

Contra Costa County have historically been unprofitable and the Commission's records are surfeited with proceedings that have resulted in such findings --- the latest being Decision No. 89207, August 8, 1978, in Application No. 57966."

The requested fare increase is to remove the out-of-pocket losses alleged by the applicant.

The staff of the Transportation Division has made an independent study of the matter and determined that the detail of operations presented by Greyhound was accurate with two exceptions, first that Greyhound had not included out-of-pocket rental expenses for facilities in Concord, and second, had not adjusted expenses for the reduced number of bus schedules which went into effect on September 25, 1978.

The following Table 1 summarizes the various estimates of the out-of-pocket results of operations:

TABLE 1

OUT-OF-POCKET RESULTS OF OPERATIONS
GREYHOUND CENTRAL CONTRA COSTA COMMUTE

No.	Item or Account Description	Greyhound per A. 58346	Estimated By	
			Present Operations	C.P.U.C. Operations after 9-25-78
(1)	(2)	(3)	(4)	(5)
<u>Statistics</u>				
<u>Passengers</u>				
	Westbound		150,352	150,352
	Eastbound		152,167	152,167
	Total	302,519	302,519	302,519
<u>Schedules</u>				
	Westbound		19	16
	Eastbound		20	17
	Total	39	39	33
	Bus Miles	312,000	312,000	259,000
3000	Passenger Revenues	\$ 380,640	\$ 380,640	\$ 380,640
4100	Repairs, Servicing, Tires & Tubes	\$ 57,938	\$ 57,938	\$ 42,010
4200	Drivers' Wages, Fuel, Oil & Tolls	410,935	410,935	366,226
4300	Commissions	5,710	5,710	5,710
4400	Traffic	-	-	-
4500	PL&PD and Wkms Comp. Insur.	15,288	15,288	13,080
4600	Employees Welfare	79,778	79,778	69,231
5000	Depreciation	-	-	-
5200	Optg. Taxes & Licenses	36,566	36,566	31,237
5300	Storage Lot Rents	-	6,864	6,864
	Total Operating Expenses	\$ 606,215	\$ 613,079	\$ 534,358
	Net Income before Income Taxes	\$- 225,575	\$- 232,439	\$- 153,718
	Required Fare Increase Ratio	59.3%	61.1%	40.4%

Original

The results of the Transportation Division staff study indicates a 40.4% fare increase would offset the approximate \$154,000 out-of-pocket operating loss for this commute service.

Greyhound operates two services through Central Contra Costa County. One is an intercity and uses the Greyhound Terminal in San Francisco, on 7th Street between Mission and Market Streets, and proceeding via, and serving intermediate points, Oakland, Lafayette, through Concord and beyond to Brentwood and Stockton. The other is a commute service, which is the subject of this application, using the San Francisco Bay Area Transit Terminal at 1st and Mission Streets, and proceeds via Oakland, Lafayette to termination in Concord.

A different basis is used for determining the fares for each of the two services. The increased fares discussed herein would result in the commute fares being higher than the intercity fares for the same distance; however, the provisions of Public Utilities Code Section 460 (long- and short-haul) are not applicable because the two services are essentially different.

In accordance with Sections 730.3 and 730.5 of the Public Utilities Code, the State and local agencies operating or planning public transit systems were notified and asked for comments regarding the proposed rate increase. MTC replied that the fare increase may result in diversions to other forms of transportation.

Notice of this application appeared in the Commission's Daily Calendar on September 12, 1978. One protest has been received.

The applicant has established a tax initiative account pursuant to Commission OII 19, issued June 27, 1978, and the applicant's present fares were adjusted downward, from an initial increase of 3% authorized by Decision 89207 to 2.3639%, to reflect the effect of Article XIII A of the California Constitution.

F I N D I N G S

1. Greyhound provides both a commute service in and an intercity service through Central Contra Costa County.
2. The two services are essentially different and ^{Acc. No.} could ~~be~~ not in conflict with Public Utilities Code Section 460.
3. Greyhound's present fares, both the commute and intercity, were established September 7, 1978, pursuant to Decision 89207, issued August 8, 1978 in Application 57966.
4. Greyhound has taken actions to comply with Commission OII 19.
5. Greyhound's present Central Contra Costa County commute fares do not provide enough revenue to cover the out-of-pocket expenses for providing the service.
6. Notices were distributed in compliance with the requirements of Public Utilities Code Sections 730.3 and 730.5 and the request was published in the Commission's calendar of September 12, 1978. A reply was received from M.T.C., and there was one protest.
7. Greyhound presently operates 33 one-way schedules in the Central Contra Costa County commute service.
8. Greyhound is experiencing an estimated \$154,000 out-of-pocket loss from the operations of the Central Contra Costa County commute service.
9. A 40.4% increase to the Central Contra Costa County commute fares will provide an additional \$154,000, offsetting the estimated out-of-pocket loss.
10. The additional \$154,000 revenue will increase the applicant's gross intrastate revenue by 0.34%.

C O N C L U S I O N S

1. The authority requested in Application 58346 (SPT) for an increase in Central Contra Costa County commute fares should be granted to the extent such increase does not exceed 40.4%.
2. An increase of 40.4% to offset out-of-pocket losses is in conformity with the statutory provisions set forth in Sections 730.3 and 730.5 of the Public Utilities Code.

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3. Applicant should be authorized to publish the increased passenger fares on five days' notice to the Commission and the public.

4. Authority to depart from the long-and short-haul provisions of Section 460 of the Public Utilities Code to establish the increased fares should be granted.

5. A public hearing is not necessary.

6. A 40.4% increase to the Central Contra Costa County commute fares will not increase the applicant's California intrastate gross revenue by as much as one percent.

7. Since the out-of-pocket losses have been incurred by Greyhound for an extended period and as this application qualifies for Shortened Procedure Tariff Docket consideration, the ensuing order should be made effective promptly.

O R D E R

IT IS ORDERED that:

1. Greyhound Lines, Inc., is hereby authorized to increase its California intrastate 20-ride and one-way single fares which are applicable to Greyhound's San Francisco-Central Contra Costa County commute passenger service by 40.4%. Tariff publications authorized to be made as a result of this order shall be filed not earlier than the effective day of this order and may be effective not earlier than ten days after the effective date of this order on not less than five days' notice to the Commission and to the public.

2. Greyhound Lines, Inc., in establishing and maintaining the commute service fares authorized hereinabove, is hereby authorized to depart from the provisions of Section 460 of the Public Utilities Code to the extent that the presently authorized California intrastate intercity fares for service in the same geographical area would not be adjusted for long-and short haul differences resulting from the increased commute fares. The presently authorized California intrastate intercity fares are to remain unchanged.

3. The authority granted herein shall expire unless exercised within ninety days after the effective date of this order.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 3rd day of OCTOBER, 1978.

Robert Bakeman

President

William Synovis Jr.

Vernon L. Sturgeon

Richard D. Howell

Clair T. DeWitt

Commissioners