

A. 59107 - T/FS

Decision No. 92281 OCT 8 1980

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMUTE SERVICE, INC., for the)
Authority to increase Fare, Toll)
and Charge to Passengers.)

Application No. 59107
(Filed August 27, 1979)

O P I N I O N

Commute Service, Inc. (CSI) operates service as a Passenger Stage Corporation (PSC-862) between the Cities of Livermore, Pleasanton, Fremont, Newark, Hayward, Milpitas and the northern part of the City of San Jose within three air miles of the city limits of Milpitas, on the one hand, and the United Airlines Maintenance Base (UAMB) located at the San Francisco International Airport, on the other hand. CSI also operates as a Charter-party Carrier of Passengers under the authority of TCP-181-A.

The passenger stage service is of the "home-to-work" character, providing commute transportation between the respective residential neighborhoods and the place of employment at UAMB.

The present fares were authorized by Decision No. 86842 dated January 11, 1977 in Application No. 56868. At that time, CSI changed its ticketing system from a fixed amount for two weeks service to one whereby 20 one-way tickets are good until used.

By this application, CSI requests authority to increase its fares by \$2.00 per week. Included in the current application is the proposal to change the ticketing system to a fixed amount per week.

The comparison of charges for the present 20 one-way tickets and the weekly fare is as follows:

<u>Between UAME and:</u>	<u>Present Charge For 20 One-Way Tickets</u>	<u>Proposed Weekly Fares</u>
Hayward	\$16.50	\$10.25
Newark/Fremont	18.50	11.25
Milpitas/North San Jose	19.00	11.50
Livermore/Pleasanton	19.00	11.50

Between the signing of Decision No. 86842 and the filing of Application No. 59107, the applicant had reduced service from 15 routes per day to five routes per day and was negotiating for the sale of two of the remaining routes. Subsequent to the filing of this application, Application Nos. 59797 and 59808 have been filed to transfer two of the routes to other parties. Thus the data included in Application No. 59107 was not indicative of the current and near future operations of the applicant.

The Commission's staff conducted a study using data from the annual reports to the Commission and data supplied by applicant to the staff for the purposes of this study, all without audit. The staff study is entered as Exhibit 1 in this matter.

The study shows an estimated Rate Year October 1, 1980 through September 30, 1981 at both presently authorized fares and at the fares proposed in the application. The study further separates these Results of Operation between Charter and Passenger Stage. Table 2 from Exhibit 1 is attached hereto as Appendix A.

The report shows that the carrier will operate at a loss during the rate year even at the rates proposed. The anticipated increase in gross revenue is \$8,740 annually and represents a 23% increase in fares.

Copies of this application were served on interested parties and the application was listed in the Commission's Daily Calendar on November 16, 1979. Additionally, the Commission staff notified affected public transit operators and planning agencies of the receipt of this application, pursuant to California Public Utilities Code Sections 730.3 and 730.5.

The Transportation Division staff recommended that the application be granted by ex parte order if no protests are received. No protests or comments have been received.

Since there is an immediate need for this fare adjustment, the order should be effective on the date signed.

The proposed fares qualify for an exemption under the President's Guidelines for Wage and Price Stability since they are necessary to insure the continued viability of this transportation service.

Findings of Fact

After consideration, the Commission finds that:

1. Since applicant's present fares were established February 6, 1977, it has experienced increases in operating expenses, the most significant being fuel and wages.
2. The requested fare increase will result in additional gross revenue of approximately \$8,740 annually.
3. CSI has reduced the service provided from 15 routes per day to three routes per day.
4. The proposed fare increase is necessary to compensate for the rising cost of operation.
5. The fare increase requested in Application No. 59107 is justified.
6. No protests have been received concerning this application.
7. A public hearing is not necessary.
8. There is an immediate need for rate relief.

After consideration, the Commission concludes that the requested fare increases are justified and the effective date of the order should be the date of signing.

O R D E R

IT IS ORDERED that:

1. Commute Service, Inc. is authorized to establish the increased fares as set forth in the application. Tariff publications authorized to be made as a result of this order may be made effective not earlier than ten days after the effective date of this order on not less than ten 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 fares. Such notice shall be posted not less than ten days before the effective date of the fare changes and shall remain posted for a period of not less than thirty days.

The effective date of this order is the date hereof.

Dated OCT 8 1980, at San Francisco, California.

Commissioner Claire T. Dodrick, being necessarily absent, did not participate in the disposition of this proceeding.

John E. Bryan
President

James L. Thompson

Michael W. Wood

Edward J. Smith
Commissioners

Appendix A

TABLE 2
 COMMUTE SERVICE INC
 Results of Operation
 Rate Year 10/1/80-9/30/81
 Present and Proposed Fares

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Line No.	Reference	Item or Account No.	Description	Present Fares			Proposed Fares		
				Charter	Commute	Total	Charter	Commute	Total
(1)	(2)	(3)	(7)	(8)	(9)	(10)	(11)	(12)	
STATISTICS									
1.			Bus Miles	85,870	60,720	146,160	85,440	60,720	146,160
2.			Passengers	NA	21,840	NA	NA	21,840	NA
OPERATING REVENUES									
3.		3200	Passenger Revenue	\$ -	\$ 38,220	\$ 38,220	\$ -	\$ 46,960	\$ 46,960
4.		3210	Special Bus Revenue	112,500	-	112,500	112,500	-	112,500
5.		3900	Other Operating Revenue	-	-	-	-	-	-
6.	L3,4,5	3000	TOTAL REVENUE	\$112,500	\$ 38,220	\$150,720	\$112,500	\$ 46,960	\$159,460
OPERATING EXPENSES									
7.		4100	Equip. Maint Expenses	\$ 19,400	\$ 13,780	\$ 33,180	\$ 19,400	\$ 13,780	\$ 33,180
8.		4200	Transportation Expenses	37,420	18,900	56,320	37,420	18,900	56,320
9.		4500	Insurance Expenses	18,900	8,210	27,110	18,900	8,210	27,110
10.		4600	Admin. & Gen. Expenses	15,280	8,260	23,540	15,280	8,260	23,540
11.	L7,8,9,10		Sub-Total	\$ 91,000	\$ 49,150	\$140,150	\$ 91,000	\$ 49,150	\$140,150
12.		5000	Depreciation Expenses	6,300	4,470	10,770	6,300	4,470	10,770
13.		5200	Operating Taxes	8,220	3,170	9,390	6,220	3,170	9,390
14.	L11,12,13		Total Expense Before Income Taxes	\$103,520	\$ 56,790	\$160,310	\$103,520	\$ 56,790	\$160,310
15.	L1 less L14		Net Revenue Before Income Taxes	\$ 8,980	\$ (18,570)	\$ (9,590)	\$ 8,980	\$ (9,830)	\$ (850)
16.		8000	Taxes on Income	\$ 200	-	\$ 200	\$ 200	-	\$ 200
17.	L14,16		TOTAL EXPENSES	\$103,720	\$ 56,790	\$160,510	\$103,720	\$ 56,790	\$160,510
18.	L6 less L17		Net Revenue	\$ 8,780	\$ (18,570)	\$ (9,790)	\$ 8,780	\$ (9,830)	\$ (1,050)
19.	(L17÷L6)x100		Operating Ratio	92.2%	140.6%	106.5%	92.2%	120.9%	100.7%

TABLE 2