

Decision 93613 OCT 6 1981

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of ISIDORE B. DE REGO, a private individual, for the authority to increase fares for the transportation of passengers on regular scheduled home-to-work routes between Aptos, Capitola, Santa Cruz and Scotts Valley in Santa Cruz County and Sunnyvale in Santa Clara County.

Application 60664
(Filed June 18, 1981)

O P I N I O N

Isidore B. De Rego (applicant) is a passenger stage corporation (PSC-1025) operating between Aptos and Sunnyvale.

Applicant seeks authority to increase his passenger fares by 31% to offset increases in operating costs.

Applicant's fares were established by Decision 88163 dated November 23, 1977 in Application (A.) 57590.

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 \$924 as represented by an operating ratio, before taxes, of 101%.

The Transportation Division staff has conducted an engineering-economics review of the applicant's estimated results of operations under present and proposed fares for a test year ended December 31, 1982, as follows:

TABLE 1

| | Test Year Ending December 31, 1982 | |
|--|---------------------------------------|-----------------------|
| | <u>Present Fares</u> | <u>Proposed Fares</u> |
| Revenues | \$59,366 | \$78,000 |
| Expenses | 68,270 | 68,270 |
| Operating Income (Loss) Before Income Taxes | (8,904) | 9,730 |
| Operating Ratio Before Income Taxes | 111% | 87% |

(Red Figure)

As indicated by the above table, applicant's operating income in the test year under his present fares will be a loss of \$8,904 with an operating ratio of 111%. The proposed fares will result in an annual gross revenue increase of \$18,634, a profit of \$9,730, with an operating ratio of 87%.

Notice of the filing of this application appeared on the Commission's Daily Calendar of June 23, 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 31% increase in his 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 \$8,904 under present fares.

3. The requested fare increase will result in additional annual gross revenues of \$18,634 with an operating ratio of 87% 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 protest 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, and should be granted.

O R D E R

IT IS ORDERED that:

1. Isidore B. De Rego is authorized to establish the increased fares proposed in A. 60664. 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 his fares in his 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 OCT 6 1981, at San Francisco, California.

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

I certify that this decision was approved by the above Commissioners today.

John E. Bryson
