

Decision No. 89078 JUL 11 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of Winfred D. Breland,)
doing business as a passenger stage)
service, for authority to increase)
fares for the transportation of)
passengers on regularly scheduled)
routes in San Bernadino to offset)
increased operating costs.)

Application No. 57967
(Filed April 3, 1978)
(Amended June 9, 1978)

O P I N I O N

Applicant Winfred D. Breland, an individual, operating as a passenger stage corporation between San Bernardino, on the one hand, and, on the other hand, the Marine Corps Base at Nebo and the Yermo Supply Center at Yermo, requests approval to increase his round-trip fares from \$2.75 to \$3.50, a gross annual revenue increase of approximately \$4,430. The present round-trip fare of \$2.75 was authorized by Decision No. 84231 dated March 25, 1975.

Applicant contends the present fare is inadequate to give him a fair profit and that he is in fact operating at a loss. The application shows that for the year ended December 31, 1977, applicant had a net loss of \$3,368. Applicant owns two buses used in the operation: one, a 1960 Silver Eagle used on a daily basis and the other, a 1955 Flxible used as a standby. Applicant is an employee at one of the facilities and drives the bus himself.

The Commission staff reviewed the application and the Annual Reports to the Commission and found several discrepancies. These discrepancies were called to the attention of the applicant who submitted an amended application on June 9, 1978.

From a review of the amended application and the Annual Report to the Commission for 1977, the Commission Staff Transportation Engineers have developed the following operating statement for the Test Year:

ESTIMATED RESULTS OF OPERATIONS

Item or Account		Test Year 1978	
Number	Description	Present Fares	Requested Fares
(1)	(2)	(3)	(4)
	Passengers	5,915	5,915
	Bus Miles	40,600	40,600
	<u>Revenue</u>		
320	Passenger Revenue	\$16,270	\$20,700
	<u>Expenses</u>		
410	Maintenance	\$ 3,190	\$ 3,190
420	Transportation	10,110	10,110
450	Insurance	3,610	3,610
460	Adminstration	330	330
450	Depreciation	450	450
520	Operating Tax	760	760
530	Rent	600	600
	Total Expenses	\$19,050	\$19,050
	Operating Income	-2,780	1,650
800	Income Tax (est.)	-700	500
	Net Income	-2,080	1,150
	Operating Ratio - %	121.4	94.4

The staff found that applicant operated approximately 40,600 miles in the year 1977 and would operate the same miles in the test year. In its investigation, the staff found applicant was carrying 23 passengers per day in his round-trip service and took four hours to make the round trip. Based on 253 working days, the staff estimates that the operating revenue for the year would be \$16,270, resulting in a loss of \$2,780 based on present fares but, if the proposed fares were instituted, he would gross \$20,700 with a resulting profit of \$1,150, or an operating ratio of 94.4 percent after income taxes. Expenses for the test year include an allowance of \$5,200 per year for the service performed by applicant in driving the bus and \$200 as write-off of

legal expenses incurred in seeking rate relief. Based on its review, the staff recommends that the application be granted.

Notice of the filing of this application was listed in the Commission's Daily Calendar on April 5, 1978. Additionally, the Commission staff notified affected public transit operators and planning agencies of the receipt of this application, pursuant to California Public Utilities Code Sections 730.3 and 730.5. No protests to the application have been received.

After consideration, the Commission finds that the increase in rates and charges authorized by this decision are justified and are reasonable; and the present rates and charges, insofar as they differ from those prescribed by this decision, are for the future unjust and unreasonable. A public hearing on this application is not necessary.

O R D E R

IT IS ORDERED that:

1. Winfred D. Breland is authorized to establish the increased rates proposed in Application 57967. Tariff publications authorized to be made as a result of this order shall be filed not earlier than the effective date of this order and may be made effective not earlier than ten days after the effective date of this order on not less than ten days' notice to the Commission and to the public.
2. The authority shall expire unless exercised within ninety days after the effective date of this order.
3. In addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in his buses and terminals a printed explanation of his fares. Such notice shall be posted not less than ten days before the effective date of the fare changes and shall remain posted for a period of not less than thirty days.

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Because the applicant's operations are being conducted at a loss at this time, the effective date of this order is the date hereof.

Dated at San Francisco, California, this 11th
day of JULY, 1978.

Robert B. Korman
President

Joseph D. Gault
Charles J. DeBriand
Commissioners

Commissioner William Symons, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.