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Decision No. 92206 SEP 3 - 1980

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application )  
of BAY RAPID TRANSIT CO., INC. )  
a corporation, for authority )  
to increase a certain fare. )

Application No. 59598  
(Filed April 15, 1980)

O P I N I O N

Bay Rapid Transit Company, a corporation, herein referred to as Applicant, presently provides sightseeing services as a Passenger Stage Corporation (PSC-360) between Monterey area, on the one hand, and 17-Mile Drive and San Simeon, on the other hand. It also operates as a Charter-party Carrier of Passengers TCP-69A. Applicant proposes to increase its sightseeing passenger fares as follows:

	<u>Round Trip Adult Fares</u>		<u>Round Trip Children Fares</u>	
	<u>Present</u>	<u>Proposed</u>	<u>Present</u>	<u>Proposed</u>
Monterey to 17-Mile Drive	\$4.00	\$8.00	\$2.00	\$6.00
Monterey to San Simeon	13.00	20.00	6.50	15.00

The present fares between Monterey and 17-Mile Drive were authorized by Decision No. 85121, dated November 18, 1975, and the present fares between Monterey and San Simeon were authorized by Decision No. 85441, dated February 10, 1976.

Applicant alleges that the proposed increases in fares are necessary to offset the operating losses from its sightseeing operations, and to keep in line with constant rising rate of inflation.

Carrier's income statement for the twelve months ended December 31, 1979, Schedule B attached to the application, shows operating revenues and expenses for the combined charter and

passenger stage operations of \$592,951 and \$574,633 respectively, which resulted in an operating ratio of 96.9 percent, after income taxes.

Based on the information contained in the application and the additional data received from the Applicant on July 14, 1980, the following table shows a summary of the Transportation Division staff's results of operation studies, related to the carrier's passenger stage operations only, for the rate year ending June 30, 1981, under both the present and proposed fares:

	<u>Historical Year</u> <u>Ended 12/31/79</u>	<u>Rate Year Ending</u> <u>6/30/81</u>	
		<u>Present</u> <u>Fares</u>	<u>Proposed</u> <u>Fares</u>
Operating revenues	\$ 10,700	\$ 13,350	\$ 22,200
Operating expenses	20,100	22,000	22,000
Gross income (Loss)	<del>4</del> (9,400)	<del>4</del> ( 8,650)	<del>4</del> 200
Income taxes	<del>4</del> 10	<del>4</del> 10	<del>4</del> 10
Net income (Loss)	(9,410)	( 8,660)	199
Operating ratio, after income taxes - %	197.9	164.8	99.1

As shown by the above table, the present fare structure during the rate year will result in a net loss of \$8,660, with an operating ratio of 164.8 percent. The requested fare increase will result in an additional annual revenue of \$8,850, an operating ratio of 99.1 percent, and a net operating income of \$199.

The proposed fares qualify for an exemption under the President's Guidelines for Wage and Price <sup>Stability</sup> ~~Increases~~ since they are necessary to ensure the continuation of this transportation service.

Copies of this application were served on interested parties, and the application was listed in the Commission's Daily Calendar. 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. No protests or comments have been received.

*Findings of Fact*  
FIN D I N G S

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After consideration, the Commission finds that:

1. The carrier is presently operating at a loss.
2. The requested fare increase will result in an additional annual revenue of \$8,850, or a net annual operating income of approximately \$200.
3. The proposed fares are necessary to ensure the continuation of this transportation service.
4. The proposed fare increase is justified.
5. No protests have been received concerning this application.
6. 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. Bay Rapid Transit Company, a corporation, is authorized to establish the increased fares proposed in Application No. 59598. 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~~

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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 operating vehicles 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.

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

Dated SEP 3 - 1980, at San Francisco, California.

John E. Bayan  
President  
Vernon L. Struogun  
Richard W. Howell  
Clare J. DeSique  
Samuel J. San  
Commissioners