

Decision No. 92683 FEB 4 1981

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:)
BENJAMIN HICKEY and ELIZABETH HICKEY,)
doing business as ARAGLEN TOURS, a)
general partnership, to increase)
fares for tour service between)
Sausalito and Mt. Tamalpais and)
between Larkspur and Mt. Tamalpais.)

Application No. 59857
(Filed August 4, 1980)

O P I N I O N

Benjamin Hickey and Elizabeth Hickey, doing business as Araglen Tours (applicants), conduct operations as a Passenger Stage Corporation (PSC-1078), engaging in sightseeing tour service between Sausalito, Larkspur and San Francisco, on the one hand, and Mount Tamalpais State Park, on the other hand. Applicants are also authorized to conduct charter-party operations pursuant to a charter-party permit (TCP-1399-P).

By Application No. 59857, applicants seek authority to increase the round-trip adult fares from Sausalito and Larkspur to Mount Tamalpais from \$6.50 to \$8.00, and to reduce children's fares (under 12 years and over 5 years old) from present fare of \$6.50 to \$5.00.

Discussion

Applicants' present fares were established on January 20, 1980 pursuant to Decision No. 90684, dated August 14, 1979, in Application No. 58906, filed June 4, 1979.

Applicants allege that the present fares were established based on the 1979 costs of operations. Since that time, operating costs have increased substantially, and unless the requested fare increase is granted, applicants will be unable to generate sufficient revenue to continue to provide quality service to the public.

Based on information contained in the application and recent additional information received from applicants, the following table shows a summary of the Transportation Division staff's estimated results of operations for the test year ending June 30, 1982, under both the present and proposed fares:

<u>Items</u>	<u>Test Year Ending June 30, 1982</u>	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenues	\$52,300	\$62,800
Expenses	56,300	56,300
Operating Income (Loss) Before Income Taxes	(4,000)	6,500
Operating Ratio Before Income Taxes - %	107.7	89.6

As indicated by the above table, the staff's study shows that under the present fare structure the operating ratio will be about 108 percent with a net loss of \$4,000 during the test year. The requested fare increase will result in an additional annual gross revenue of \$10,500, and a net annual income of \$6,500 with an operating ratio of approximately 90 percent.

The proposed fares qualify for an exemption under the President's Guidelines for Wage and Price Stability since they are necessary to ensure the viability 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 have been received.

Findings of Fact

1. Under the present fare structure during the test year ending June 30, 1982, Araglen Tours will be operating at a loss.
2. The requested fare increase will result in additional annual gross revenues of \$10,500, a net annual income of \$6,500, and an operating ratio of approximately 90 percent before income taxes.
3. The proposed fares are necessary to ensure the viability of Araglen Tours.
4. An operating ratio of 90 percent before income taxes is reasonable for this carrier.
5. The fare increase requested in Application No. 59857 is justified.
6. No protests have been received concerning the application.
7. A public hearing is not necessary.
8. Since the continued operation by Araglen Tours under its present fares will be at a loss, the effective date of this order should be the date of signature.

Conclusion of Law

The fare increase requested in Application No. 59857 is justified and the fares proposed are reasonable and should be granted.

O R D E R

IT IS ORDERED that:

1. Benjamin Hickey and Elizabeth Hickey, doing business as Araglen Tours, are hereby authorized to establish the increased fares as proposed in Application No. 59857, filed August 4, 1980. 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, Araglen Tours shall give notice to the public by posting in its operating vehicles a printed explanation of its fares. Such notice

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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.

The effective date of this order is the date hereof.

Dated FEB 4 1981, at San Francisco, California.

John E. Byron
President
Richard A. Boyle
Samuel M. Jones
Commissioners