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ORIGINAL

Decision No. 89826 JAN 4 1979

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)	Application No. 58396
passenger, baggage, and express)	(Filed October 5, 1978)
service between Taft, California,)	
and Bakersfield, California.)	

O P I N I O N

Joseph R. Foster operates as a passenger stage corporation (PSC-7) between Taft and Bakersfield and intermediate points. Applicant operates two round trips daily between Taft and Bakersfield, a one-way distance of 39 miles, with no service on Sundays or holidays. By this application, Joseph R. Foster requests authority to increase his passenger fares and express rates by approximately ten percent as outlined in the application.

In support of this application, applicant cites increases in insurance rates, wages and operating costs. The increase in revenue resulting from the proposed rate increase is estimated by the applicant to be \$1,869 annually. The present passenger fares and express rates were established by Decision No. 86745 dated December 14, 1976 in Application No. 56698.

The Transportation Division staff has made an engineering study of the applicant's operation and has prepared a report on the estimated results of operation based on the future year ending December 31, 1979 under present and proposed fares. The report is hereby received as Exhibit 1. The exhibit indicates the following results:

ESTIMATED RESULTS OF OPERATIONS
HISTORICAL YEAR (1977) AND
RATE YEAR ENDING DECEMBER 31, 1979

: Item or Account :		Historical	: Rate Year Ending December 31, 1979 :	
: Number: Description:		Year 1977	: At Present Fares: At Requested Fares:	
(1)	(2)	(3)	(4)	(5)
	Bus Miles	47,820	47,820	47,820
	<u>Revenue</u>			
320	Passenger	\$ 3,950	\$ 3,950	\$ 4,338
322	Express & Other	<u>14,814</u>	<u>14,814</u>	<u>16,295</u>
300	Total Revenue	\$18,764	\$18,764	\$20,633
	<u>Expenses</u>			
410	Maintenance	\$ 712	\$ 883	\$ 883
420	Transportation	6,693	7,801	7,801
430	Station	907	910	910
440	Traffic	362	400	400
450	Insurance	2,281	2,310	2,310
460	Administration	1,243	1,300	1,300
500	Depreciation	-	-	-
520	Taxes	<u>452</u>	<u>450</u>	<u>450</u>
400 & 500	Total Opera- tional Expenses	\$12,650	\$14,054	\$14,054
	Operating Income	\$ 6,114	\$ 4,710	\$ 6,579
800	Income Taxes	\$ 1,029	\$ 800	\$ 1,200
	Net Income*	\$ 5,085	\$ 3,910	\$ 5,379
	Operating Ratio- %*	72.9	79.2	77.8

(*Note: The owner-manager does not receive a salary but receives only the net income as compensation.)

Notice of filing of this application appeared on the Commission's Daily Calendar of October 6, 1978. Additionally, the Commission staff notified affected public transit operators and planning agencies of the filing of this application, pursuant to California Public Utilities Code Sections 730.3 and 730.5. Foster posted notices (in each passenger vehicle and terminal) describing this application and including the address of the Commission. No protests have been received. The Chief of the Division of Mass Transportation of the California Department of Transportation sent a letter stating that "CALTRANS supports this application as a reasonable, prudent and necessary action to retain essential rural intercity service between Taft and Bakersfield, California."

F I N D I N G S

After consideration, the Commission finds that:

1. The requested fare increase will result in additional annual revenue of \$1,869.
2. The proposed fare increase is justified.
3. A public hearing is not necessary.

The Commission concludes that the application should be granted.

O R D E R

IT IS ORDERED that:

1. Joseph R. Foster is authorized to establish the increased rates proposed in Application No. 58396. Tariff publications authorized to be made as a result of this order may be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and to the public.
2. This 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 its buses a printed explanation of its rates. Such notice shall be posted not less than five days before the effective date of the rate changes and shall remain posted for a period of not less than thirty days.

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Since the carrier would be operating at a loss if the owner-manager were receiving a minimum salary rather than the net income as compensation, the effective date of this order is the date hereof.

Dated at San Francisco, California, this 4th day of JANUARY, 1979.

Robert R. Salzman

PRESIDENT

Richard D. Gould

Clair T. Smith

COMMISSIONERS