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Decision 93806 DEC - 1981

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Application)
of Ready Tour Corp., for the)
Authority to Increase Commuter)
Passenger Rates.)

Application 60628
(Filed June 4, 1981)

O P I N I O N

Ready-Tour Corporation (applicant) is a passenger stage corporation (PSC-1088) operating between the City of Napa corporate limits and within a radius of two miles of the corporate limits and the Mare Island Naval Shipyard and intermediate points along State Highway 29 south of Napa Junction.

Applicant requests authority to increase its present weekly round-trip fares from \$6.00 per person to \$7.00 per person, or an increase of approximately 17%.

The present fares were authorized by Decision (D.) 91460, dated March 18, 1980.

Applicant alleges that the requested fare increase is necessary to offset the increases in operating costs.

Based on the information contained in the application, and the Transportation Division staff's inclusion of \$400 per month for the owner's supervision and management services, the following table shows a summary of the estimated results of operations for the test year ending December 31, 1982, under both present and proposed fares.

	<u>Calendar Year 1982</u>	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Operating Revenue	\$24,400	\$28,500
Operating Expenses	27,800	27,800
Income (Loss) before income taxes	(3,400)	700
Operating Ratio before income taxes	113.9%	97.5%

(Red Figure)

As indicated by the above table, applicant's operations in the test year ending December 31, 1982, under its present fares will be at a loss of \$3,400. The proposed fares will result in an annual gross revenue of \$28,500, an annual gross revenue increase of \$4,100, with an operating ratio of 97.5% before income taxes.

Notice of the filing of this application was listed on the Commission's Daily Calendar. Additionally, the Commission staff notified affected public transit district operators of the receipt of this application under Public Utilities Code Sections 730.3 and 730.5. No protests have been received and a public hearing is not necessary.

Findings of Fact

1. Applicant seeks authority to increase its passenger fares by approximately 17%.
2. Applicant's present fares were authorized by D.91460, dated March 18, 1980.
3. Applicant's operation in the test year ending December 31, 1982 under its present fares will be at a loss of \$3,400.

4. The requested fare increase will result in an additional annual gross revenue of \$4,100, with an operating ratio of 97.5% before income taxes.

5. The requested fares are necessary to offset the increases in operating costs and to ensure applicant's continued operations.

6. The fare increase requested in A.60628 is justified.

7. No protests have been received concerning this application, and a public hearing is not necessary.

8. Since applicant is operating at a loss under the present fares, the effective date of this order should be the date of signature.

Conclusion of Law

The fare increase requested in A.60628 is just and reasonable and should be granted.

O R D E R

IT IS ORDERED that:

1. Ready-Tour Corporation is authorized to establish the increased fares as proposed in A.60628, filed June 4, 1981.

~~Tariff publications authorized to be made as a result of this order may be made effective not earlier than five days' notice to the Commission and to the public.~~

2. This authority shall expire unless exercised within 90 days after the effective date of this order.

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 or not less than ^{five} days' notice to the Commission and to the public.

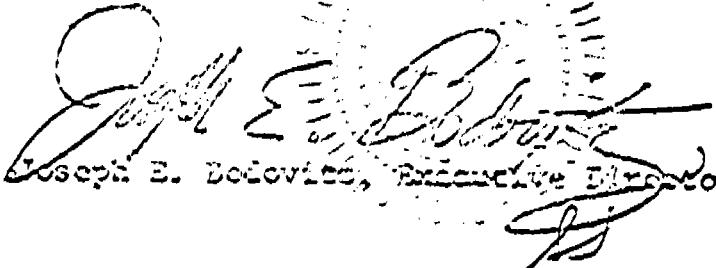
3. In addition to the required posting and filing of tariffs, Ready-Tour Corporation shall give notice to the public by posting in its operating vehicles a printed explanation of its fares. Such notice shall be posted not less than five days before the effective date of the fare changes and shall remain posted for a period of not less than 30 days.

This order is effective today.

Dated DEC 1 1981, at San Francisco, California.

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

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. DeLovento, Executive Director