

Decision 93351 JUL 22 1981

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of LORRIE'S TRAVEL & TOURS, INC., for authority to increase its passenger stage corporation per capita rates pursuant to Section 454 of the Public Utilities Code.

Application 60440
(Filed April 13, 1981)

O P I N I O N

Lorrie's Travel & Tours, Inc., (applicant) is a passenger stage corporation (PSC-1003) operating between San Francisco and Oakland International Airports.

Applicant seeks authority to increase its passenger fares by 19% to offset increases in operating costs.

Applicant's fares were established by Decision 92089 dated July 29, 1980 in Application 59705.

Applicant alleges that the requested fare increase is necessary to offset increases in operating costs. As shown in the application, applicant's operations for the period ending December 31, 1980 were conducted at a loss of \$16,938, as represented by an operating ratio after taxes of 101%.

The following table sets forth our Transportation Division staff's engineering economics study of the estimated results of operations under present and proposed fares for a test year ending June 30, 1982.

TABLE 1

	<u>Test Year Ending June 30, 1982</u>	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenues	\$1,258,107	\$1,446,310
Expenses	1,325,372	1,325,372
Operating Income Loss Before Income Taxes	(67,466)	93,476
Operating Ratio Before Income Taxes	105%	94%

(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 \$67,466 with an operating ratio of 105%. The proposed fares will result in an annual gross revenue increase of \$188,204 a profit of \$93,476, with an operating ratio of 94%.

Notice of the filing of this application appeared on the Commission's Daily Calendar of April 15, 1981. No protest or request for public hearing has been received.

The Commission notified affected public transit district operators of the application under Public Utilities (PU) Code Sections 730.3 and 730.5, and the Commission requested the public agency to prepare an analysis of the effect of 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 Chapter 2.5 of Title 7 of the Government Code.

Findings of Fact

1. Applicant seeks a 19% increase in its passenger fares to offset increased operating expenses.

2. As shown in Table 1, applicant's operations in the test year will be conducted at a loss of \$67,466 under present fares.

3. The requested fare increase will result in additional annual gross revenues of \$188,204 with an operating ratio of 94% after 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 just and reasonable.

O R D E R

IT IS ORDERED that:

1. Lorrie's Travel & Tours, Inc. is authorized to establish the increased fares proposed in Application 60440. 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, applicant shall post a printed explanation of its fares in its 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 1987 , at San Francisco, California.

 J. E. Byron
President
 Charles D. Hooley
 Bernard M. Sennich
 Victor Calvo
 Priscilla C. Green
Commissioners