

Decision 93612 OCT 6 1981

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
YELLOW CAB CO., OF SACRAMENTO, a )  
California Corporation, )  
for permission to increase fares. )

Application 60633  
(Filed June 5, 1981)

ORIGINAL

O P I N I O N

Yellow Cab Co. of Sacramento (applicant) is a passenger stage corporation (PSC-836) operating between the City of Sacramento and Sacramento Metropolitan Airport.

Applicant seeks authority to increase its passenger fares by \$0.70 (23.4%) to offset increases in operating costs.

Applicant's fares were established January 21, 1980 by Decision 91248 dated January 15, 1980 in Application (A.) 59031.

Applicant alleges that the requested fare increase is necessary to offset increases in operating costs. As shown in the application, applicant's total operations for the year 1980 were conducted at a loss of \$71,584, as represented by an operating ratio before taxes of 103.1; and the passenger stage operations were conducted at a loss of \$37,345 and an operating ratio of 114.1%.

The following table sets forth applicant's estimated results of operations for the passenger stage operations under present and proposed fares for a test year ended December 31, 1981:

TABLE 1

	Test Year Ending December 31, 1981	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenues	\$269,556	\$332,639
Expenses	313,020	316,174
Operating Income (Loss) Before Income Taxes	(43,464)	16,465
Operating Ratio Before Income Taxes	116.1%	95.0%

(Red Figure)

As indicated by the above table, applicant's operating income from passenger stage operations in the test year under present fares will be loss of \$43,464 with an operating ratio of 116.1%. The proposed fares will result in an annual gross revenue increase of \$63,083, a profit of \$16,465, with an operating ratio of 95.0%.

Notice of the filing of this application appeared on the Commission's Daily Calendar of June 10, 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 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 23.4% increase in its passenger fares to offset increased operating expenses.

2. As shown in Table 1, applicant's passenger stage operations in the test year will be conducted at a loss of \$43,464 under present fares.

3. The requested fare increase will result in additional annual gross revenues of \$63,083 with an operating ratio of 95.0% 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 Yellow Cab Co. of Sacramento is authorized to establish the increased fares proposed in A.60633. 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 tariffs, applicant shall post a printed explanation of its fares in its 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 OCT 6 1981, at San Francisco, California.

JOHN E. BRYSON  
President  
RICHARD D. GRAVELLE  
LEONARD M. GRIMES, JR.  
VICTOR CALVO  
PRISCILLA C. GREW  
Commissioners

*I certify that this decision was  
approved by the above  
Commissioners today.*  
*John E. Bryson*

