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Decision 93330 JUL 22 1981

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Charles Ray Hernandez and Joyce Ann Hernandez, husband and wife, doing business as The Outdoorsman, for authority to adjust rates.

Application 60112
(Filed November 26, 1980)

O P I N I O N

Charles Ray Hernandez and Joyce Ann Hernandez (applicants) doing business as The Outdoorsman, are a passenger stage corporation (PSC-1059) operating between Bishop and Mammoth Mountain Ski Area.

Applicants seek authority to increase their passenger fares by 60% to offset increases in operating costs.

Applicants' fares were established by Decision 85571 dated March 16, 1976 in Application (A.) 56094.

Applicants allege that the requested fare increase is necessary to offset increases in operating costs. As shown in the application, applicants' operations for the period ending March 31, 1980 were conducted at a loss of \$3,775, as represented by an operating ratio after taxes of 177%.

The following table sets forth our Transportation Division staff's estimated results of operations under present and proposed fares for a test year ending June 30, 1981.

	<u>Test Year Ending</u>	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenues	\$ 8,400	\$ 13,650
Expenses	13,469	13,469
Operating Income After Income Taxes	(5,069)	181
Operating Ratio After Income Taxes	160 %	98 %

(Red Figure)

As indicated by the above table, applicant's operating income in the test year under its present fares will be a loss of \$5,069 with an operating ratio of 160%. The proposed fares will result in an annual gross revenue increase of \$5,250, a profit of \$181, with an operating ratio of 98%.

The Commission notified affected public transit district operators of the application under Public Utilities (PU) Code Sections 730.3 and 730.5 and requested them to prepare an analysis of the effect of the proposed fare increase on overall transportation problems within the territory served by the public transit system. No response has been received from any public transit district. The fare increase will not affect transit system plans prepared under Charter 2.5 of Title 7 of the Government Code.

Findings of Fact

1. Applicants seek a 60% increase in their passenger fares to offset increased operating expenses.
2. As shown above, applicant's operations in the test year will be conducted at a loss of \$5,069 under present fares.
3. The requested fare increase will result in additional annual gross revenues of \$5,250 with an operating ratio of 98%, after taxes.

4. The requested fare increase is necessary to offset increased operating expenses and to ensure applicants' continued operations.

5. The requested fare increase is justified.

6. No protests have been received, and a public hearing is not necessary.

7. Since the fare increase is necessary to ensure applicants' continued operations, the effective date of this order should be the date of signature.

Conclusion of Law

The increased fares are just and reasonable.

O R D E R

IT IS ORDERED that:

1. Applicants Charles Ray Hernandez and Joyce Ann Hernandez are authorized to establish the increased rates proposed in A.60112. Tariffs shall be filed not earlier than the effective date of this order. They may go into effect five days or more after the effective date of this order on not less than five 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, applicants shall post a printed explanation of their fares in their buses and terminals. The notice shall be posted at least five days before the effective date of the fare changes and shall remain posted for at least 30 days.

This order is effective today.

Dated JUL 22 1981, at San Francisco, California.

John E. Bryan
President
Richard B. Good
Samuel W. Smith
Victor Caban
Frederic C. News
Commissioners