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Decision 93550 SEP 15 1981

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of PAUL R. ARTAC, an individual,
dba SUNDANCE TRANSPORTATION, for
authority to increase fares for
transportation of persons in its
home-to-work service.

Application 60487.
(Filed April 27, 1981;
amended July 27, 1981)

O P I N I O N

Paul R. Artac (applicant), doing business as Sundance Transportation is a passenger stage corporation (PSC-1015) operating between points in Orange and Los Angeles Counties and Hughes Aircraft facilities in Culver City and El Segundo.

Applicant seeks authority to increase his passenger fares from \$14.00 per week to \$25.00 per week, an increase of 78.6%, to offset increases in operating costs.

Applicant's fares were established January 25, 1979 by Decision 89735 dated December 12, 1978 in Application 57915.

As shown in the amended application, applicant's operations for the period ending December 31, 1980 were conducted at a loss of \$7,093, which produced an operating ratio before taxes of 120%.

The following table sets forth applicant's estimated results of operations under present and proposed fares for a test year ended April 30, 1982 as shown in the amended application.

TABLE I

	Test Year Ending April 30, 1982	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenues	\$35,860	\$50,000
Expenses	43,622	43,622
Operating Income (loss) Before Income Taxes	(7,762)	6,378
Operating Ratio Before Income Taxes	122%	87.2%

(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 \$7,762 with an operating ratio of 122%. The proposed fares will result in an annual gross revenue increase of \$14,140, a profit of \$6,378, with an operating ratio of 87.2%. Applicant predicts a diminution in passengers of 25% due to the large increase in fares.

Notice of the filing of this application appeared on the Commission's Daily Calendar of April 30, 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 the 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 78.6% increase in his passenger fares to offset increased operating expenses.
2. As shown in Table I, applicant's operations in the test year will be conducted at a loss of \$7,762 under present fares.
3. The requested fare increase will result in additional annual gross revenues of \$14,140 with an operating ratio of 87.2% 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 Paul R. Artac is authorized to establish the increased fares proposed in A.60487. Tariffs shall be filed not earlier than the effective date of this order. They may go into effect ten days or more after the effective date of this order on not less than ten 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 of tariffs, applicant shall post a printed explanation of his fares in his buses and terminals. The notice shall be posted at least ten days before the effective date of the fare changes and shall remain posted for at least 30 days.

This order is effective today.

Dated SEP 15 1981, at San Francisco, California.

John E. Bryan
President
Richard W. Howell
Samuel W. Howell
United Colors
President C. H. ...
Commissioners