

T/ctb\*

Decision S2 OS 035

AUG 18 1982

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application  
of COMMUTER BUS LINES, INC. for  
an emergency increase in fares of  
\$138,794 to offset cost increases.

Application 82-06-33  
(Filed June 9, 1982)

O P I N I O N

Commuter Bus Lines, Inc. (applicant), is a passenger stage corporation (PSC-453) which operates home-to-work routes in Los Angeles, Orange, Placer, and Sacramento Counties. In addition, the applicant provides service to Del Mar, Santa Anita, and Hollywood Park race tracks.

Applicant seeks to increase its per capita weekly home-to-work fares by \$2 and the current race track fares by 20%.

Applicant's fares were established by Decision 93067 dated May 19, 1981 in Application 60159.

Applicant alleges that the requested fare increase is necessary to offset increases in operating costs.

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 September 30, 1983.

	<u>Test Year Ending September 30, 1983</u>	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenues	\$1,107,800	\$1,246,600
Expenses	1,176,101	1,202,873
Operating Income (Loss)		
Before Income Taxes	(68,301)	43,727
Operating Ratio		
Before Income Taxes	106%	96%

(Red Figure)

We received a number of letters concerning amenities (air-conditioning, cleanliness, etc.). Staff will meet with applicant to try and resolve these matters. ✓

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A few letters also questioned the need for a fare increase. ✓  
As indicated by the above table, applicant's PSC operating income in the test year under its present fares will be a loss of \$68,301 with operating ratio of 106%. The proposed fares will result in an annual gross revenue increase of \$112,028, a profit of \$43,727, with an operating ratio of 96%.

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 \$2 per week increase on its home-to-work routes and 20% increase on its race track fares to offset increased operating expenses.
2. As shown in the above table, applicant's passenger stage services in the test year will be conducted at a loss of \$68,301 under present fares.
3. The requested fare increases will result in additional annual gross revenues of \$112,028 with an operating ratio of 96% before taxes.
4. Several letters concerning amenities (air-conditioning, etc.), some questioning need for fare increase, were received. ✓
5. The requested fare increases are necessary to offset increased operating expenses and to ensure applicant's continued operations.

#### Conclusion of Law

The increased fares are reasonable and justified.

Since the fare increases are necessary to ensure applicant's continued operations, the effective date of this order should be the date of signature. ✓

O R D E R

IT IS ORDERED that:

1. Commuter Bus Lines, Inc. is authorized to establish the increased fares proposed in Application 82-06-33. 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 its fares in its limousines. 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.

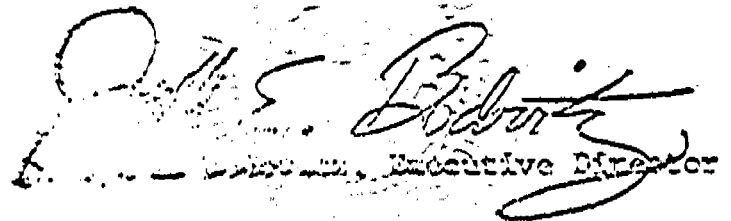
This order is effective today.

Dated AUG 18 1982, at San Francisco, California.

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

Commissioner Priscilla C. Grew,  
being necessarily absent, did  
not participate

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE  
COMMISSIONERS TO

  
John E. Bryson, Executive Director