

T/FS

Decision No. 93075 MAY 19 1981

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Mt. Reba, Inc. to)
make passenger rate increases)
necessary to maintain passenger)
service between Mt. Reba, California)
and Bear Valley, California.)

Application No. 60014
(Filed October 21, 1980)

O P I N I O N

Mt. Reba, Inc., a California corporation, is a passenger stage corporation (PSC-986) operating between Bear Valley and Mt. Reba Ski Area in Alpine County.

By Application 60014, applicant seeks authority to increase its one-way fare from \$0.40 to \$1.00 to offset the increases in operating costs.

Discussion

Applicant's present fare was authorized in Decision No. 86973, dated February 15, 1977. Applicant alleges that the present fare was established based on the 1977 costs of operations. Since that time, both direct and indirect costs have been increasing steadily. The requested fare increase is necessary to offset the increases in operating costs. As shown in the application, applicant incurred a loss of about \$14,000 in the 1979 operation.

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Based on the information contained in the application, the following table shows a summary of the estimated results of operations for the test year ending December 31, 1981, under both the present and proposed fares:

<u>Items</u>	<u>Test Year Ending December 31, 1981</u>	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenue	\$13,700	\$30,000
Expenses	27,300	27,300
Operating Income (Loss) Before Income Taxes	(13,600)	2,700
Operating Ratio Before Income Taxes - %	199.3	91.0

(Red Figure)

As indicated by the above table, applicant's operation in the test year ending December 31, 1981 under its present fare will be at a loss of \$13,600 with an operating ratio of approximately 200 percent before income taxes. Proposed fares will result in an annual gross revenue of \$30,000, an annual gross revenue increase of \$6,300, with an operating ratio of 91 percent before income taxes.

Notice of the filing of this application was listed on the Commission's Daily Calendar. Additionally, the Commission staff notified affected public transit district operators of the receipt of

this application pursuant to California Public Utilities Code Sections 730.3 and 730.5. No protests have been received, and a public hearing is not necessary.

Findings of Fact

1. Applicant seeks authority to increase its one-way passenger fare from \$0.40 to \$1.00.

2. Applicant's present fare was authorized by Decision No. 86973 dated February 15, 1977.

3. Applicant will sustain an operating loss of \$13,600 in the test year ending December 31, 1981 under the present fare.

4. The requested fare increase will result in an additional annual gross revenue of \$6,300, with an operating ratio of 91 percent before income taxes.

5. A 91 percent operating ratio before income taxes for this carrier is reasonable.

6. The proposed fare is necessary to offset the increases in operating costs, and to ensure applicant's viability.

7. The fare increase requested in Application No. 60014 is justified.

8. No protests have been received concerning this application, and a public hearing is not necessary.

9. Since applicant's operations under the present fare are 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. 60014 is just and reasonable and should be granted.

O R D E R

IT IS ORDERED that:

1. Mt. Reba, Inc. is hereby authorized to establish the increased fare as proposed in Application No. 60014, filed October 21, 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, Mt. Reba, Inc. 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 MAY 19 1981, at San Francisco, California.

John E. Boyer
President
Richard D. Howell
Edward W. King
Victor Cabot
Presume C. Meyer
Commissioners