

Decision S2 08 091 AUG 1-8 1982**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of Airport Bus of Bakersfield, Inc.,
for the authority to increase fares
for the transportation of passengers
on regular scheduled Airport Access
Service between points in Kern and
Los Angeles County and Los Angeles
Airport.

Application 82-06-26
(Filed June 9, 1982)

OPINION

Airport Bus of Bakersfield, Inc. is a passenger stage corporation operating between points in Kern and Los Angeles County and Los Angeles International Airport. The service started on May 1, 1978. The requested fare increase is from \$20 to \$25 per one-way fare, plus operating costs. The increase was authorized by Decision (D.) 93117 dated May 1, 1981. The requested fare increase is necessary to cover operating costs. As shown in the application, the company's operating services for the period ending June 30, 1981, resulted in a loss of \$269,440 as represented by an operating ratio before taxes of 139%.

The Transportation Division has conducted an engineering economics study of the application. The following table sets forth the estimated results of operations under present and proposed fares for test year ending July 31, 1983.

Findings of Fact

1. Applicant seeks a 15% increase in its passenger stage fares to offset increased operating expenses.

2. As shown in the table, applicant's passenger stage services in the test year will be conducted at a loss of \$57,783 under present fares.

3. The requested fare increase will result in additional annual gross revenues of \$135,975 with an operating ratio of 93% 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. The requested fare increase is necessary to ensure applicant's continued operations. The effective date of this order should be the date of the order.

Conclusion

The requested fare increase is reasonable and justified and should be granted.

E R

1. The Commission, Inc. is authorized to establish the increased fares requested in Application 82-06-26. Tariffs shall be filed not later 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 day's 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.

CORRECTION

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THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

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Application 82-06-26
(Filed June 9, 1982)

O P I N I O N

Airport Bus of Bakersfield, Inc. is a passenger stage corporation (PSC-1166) operating between points in Kern and Los Angeles Counties and Los Angeles International Airport. The service started in July 1981.

Applicant seeks authority to increase its one-way fare from \$20 to \$23 to offset increases in operating costs.

Applicant's fares were established by Decision (D.) 93117 dated May 19, 1981 in Application 60430.

Applicant alleges that the requested fare increase is necessary to offset increases in operating costs. As shown in the application, applicant's passenger stage services for the period ending June 30, 1982 were conducted at a loss of \$269,440 as represented by an operating ratio before taxes of 139%.

The Transportation Division has conducted an engineering economics study of the application. The following table sets forth the estimated results of operations under present and proposed fares for test year ending July 31, 1983.

Test Year Ending July 31, 1983	
Present Fares	Proposed Fares
Revenues	\$ 996,182 \$1,132,262
Expenses	\$1,053,965 \$1,053,965
Operating Income (Loss)	(\$57,783) \$78,297
Before Income Taxes	
Operating Ratio	106%
Before Income Taxes	93%

(Red Figure)

As indicated by the above table, applicant's PSC operating income in the test year under its present fares will be a loss of \$57,783 with an operating ratio of 106%. The proposed fares will result in an annual gross revenue increase of \$135,975, a profit of \$78,297, with an operating ratio of 93%.

The expense accounts include applicant's estimate for revenue equipment depreciation which does not conform to the Commission's standard depreciation schedules. For this proceeding staff has accepted applicant's estimate because the equipment is operating in an environment which may decrease its normal life expectancy.

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 a 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 a 15% increase in its passenger stage fares to offset increased operating expenses.

2. As shown in the table, applicant's passenger stage services in the test year will be conducted at a loss of \$57,783 under present fares.

\$57,783	Loss
\$57,783	Total

3. The requested fare increase will result in additional annual gross revenues of \$135,975 with an operating ratio of 93% 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 and should be granted.

O R D E R

IT IS ORDERED that:

1. Airport Bus of Bakersfield, Inc. is authorized to establish the increased fares proposed in Application 82-06-26. 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 day's 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 limousines. 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 AUG 18 1982, at San Francisco, California.

Commissioner of Public Utilities and Transportation

Richard D. Gravelle, President
LEONARD M. GRIMES, JR.
VICTOR CALVO

Commissioners of the Board of Public Utilities and Transportation

Commissioners of the Board of Public Utilities and Transportation

Commissioners of the Board of Public Utilities and Transportation

Commissioners of the Board of Public Utilities and Transportation
being necessarily absent, did not participate

Commissioners of the Board of Public Utilities and Transportation

Commissioners of the Board of Public Utilities and Transportation

Commissioners of the Board of Public Utilities and Transportation

Commissioners of the Board of Public Utilities and Transportation

Commissioners of the Board of Public Utilities and Transportation

Commissioners of the Board of Public Utilities and Transportation

END

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

Commissioners of the Board of Public Utilities and Transportation

Commissioners of the Board of Public Utilities and Transportation

Commissioners of the Board of Public Utilities and Transportation

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