

ORIGINAL

Decision 93237 JUN 16 1981

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
William C. Trader, dba, Overland)
Stage Line, doing business as)
Airline Commuter for authority to)
increase fares for the transporta-)
tion of passengers on regular)
schedule routes in Santa Clara and)
San Mateo Counties.)

Application 59526
(Filed March 28, 1980)

O P I N I O N

In Decision (D.) 89213 date August 8, 1978, Lois J. Kohler was allowed to divide her home-to-work passenger stage service between the United Airlines Maintenance Base at San Francisco International Airport (SFO) and various points in the Santa Clara Valley into five sections and to sell the sections to five transferees. One of them was William C. Trader, (applicant) who acquired the portion between the United Airlines Maintenance Base and Branham Lane at Almaden Expressway and Hillsdale Avenue at Rose Avenue in San Jose PSC-1049. Under the authority granted by D.89213 applicant established a fare of \$2.50 per day and \$12.50 per week for five round trips.

By this application applicant seeks authority to increase his presently authorized fares by approximately 36%.

The staff of the Transportation Division has made a results of operations analysis of applicant's operations using the financial data furnished in applicant's verified application, under present and proposed fares. It is summarized as follows:

<u>Item</u>	<u>Test Year Ended Dec. 31, 1981</u>	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenue	121,000	165,000
Expenses	175,000	175,000
Operating Income	(54,000) 200	(10,000)
Operating Ratio	145%	106%

(Red Figure)

The analysis shows that since the present fares were authorized in D.89213 there have been substantial increases in labor, fuel, and maintenance costs resulting in an estimated \$54,000 loss at present fares during the rate year for an operating ratio of 145%. At proposed fares there would be a loss of \$10,000 for an operating ratio of 106%.

In accordance with Section 730.5 of the Public utilities Code, the Commission staff notified all affected corporations and government agencies operating passenger transit systems of the application and asked them to analyze the effect of the proposed rate increase on transportation in their territories. No replies were received.

This fare increase will result in an insignificant decrease in patronage, and the fare increase will not affect transit system plans prepared under Chapter 2.5 of Title 7 of the government Code.

Findings of Fact

1. Applicant is a passenger stage corporation performing a home-to-work service in the San Francisco Bay Area.
2. Applicant's fares were last increased in 1978.
3. Applicant has recently incurred increases in labor and other costs.
4. The requested fare increase would result in an annual net income increase of \$44,000 after taxes.
5. The effective date of this order should be the date it is signed since applicant is experiencing operating losses.
6. A public hearing is not necessary.

Conclusion of Law

The requested fare increase is justified and should be authorized.

O R D E R

IT IS ORDERED that:

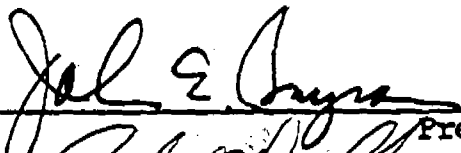
1. Applicant William C. Trader is authorized to establish the increased fares proposed in Application 59526. Tariffs shall be filed not earlier than the effective date of this order. They may go into effect 5 days or more after the effective date of this order on not less than 5 days' notice to the Commission and to the public.
2. The authority shall expire unless exercised within 90 days after the effective date of this order.
3. In addition to posting and filing tariffs, applicant shall post a printed explanation of its fares in its buses and terminals.


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The notice shall be posted at least 5 days before the effective date of the fare changes and shall remain posted for at least 30 days.


This order is effective today.


Dated JUN 16 1981, at San Francisco, California.



President








Commissioners