

Decision No. 90555

JUL 17 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of METRO COMMUTER COMPANY, INC., a)
California Corporation for author-)
ity to increase fares for the)
transportation of passengers on)
regular-scheduled routes between)
Burbank-Glendale-Pasadena Airport)
(formerly, Hollywood-Burbank Air-)
port) and points in Arcadia,)
Pasadena and Glendale.)

Application No. 58766
(Filed March 27, 1979)

O P I N I O N

Metro Commuter Company, Inc. (Metro), a corporation, presently provides service as a passenger stage corporation (PSC-1053) between Burbank Airport and points in Glendale, Pasadena and Arcadia. Metro operates 14 round trips daily (three of these serving Arcadia) for seven days a week including holidays.

In support of this application, applicant alleges that during the last few months, operating expenses have been nearly three times the operating revenues; that expenses have increased primarily due to the increased cost of fuel and insurance premiums that has occurred since 1972 when the existing rates were established; that the proposed fares are comparable to fares already authorized by the Commission for similar services and distances of other carriers; and that the proposed fares are just and reasonable.

The existing and proposed fares are shown in the following table:

<u>Between Burbank Airport and</u>	<u>Existing Fares</u>	<u>Proposed Fares</u>
Arcadia	\$4.00	\$5.50
Pasadena	\$3.00	\$4.50
Glendale	\$2.00	\$3.50

The Transportation Division engineering staff reviewed the application and prepared an engineering economic study based upon the information supplied in the application and other information.

A. 58766 -

furnished by the applicant. The carrier has experienced a recent 20% increase in passengers as a result of the present fuel situation. The engineering-economic study includes this increase in passengers, the diminution effect of increased fares and a 25% increase adjustment to fuel expenses at the reduced operating level proposed by the applicant.

Following are the estimated results of operations for a future rate year at present and proposed fares:

<u>No.</u>	<u>Item or Account Description</u>	<u>Present Fares</u>	<u>Proposed Fares</u>
	Bus Miles	104,400	104,400
	Passengers	19,000	16,600
300	Revenues	\$68,300	\$86,100
410	Repairs	\$ 500	\$ 500
420	Transportation	19,500	19,500
440	Traffic	6,100	6,100
450	Insurance	13,300	13,300
460	Gen'l & Admin.	24,300	24,300
500	Depreciation	300	300
520	Taxes & Lic.	2,700	2,700
530	Opt. & Rents	\$11,300	11,300
	Total Expenses	\$78,000	\$78,000
	Net Opt. & Income	-\$ 9,700	\$ 8,100
800	Income Taxes	200	2,100
	Income After Taxes	=\$ 9,900	\$ 6,000
	Operating Ratio	114.5%	97.6%

Since the application states that the applicant is currently operating at a loss and that after investigation the projected ratio under the proposed fares would be 97.6 percent, the proposed increases appear to be reasonable in light of the President's Guidelines for Wage and Price Increases and appear to be necessary to ensure the continued viability of this transportation service.

Copies of the application were served to interested parties, and the application was listed in the Commission's Daily Calendar on April 2, 1979. Additionally, the applicant posted notices of the

A. 58766 -

application in its vehicles, and 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.

F I N D I N G S

The Commission finds that:

1. The requested fare increase would result in additional annual revenue of approximately \$17,800.
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. Metro Commuter Company, Inc. is authorized to establish the increased fares proposed in Application 58766. 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. 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 and terminals a printed explanation of its fares. Such notice shall be posted not less than five days before the effective date of the fare changes and shall remain posted for a period of not less than thirty days.

A. 58766 -

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

Dated at San Francisco, California, this 17th day of JULY, 1979.

John E. Byron
President
Herman L. Sturgeon
Richard P. Howell
Clare J. Patrick
Lawrence J. Quinn
Commissioners