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Decision No. 90454 JUN 19 1979**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application)
of SOUTHERN CALIFORNIA COMMUTER)
BUS SERVICE, INC., doing business)
as COM-BUS, for authority to)
increase rates on certain commuter)
routes)
))
Applicant.)

Application No. 58846
(Filed May 8, 1979)

O P I N I O N

Southern California Commuter Bus Service, Inc., doing business as COM-BUS, presently provides service as a passenger stage corporation (PSC-943). By this application, COM-BUS seeks authority to increase its commuter fares by 14.3% to 25.0% between various employment centers in the Los Angeles area on the one hand and various points in Los Angeles and Orange Counties on the other hand.

The present and proposed fares are as follows:

<u>Route</u>	<u>Present Fare (\$/week)</u>	<u>Proposed Fare (\$/week)</u>	<u>Percent Increase</u>
1, VA-2, VA-3, VA-4, VA-6, VA-7, CC-11, CC-12, NA-1, NA-2, NA-3, NA-4, NA-4a, NA-7, NA-7a, NA-8, SB-4, SB-4a, SB-4b, SB-7, SB-7a, SB-8, SB-8a: All stops except as noted below	\$16.50	\$19.00	15.2
VA-9, SB-9: All stops	14.00	16.00	14.3
1, VA-6: All stops prior to Culver Drive	19.00	22.00	15.8
NA-7, SB-7: All stops prior to Valley Circle	19.00	22.00	15.8
NA-7a: All stops prior to Malibu Canyon Road	19.00	22.00	15.8
MDAC-1: All stops	14.50	18.00	24.1
MDAC-3, MDAC-4: All stops	16.00	20.00	25.0
MDAC-5: All stops	13.75	17.00	23.6

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Most of the present fares were established by Decision 89023 dated June 27, 1978, in Application 57884. The older present fares (MDAC-1, 3, 4, 5) were established by Decision 87197 dated April 12, 1977 in Application 56863.

The largest expense that burdens the applicant is lease bus payments which must compensate drivers' wages, insurance and fuel costs. During 1977, as reported to the Commission in its annual report, the applicant had 282,285 leased bus miles which cost \$227,221. A trend of lease bus payments per week per bus from the applicant's records is listed:

July 1974	-	\$350/week/bus
February 1978	-	\$430/week/bus
December 1978	-	\$470/week/bus
May 1979	-	\$520/week/bus

Applicant needs immediate relief to adjust fares within the service area, to compensate lease bus payments. Granting of the fare increase would overcome a current loss of \$32 per bus per week and provide a profit of \$49 per week. Ron Hoffman estimates a 5% diminution of commuters and the requested fare increase would result in additional annual revenue of \$33,000.

The applicant is presently operating at a loss. The increase authorized herein is necessary to insure the continued viability of the commute service and will compensate for the rising cost of leasing buses during 1979. Thus, the increase is excepted from the President's guidelines for wage and price increases.

Notice of the filing of this application appeared in the Commission's Daily Calendar on May 9, 1979. Additionally, the Commission staff notified public transit operating and planning agencies of the filing of this application, pursuant to California Public Utilities Code Sections 730.3 and 730.5. No protests have been received. The Southern California Rapid Transit District sent

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a statement that "passenger checks indicate that seats are available on the present services operated by the District to absorb any additional ridership if deflection occurs as a result of a fare increase."

F I N D I N G S

After consideration, the Commission finds that:

1. The requested fare increase would result in additional annual revenue of \$33,000.
2. The proposed fare increase is justified.
3. A public hearing is unnecessary.
4. Applicant is operating at a substantial loss.

O R D E R

IT IS ORDERED that:

1. Southern California Commuter Bus Service, Inc., doing business as COM-BUS, is authorized to establish the increased fares proposed in Application 58846. Tariff publications authorized to be made as a result of this order shall 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. 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 its buses a printed explanation of its fares. Such notice shall be posted not less than five days before the effective date of the fare increase and shall remain posted for a period of not less than thirty days.
4. Applicant shall maintain its accounting records on a calendar year basis in conformance with the applicable Uniform System of Accounts or Chart of Accounts as prescribed or adopted by this Commission.

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Since the carrier is currently operating at a substantial loss, the effective date of this order is the date hereof.

Dated at San Francisco, California, this 10th
day of JUNE 9, 1979.

John E. Gyness
President

Henry L. Stegman

Charles D. Howell

Clare T. DeFuria

Leonard W. Gennies
Commissioners