

Decision 93345 JUL 22 1981

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE TOWN TOUR
FUNBUS CO., INCORPORATED for
authority to adjust its rates. }

Application 60431
(Filed April 10, 1981)

O P I N I O N

The Town Tour Fumbus Co., Inc. (applicant) is a passenger stage corporation (PSC-918) operating (1) between points in Orange County, (2) between Orange County and points in Los Angeles County, and (3) sightseeing service between Orange County and the San Francisco Bay Area.

Applicant seeks authority to increase its passenger fares for four of the five routes operating in Orange County. The amounts and percentages of the increases requested vary but applicant claims that the estimated increases in revenues will be 14%. Applicant alleges that the requested fare increases are necessary to offset increases in operating costs.

The service on Routes 1, 2, 3, and 4 was authorized by Decision (D.) 80616 dated October 17, 1972 in Application (A.) 52932.

Fares were established and operations commenced before the end of 1972. Except for minor unauthorized fare changes, the fares on Routes 1, 2, and 3 are the same as established in 1972. Fares on Route 4 were increased by D.84732 dated August 5, 1975 in A.55353 although an increase in round-trip fares was authorized by STD-P-203 dated January 30, 1979 and STD-P-211 dated March 27, 1979.

As shown in the application, applicant's total company operations for the period ending February 28, 1981 were conducted at a profit of \$459,227 as represented by an operating ratio before

taxes of 83.0%. The comparable figures for the routes under consideration in the application were profits of \$17,092 and an operating ratio of 97.3%.

When the increase in revenue requested in this application of \$106,954 is added to the local service revenues of \$629,140 an operating income of \$736,095 and an operating ratio before taxes of 83.1% result.

The following table sets forth applicant's total company results of operations under present and proposed fares for the test year ending February 28, 1982:

TABLE 1

	<u>Test Year Ending February 28, 1982</u>	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenues	\$3,332,474	\$3,439,428
Expenses	2,825,369	2,825,369
Operating Income Before Income Taxes	507,105	614,059
Operating Ratio Before Income Taxes	84.7%	82.1%

As indicated by the above table, applicant's operating income in the test year under its present fares will be a profit of \$507,105 with an operating ratio of 84.7%. The proposed fares will result in an annual gross revenue increase of \$106,594, a profit of \$614,059, with an operating ratio of 82.1%.

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. None replied.

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 seeks a 14% increase in its passenger fares to offset increased operating expenses.
2. As shown in the application, applicant's local service operations in the recorded year were conducted at a profit of \$17,092 under present fares.
3. The requested fare increase will result in additional annual gross revenues of \$106,954 with an operating ratio of 83.1% before taxes.
4. The requested fare increase is necessary to offset increased operating expenses and to ensure applicant's 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 applicant's continued operations, the effective date of this order should be the date of signature.

Conclusion of Law

The increased fares are reasonable and justified.

O R D E R

IT IS ORDERED that:

1. Applicant, The Town Tour Fumbus Co., Inc., is authorized to establish the increased fares proposed in A.60431. Tariffs shall be filed not earlier than the effective date of this order. They may go into effect 10 days or more after the effective date of this order on not less than 10 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. The notice shall be posted at least 10 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. Guyon
President
Charles A. Howell
Thomas W. Smith
Walter C. Carter
Frederick C. Green
Commissioners