

Decision No. 93067 MAY 19 1981

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application)
of COMMUTER BUS LINES, INC., for)
an emergency increase in fares)
of \$166,200 to offset cost)
increases.)

Application No. 60159
(Filed December 24, 1980;
amended April 2, 1981)

O P I N I O N

Applicant (Commuter) is a passenger stage corporation (PSC-453), engaged in the business of transporting passengers over routes in the greater Los Angeles Metropolitan area, as well as in the Sacramento region. These services are scheduled to serve the commutation needs for passengers working at a wide variety of employment sites. Commuter's extensive home-to-work route structure makes it the largest operator of passenger stage services of this type in California. Applicant also operates passenger stage services to racetracks in Southern California and, pursuant to Commission Charter-party Certificate TCP-69-B, offers charter bus service for trips originating within 40 miles of its main terminal in Long Beach, California.

By this application, Commuter seeks authority to increase its weekly passenger stage fares as follows:

<u>Present Fares</u>	<u>Proposed Fares</u>
\$11.75	\$14.00
12.25	14.00
13.00	15.00
13.00	16.00 1/
13.75	16.00
13.75	17.00 2/
14.50	17.00
15.25	18.00
16.00	19.00
16.75	20.00
17.50	21.00
18.25	22.00
18.25	24.00 3/
19.00	24.00

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- 1/ Route 35, for Seal Beach stop only, larger increase due to proposed \$16.00 minimum fare for longer routes.
 - 2/ Route 46, for Costa Mesa stop only, larger increase due to typographical error in last application, failed to increase.
 - 3/ Route 76, larger increase to preserve service, due to small patronage.

By amendment filed April 2, 1981, applicant seeks authority to increase fares on its Sacramento division routes by an additional \$1.00 per week, and to modify its tariff rules to provide a more liberal credit for days missed, pursuant to a stated passenger preference for such arrangements. Applicant anticipates no significant effect on its overall revenues will result from these revisions to its Sacramento area services.

In connection with this application, the Commission staff has made an engineering-economics study of applicant's operations. A summary of its estimated results of operations for Commuter Bus Lines, Inc. is as follows:

	<u>Historic Year</u>	<u>Rate Year 6/1/81-5/31/82</u>	
	<u>10/1/79-9/30/80</u>	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenues	\$1,216,006	\$1,212,925	\$1,370,872
Expenses	1,113,328	1,162,360	1,174,142
Net Operating Revenue	102,678	50,565	196,730
Income Taxes, est.	16,596	9,731	74,946
Net Income, After Taxes	86,082	40,834	121,784
Operating Ratio	92.9%	96.6%	91.1%

The staff study summarized above allows \$24,000 for the employment of an additional mechanic to help maintain the applicant's fleet and the reliability of its passenger services after the applicant advised us of its need for, and intention to hire as soon as these fare increases are granted. The staff study also allows for the increase in the price of fuel, from an average of 77.9¢ per gallon in the historic year to 96.7¢ per gallon as of April 6, 1981. Expenses increase slightly in the rate year under proposed fares, as compared with the rate year under present fares, owing to driver wages being determined, in part, as a percentage of revenues. The staff advises that the total compensation paid to drivers will not exceed a reasonable amount under either the present or the proposed fares (working out to approximately \$5 per hour or less in either case). The staff recommends that the application be granted.

Copies of this application were served on interested parties and the application was listed in the Commission's Daily Calendar on December 31, 1980. 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 timely protests were filed. A letter dated April 20, 1981 was received from a Mr. Basil Mikhalkin. ^{4/}

Findings of Facts

1. The requested fare increases will result in additional annual revenue of \$157,947.
2. The proposed fares are necessary to ensure the continued viability of this transportation service.
3. The proposed fare increases are justified.

^{4/} Mr. Mikhalkin's letter was received well beyond the regular protest period, but we have nevertheless considered his comments. He does not protest the need for the overall fare increase, but only the tariff rules concerning refunds for unused days. While not without merit, we do not find Mr. Mikhalkin's position persuasive. The basic fare for these passenger stage services is the weekly ticket. The buses must operate the full week long, with all the expenses this entails, regardless of whether a particular passenger actually occupies a seat on a given trip or not. To assure the continued availability of these important transportation services, sufficient revenue must be authorized to cover their operating expenses. The vast majority of applicant's passengers are regularly employed persons who commute at least four if not all five workdays in a typical week. The fares are structured to be as low as reasonably possible for these regular patrons. To provide more liberal refund provisions for the smaller number of less regular or infrequent patrons would require further increase in the regular fares which, on balance, we do not find to be justified. Also, the proposed refund provisions are not unreasonable given the context of these services.

4. No protests or substantive comments have been received concerning this application other than Mr. Mikhailkin's letter, which we have considered and find unpersuasive.

5. A public hearing is not necessary.

Conclusion of Law

The application, as amended, should be granted as set forth below. The order below should be effective on the date of signature because of the applicant's marginal results of operations and the need for the proposed fares to ensure the continued viability of these important transportation services.

O R D E R

IT IS ORDERED that:

1. Commuter Bus Lines, Inc. is authorized to establish the increased fares as listed in the opinion above. 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 the public. Tariffs shall specify fares for each route on a point-to-point basis.

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 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 MAY 19 1981 , at San Francisco, California.

 John E. Byrne
President
 Richard W. ...
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 Pamela C. ...
Commissioners