December 7, 1981 (date service commenced) through March 31, 1982.

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

TABLE 1

	Test Year 1983	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenues	\$18,048	\$24,966
Expenses	24,806	24,806
Operating Income (Loss) Before Income Taxes	(6,758)	160
Operating Ratio Before Income Taxes	137.4%	99.4%

(Red Figure)

As indicated by the above table, applicants' operating income in the test year under their present fares will be a loss of \$6,758 with an operating ratio of 137.4%. The proposed fares will result in an annual gross revenue increase of \$6,918, a profit of \$160, with an operating ratio of 99.4%.

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.

Findings of Fact

1. Applicants seek authority to increase their passenger fares to offset increased operating expenses.
2. As shown in Table 1, applicants' operations in the test year will be conducted at a loss of \$6,758 under present fares.
3. The requested fare increase will result in additional annual gross revenues of \$6,918 with an operating ratio of 99.4% before taxes.
4. The requested fare increase is necessary to offset increased operating expenses and to ensure applicants' 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 applicants' 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. Andresa Dulay and Daniel Dulay, Jr. are authorized to establish the increased fares proposed in Application 82-06-22. 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, applicants shall post a printed explanation of their fares in their 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.

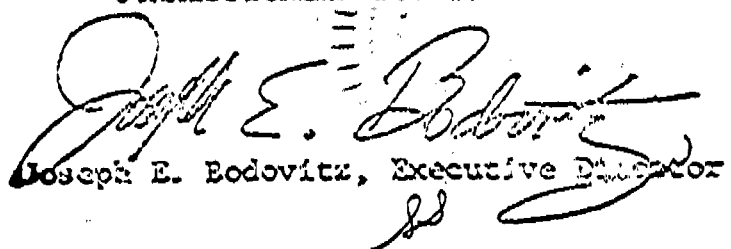
This order is effective today.

Dated JUL 7 1982, at San Francisco, California.

RICHARD D. GRAVELLE
LEONARD M. GRIMES, JR.
VICTOR CALVO
FRISCILLA 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