

Decision 83 01 025 JAN 12 1983

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Joseph R. Foster to make passenger and express rate increases necessary to maintain passenger, baggage, and express service between Taft, California, and Bakersfield, California.

Application 82-10-14
(Filed October 7, 1982;
amended November 15, 1982)

O P I N I O N

Joseph R. Foster (applicant), doing business as Foster's Transportation Service, is a passenger stage corporation (PSC-7) operating between Bakersfield and Taft with service to intermediate points.

Applicant seeks authority to increase his passenger fares and express rates by approximately 10%.

Applicant's present fares and rates were established by Decision 91453 dated March 18, 1980.

Applicant alleges that the requested fare increase is necessary to offset increases in operating costs, and to help recover a portion of the loss in subsidies provided by Caltrans.

The Transportation Division staff has reviewed the application. The following table sets forth the estimated results of operations under present and proposed fares for a test year ending December 31, 1983.

TABLE 1

	Test Year 1983	
	Present Fares	Proposed Fares
Revenues	\$31,100	\$33,705
Expenses	34,416	34,416
Operating Income (Loss) Before Income Taxes	(3,316)	(711)
Operating Ratio Before Income Taxes	110.7%	102.1%

(Red Figure)

As indicated by Table 1, applicant's operating income in the test year under his present fares will be a loss of \$3,316 with an operating ratio of 110.7%. The proposed fares will result in an annual gross revenue increase of \$2,605, a loss of \$711 with an operating ratio of 102.1%. Applicant has advised our staff that he has applied to the City of Taft and the Kern County Council of Governments for financial assistance to help offset the loss.

Notice of the filing of this application and amendment appeared on the Commission's Daily Calendar. No protest or request for public hearing has been received.

Findings of Fact

1. Applicant seeks authority to increase his passenger fares and express rates to offset increased operating expense, and loss of Caltrans subsidies.

2. As shown in Table 1, applicant's operations in the test year will be conducted at a loss of \$3,316 under present fares.

3. The requested fare increase will result in additional annual gross revenues of \$2,605 with an operating ratio of 102.1% before taxes.

4. The requested fare and rate increases are necessary to offset increased operating expenses and to ensure applicant's continued operations.

5. The requested fare and rate increases are justified.

6. No protests have been received, and a public hearing is not necessary.

7. Since the fare and rate increases are 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 and rates are reasonable and justified, and the application should be granted.

O R D E R

IT IS ORDERED that:

1. Joseph R. Foster is authorized to establish the increased fares and rates proposed in Application 82-10-14. 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.

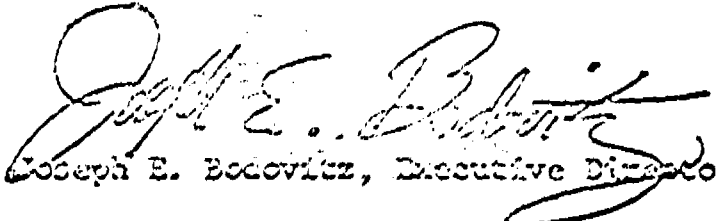
3. In addition to posting and filing tariffs, applicant shall post a printed explanation of his fares in his buses and terminals. The notice shall be posted at least five days before the effective date of the fare changes and shall remain posted for at least 30 days.

This order is effective today.

Dated JAN 12 1983, at San Francisco, California.

LEONARD M. GRIMES, JR.
President
VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
Commissioners

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


Joseph E. Bodovitz, Executive Director