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JUN 16 1981

ORIGINAL

Decision \_\_\_\_\_

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

(Application of C. Berghout, in-  
creasing passenger bus rates by  
\$2.50 per week between Santa  
Clara and San Francisco Interna-  
tional Airport.)

Application 60205  
(Filed January 21, 1981)

O P I N I O N

Applicant is authorized to operate a passenger stage service to the United Air Lines Maintenance Base (UALMB) at San Francisco International Airport from points in Santa Clara County. The service operates on schedules convenient for passengers' commutation purposes.

By this application, applicant seeks to increase passenger fares from \$12.50 to \$15.00 for a weekly ticket. Passengers have been transported on these routes since 1978 without any fare increases. Since then, applicant states that there have been increases in operating costs, including fuel, oil, and insurance expenses; and that the requested fare increase is needed to offset these increased operating expenses.

Exhibit B attached to the application shows a profit before taxes of only \$4,179 in the Calendar Year 1979, with no allowance for applicant's personal labor in maintaining the equipment and performing the administrative and clerical functions of conducting the business. The service would no longer be viable without a fare increase. With the requested relief, applicant projects that the increased operating expenses will be offset and that a profit of

\$7,593 will be achieved (before taxes) in the year 1981. Again, this figure does not reflect the value of applicant's labor performed in conducting these passenger stage operations. The Commission staff has completed an engineering economics review of these data; applicant's results of operations are summarized as follows:

	<u>Rate Year 1981</u>		
	<u>Historic Year (1979)</u>	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenues	\$16,971	19,500	23,400
Expenses <sup>1/</sup>	16,790	19,807	19,807
Income Before Taxes	181	(307)	3,593
Income Taxes, est.	50	(90)	1,000
Net Income	131	(217)	2,593
Operating Ratio	99.2%	101.1%	88.9%

(Red Figure)

Notice of the application was published in the Commission's Daily Calendar on January 26, 1981, and public transportation and planning agencies have been notified of this filing, pursuant to Public Utilities Code Sections 730.3 and 730.5. No protests have been received. A public hearing is not necessary. Since the continued viability of these passenger stage services requires prompt revenue relief, the order below should be made effective today.

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<sup>1/</sup> Including an allowance of \$4,000 for applicant's personal labor in maintaining the equipment and performing the administrative and clerical functions of conducting the business.

Findings of Fact

1. Applicant is a passenger stage corporation transporting passengers between points in Santa Clara County and the UALMB at San Francisco International Airport.

2. The proposed fare increase will result in a revenue increase of \$3,900 in the test year ending December 31, 1981.

3. Applicant is in need of the requested relief. The fares will not be excessive.

4. The requested fare increases are justified.

Conclusions of Law

1. The application should be granted; the increased rates are just and reasonable.

2. A public hearing is not necessary.

3. Because of the need for additional revenue to assure the continued viability of these services, the order should be effective today.

O R D E R

IT IS ORDERED that:

1. Cornelis Berghout is authorized to file tariffs to reflect the requested fare increases. Tariff publication authorized to be made as a result of this order should be filed not earlier than the effective date of this order and may be made effective not earlier than ten days' notice to the Commission and the public.

2. The authority shall expire unless exercised within 90 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 and terminals a printed explanation of its fares. Such notice shall be posted not less than five days before the effective date of the rate changes and shall remain posted for a period of not less than 30 days.

This order is effective today.

Dated JUN 16 1981, at San Francisco, California.

John E. Byrne  
President  
Robert D. ...  
Donald W. ...  
Victor ...  
Priscilla C. ...  
Commissioners