

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Uniform Cover and Calendar Sheet

1. <u>REPORT DATE:</u> March 17, 2008	2. <u>BUREAU AGENDA NO.</u> MAR-2008-TSM-0042*
3. <u>BUREAU:</u> Transportation & Safety	
4. <u>SECTION(S):</u> M. C. S. & E.	5. <u>PUBLIC MEETING DATE:</u>
6. <u>APPROVED BY:</u> Director: Hoffman: 3-3846 Mgr/Spvr: Keezel: 3-5010 Legal Review:	March 27, 2008
7. <u>PERSONS IN CHARGE:</u> Bingaman 7-1168	9. <u>EFFECTIVE DATE OF FILING:</u>
8. <u>DOCKET NO.:</u> A-00107294 R- 2008-2032255	March 31, 2008

10. (a) **CAPTION** (abbreviate if more than 4 lines)
 (b) *Short summary of history & facts, documents & briefs*
 (c) **Recommendation**

(a) **BUCKS COUNTY TRANSPORT, INC., HOLICONG, BUCKS COUNTY INCREASE IN RATES**

(b) Bucks County Transport, Inc., (carrier) furnishes paratransit service from points originating in the county of Bucks, as more thoroughly described in the Commission Order granting authority at A-00107294. Carrier has filed Tariff Paratransit Pa. PUC No. 12, financial records, and other documents in support of its request. The carrier proposes an increase in total revenues of \$466,117, or 14.1%, all of which would be derived from intrastate service. The proposed rate increase is to cover past losses, as well as increases in salaries, insurance premiums, and other expenses. The proposed increase in revenues will be generated by increasing the current flat rates in the amount of \$2, while the mileage rate will remain unchanged. The current rates have been in effect since October 4, 2004. There are currently no outstanding fines or assessments.

(c) The data compiled and submitted by the carrier supports this increase and the Bureau recommends that Tariff Paratransit Pa. PUC No. 12 be approved to become effective March 31, 2008.

11. **MOTION BY:** Commissioner Chm. Holland
SECONDED: Commissioner Cawley
 Commissioner Christy - Yes
 Commissioner Pizzingrilli - Yes
 Commissioner

CONTENT OF MOTION: Staff recommendation adopted.

RJP

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265**

Public Meeting held March 27, 2008

Commissioners Present:

**Wendell F. Holland, Chairman
James H. Cawley, Vice-Chairman
Tyrone J. Christy
Kim Pizzingrilli**

Pennsylvania Public Utility Commission

v.

**A-00107294
R- 2008-2032254**

Bucks County Transport, Inc.

ORDER

BY THE COMMISSION:

Bucks County Transport, Inc., (carrier) furnishes paratransit service from points originating in Bucks County, as more thoroughly described in the Commission Order granting authority at A-00107294.

Carrier has filed Tariff Paratransit Pa. PUC No. 12, financial records, and other documents in support of its request. Carrier was notified by a letter that additional information was required and that in accordance with 66 Pa. C.S. §1308(d), the tariffs would be suspended for a period which was not to exceed seven months from November 13, 2007. The additional information was submitted and was satisfactory. The request is certified to the Commission for its decision without an oral hearing. The record consists of the proposed tariff, financial records, and other data in support of the request.

DISCUSSION

The carrier proposes an increase in total revenues of \$466,117, or 14.1%, all of which would be derived from intrastate service. The proposed rate increase is to cover past losses, as well as increases in salaries, insurance premiums, and other expenses. The carrier desires to generate the proposed increase in revenues by increasing the current rates.

Rates are based upon travel originating in Bucks County and distance to the destination. Carrier's current rates have been in effect since October 4, 2004. The current and proposed rates are as follows:

CURRENT AND PROPOSED RATES

Service Description	Current	Proposed	% Increase
One or more passengers between points in Bucks County, not exceeding 20 miles.	\$16	\$18	12.5%
Mileage charge for One or more passengers between points in Bucks County, exceeding 20 miles.	\$ 1	\$ 1	0%
One passenger from points in Bucks County to other counties, not exceeding 50 miles.	\$30	\$32	6.7%
More than one passenger from points in Bucks County to other counties, not exceeding 50 miles.	\$25	\$ 27	8%
Mileage charge for One or more passengers from points in Bucks County to other counties, exceeding 50 miles.	\$ 1	\$ 1	0%

Carrier's paratransit revenue for the twelve months ending June 30, 2007 was \$3,441,740, of which \$145,846 is subsidized by the Shared Ride program. All of the paratransit revenue was derived from intrastate service. Carrier has calculated that the increase will produce additional PUC revenues of \$466,117, or 14.1%. The increased revenues were determined as follows:

ESTIMATED EFFECT OF PROPOSED RATE INCREASE ON REVENUES

Trip Type	Fare	No. Trips	Total
One or more passengers between points in Bucks County, not exceeding 20 miles.	\$18	181,874	\$3,273,732
More than one passenger from points in Bucks County to other counties, not exceeding 50 miles.	\$27	5,610	\$ 151,470
One passenger from points in Bucks County to other counties, not exceeding 50 miles.	\$32	4,525	\$ 144,800
Fuel Surcharge (estimated)	\$ 1	192,009	\$ 192,009
Total Projected			\$3,762,011
Total 2006/2007			\$3,295,894
Projected Increase			\$ 466,117

Carrier submitted detailed financial records and other supporting data in support of its request. There are currently no outstanding fines or assessments.

INCOME AND EXPENSE STATEMENT
FOR THE TWELVE MONTHS ENDING MARCH 31, 2007
CARRIER PROJECTED TOTALS

	<u>Actual</u>	<u>Adjustments</u>	<u>Projections w/Adjustments</u>
<u>Operating Revenues:</u>			
Paratransit	\$3,295,894	\$466,117	\$3,762,011
Shared Ride Subsidy	145,846		145,846
<u>Total Revenue:</u>	\$3,441,740	\$466,117	\$3,907,857
<u>Operating Expenses:</u>			
Salaries and Benefits	\$1,268,342	\$ 76,905	\$1,345,247
Contracted Services	1,378,996	59,686	1,438,682
Depreciation	53,566		53,566
Vehicle Fuels	234,889		234,889
Insurance	216,198	19,474	235,672
Interest	13,763		13,763
Professional Fees	22,485	11,500	33,985
Utilities	33,094		33,094
Materials and Supplies	21,751		21,751
Rent	53,241	2,130	55,371
Maintenance/Repairs	176,191	9,150	185,341
Miscellaneous	88,921	8,892	97,813
<u>Total Expenses:</u>	\$3,561,437	\$187,737	\$3,749,174
<u>Operating Income (Loss):</u>	(\$ 119,697)	\$278,380	\$ 158,683
<u>Operating Ratio:</u>	103.5%		95.9%

COMPANY CLAIMED ADJUSTMENTS TO OPERATING EXPENSES

Salaries and Benefits – carrier projects a total increase of \$76,905, or 6.1% resulting from a raise in salaries which were implemented in 2007, as well as increased costs for benefits resulting from the raise. The carrier has documented these increases to support this projection.

Contracted Services – carrier projects a total increase of \$59,686, or 4.3% resulting from increased payments to contractors. Carrier has documented these increases to support this projection.

Insurance – carrier projects a total increase of \$19,474, or 9% resulting from increased premiums for vehicle insurance and workers' compensation insurance. Carrier has documented these increases to support this projection.

Professional Fees – carrier projects a total increase of \$11,500, or 51.1% resulting from increased legal, consulting, and accounting fees. The carrier has documented these increases to support this projection.

Rent – carrier projects a total increase of \$2,130, or 4% resulting from increased rental of office space. Carrier has documented these increases to support this projection.

Maintenance/Repairs – carrier projects a total increase of \$9,150, or 5.2% resulting from increased cost of maintaining vehicles. Carrier has documented these increases to support this projection.

Miscellaneous – carrier projects a total increase of \$8,892, or 10% resulting from purchases of new supplies and services. The carrier has documented these increases to support this projection.

ANALYSIS

A total increase in revenues of \$466,117, or 14.1%, has been proposed by the carrier to cover past losses, as well as increases in salaries, insurance premiums, and other expenses. The increase would reduce the carrier's operating ratio from 103.5% to 95.9%. Transportation not regulated by the Commission will not be subsidized by this increase.

The proposed increase in revenues will be generated by increasing the current flat rates in the amount of \$2, while the mileage rate will remain unchanged. The current rates have been in effect since October 4, 2004.

The carrier has no outstanding fines or assessments.

CONCLUSION

We have determined that Bucks County Transport, Inc. has submitted the documentary justification to support the proposed revenue increase of \$466,117 and that the increase is not of an excessive amount based on the resulting operating ratio of 95.9%. It is our opinion that the increase will be sufficient to provide safe, dependable and continuous service to the public: THEREFORE,

IT IS ORDERED:

1. That Tariff Paratransit Pa. PUC No. 12 be approved to become effective March 31, 2008.
2. That a copy of this order be served upon the carrier.

BY THE COMMISSION


James J. McNulty
Secretary

(SEAL)

ORDER ADOPTED: March 27, 2008

ORDER ENTERED: March 27, 2008