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Decision 93238 JUN 16 1981

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of Mt. LASSEN MOTOR TRANSIT, INC.
for an order authorizing to
increase passenger fares.

Application 60310
(Filed March 2, 1981)

O P I N I O N

General Request

Mt. Lassen Motor Transit, Inc., a California Corporation, is a passenger stage corporation (PSC-650) operating between Red Bluff and Susanville and intermediate points.

By Application (A.) 60310, applicant seeks authority to increase its passenger fares by 30% across the board to offset the increases in operating costs.

Discussion

Applicant has been providing service since 1946 pursuant to Decision (D.) 38902 in A.27249. Its present fares were established by D.84548, dated June 17, 1975.

Applicant alleges that the requested fare increase is necessary to offset the increases in operating costs. As shown in the application, applicant's operations for the year ending March 31, 1980 have been at the break-even point, with annual gross revenues and operating expenses of \$32,000 and \$51,800, respectively. Based on the information contained in applicant's annual report to the Commission for the year ending December 31, 1980, the following table shows a summary of the transportation staff's estimated results of operations under both the present and proposed fares for the year ending December 31, 1981:

	<u>Rate Year Ending December 31, 1981</u>	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenues	\$64,500	\$67,000
Expenses	65,400	65,400
Operating Income (Loss) Before Income Taxes	(900)	1,600
Operating Ratio Before Income Taxes	101.4%	97.6%

(Red Figure)

As indicated by the above table, applicant's operations in the rate year ending December 31, 1981, under its present fares will be at a loss of \$900 with an operating ratio of 101.4% before income taxes. The proposed fares will result in an annual gross revenue of \$67,000, an annual gross revenue increase of \$2,500, with an operating ratio of 97.6% 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 passenger fares by 30% across the board.
2. Applicant's present fares were authorized by D.84548, dated June 17, 1975.
3. Applicant's operation in the test year ending December 31, 1981 will be at a loss under its present fares.
4. The requested fare increase will result in an additional annual gross revenue of \$2,500, with an operating ratio of 97.6% before taxes.
5. The requested fares are necessary to offset the increases in operating costs, and to ensure applicant's continued operations.

6. The fare increase requested in A.60310 is justified.
7. No protests have been received concerning this application, and a public hearing is not necessary.
8. Since applicant's operations under the present fares are at a loss, the effective date of this order should be the date of signature.

Conclusion of Law

The fare increase, requested in A.60310, is just and reasonable and should be granted.

O R D E R

IT IS ORDERED that:

1. Mt. Lassen Motor Transit, Inc. is hereby authorized to establish the increased fares as proposed in A.60310, filed March 2, 1981. 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 90 days after the effective date of this order.
3. In addition to the required posting and filing of tariffs, Mt. Lassen Motor Transit, Inc. 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 five days before

A.60310 T/seq

the effective date of the fare 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
Richard D. Gault
Donald W. Smith
Victor Calver
Priscilla C. Green Commissioners