



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE  
REFER TO OUR FILE

May 10, 2007

A-00116172  
R-00072378

MAIN LINE TRANSIT SERVICE INC  
110 INDUSTRIAL PKWY  
SANATOGA PA 19464

PENNSYLVANIA PUBLIC UTILITY COMMISSION  
V.  
MAIN LINE TRANSIT SERVICE INC

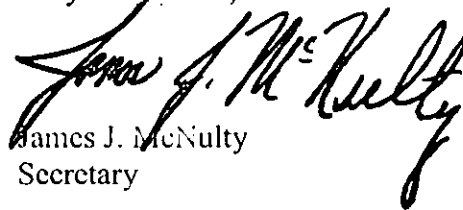
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To Whom It May Concern:

This is to advise you that the Commission in Public Meeting on **May 10, 2007** adopted an Order in the above entitled proceeding.

An Order has been enclosed for your records.

Very truly yours,

  
James J. McNulty  
Secretary

Rpb  
Encls  
Cert. Mail

PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, Pennsylvania 17105-3265

Public Meeting held May 10, 2007

Commissioners Present:

Wendell F. Holland, Chairman  
James H. Cawley, Vice Chairman  
Kim Pizzingrilli  
Terrance J. Fitzpatrick

**Pennsylvania Public Utility Commission**

v.

**Main Line Transit Service, Inc.**

**A-00116172**

**R-00072378**

**ORDER**

**BY THE COMMISSION:**

Main Line Transit Service, Inc. (Main Line or carrier), furnishes paratransit service between points in parts of Delaware and Montgomery Counties, as more thoroughly described in the Commission Order granting authority at A-00116172.

Main Line has filed Tariff Paratransit Pa. PUC No. 3 on October 23, 2006, and proposes an increase in total revenues of \$91,700. The current rates have been in effect since February 6, 2001. On November 3, and December 13, 2006, the Bureau of Transportation and Safety (BTS) requested additional information from Main Line to support their request for the rate increase. The additional information was received on November 20, 2006 and January 12, 2007, respectively. After a complete review of the information submitted, it revealed errors and irreconcilable data. By letter dated March 30, 2007, BTS requested a detailed balance sheet; an income/expense statement; the estimated effect of the rate increase on revenues and the calculations used to determine the estimate; and an explanation of how expenses are allocated to the paratransit authority. On April 10, 2007, the requested information was received.

The proposed rate increase is to offset increased expenses of \$38,935 to cover projected increases in transportation expenses due to increased wages, maintenance, insurance and rent. Main Line reported a net loss of \$14,551 for the period ending April 30, 2006.

**REVENUES AND EXPENDITURES**  
**MAY 1, 2005 TO APRIL 30, 2006**  
**PROJECTED TOTALS**  
**PUC OPERATIONS**

<b><u>Operating Revenues:</u></b>	<b><u>ACTUAL</u></b>	<b><u>CARRIER ADJUSTMENTS</u></b>	<b><u>PROJECTED</u></b>
Paratransit Revenues	\$455,772	\$91,700	\$547,472
<b><u>Total Revenues:</u></b>	<b>\$455,772</b>	<b>\$91,700</b>	<b>\$547,472</b>
 <b><u>Operating Expenses:</u></b>			
Transportation Exp.	\$308,962	\$24,364	\$333,326
Maintenance Expenses	53,506	7,763	61,269
Insurance	31,622	1,981	33,603
Purchase of Services	16,466	-	16,466
Admin. Expenses	59,680	4,827	64,507
Other	<u>87</u>	<u>-</u>	<u>87</u>
<b><u>Total Expenditures:</u></b>	<b>\$470,323</b>	<b>\$38,935</b>	<b>\$509,258</b>
 <b><u>Total Income:</u></b>	 <b>(\$14,551)</b>	 <b>\$52,765</b>	 <b>\$38,214</b>
 <b><u>Operating Ratio Before Taxes:</u></b>	 <b>103.2%</b>		 <b>93%</b>

**ADJUSTMENTS TO REVENUES**

Projected revenues were computed as a 20% increase. The projected increase was based upon the proposed increase in rates and actual trips from year ending April 30, 2006.

**ADJUSTMENTS TO EXPENSES**

Transportation Expense – Carrier projects \$333,326 in transportation expenses due to a 5% increase in payroll for drivers, mechanics and hourly staff. Included in this projection is the amount by which payroll taxes will be increased as a result of higher wages.

Maintenance Expense – Carrier projects \$61,269 for maintenance expense. This represents an increase of 8%. Carrier has provided documentation in support of this increase.

Insurance Expense – Carrier projects an increase in workers’ compensation expense due to the increase in wage expense. It is based on the rate of \$11.04 per \$100 of payroll. This assumes no change in modification factor and no increase in the rates for 2007. Carrier has provided documentation in support of this increase.

Administrative Expense – Carrier projects an increase of \$64,507. This represents an increase of 8% in administrative expenses. Carrier has provided documentation in support of this increase.

**ANALYSIS**

Carrier proposes a \$91,700 increase in revenues to offset increased expenditures of \$38,935, to eliminate the loss of \$14,551, and to generate a profit of \$38,214. The proposed increase will only affect PUC revenues because non-PUC operations are currently subsidizing PUC operations. Additionally, the non-PUC revenues are fixed by contract with the respective agencies.

The proposed change in rates is summarized in the chart below.

	A1		A2		A3		A4		A5		A6		A7	
	PRO	CUR	PRO	CUR	PRO	CUR	PRO	CUR	PRO	CUR	PRO	CUR	PRO	CUR
A1	10.20	9.20	14.40	12.40	14.40	12.40	18.60	15.60	14.40	12.40	14.40	12.40	14.40	12.40
A2			10.20	9.20	14.40	12.40	14.40	12.40	14.40	12.40	18.60	15.60	18.60	15.60
A3					10.20	9.20	14.40	12.40	18.60	15.60	18.60	15.60	14.40	12.40
A4							10.20	9.20	18.60	15.60	22.80	18.80	18.60	15.60
A5									10.20	9.20	14.40	12.40	18.60	15.60
A6											10.20	9.20	18.60	15.60
A7													10.20	9.20

Carrier demonstrated that it uses a fair and reasonable methodology to allocate expenditures. Costs are allocated on the basis of vehicle miles.

In regard to PA Public Utility Commission Special Permission No. 28208, Main Line Transit Service, Inc. has implemented the fuel surcharge approved by the Commission.

**CONCLUSION**

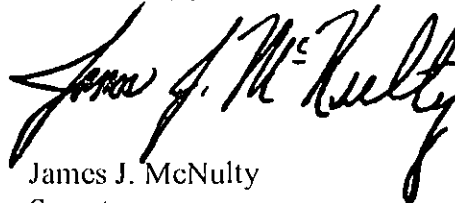
We have determined that Main Line Transit Service, Inc. has submitted the documentary justification to support a proposed increase of \$91,700 and that the increase is not of an excessive amount based on the operating ratio. Carrier has no outstanding

finances or assessments. It is our opinion that the increase is necessary to provide safe, dependable and continuous service to the public: **THEREFORE,**

**IT IS ORDERED:**

1. That Tariff Paratransit Pa. PUC No. 3, be approved to become effective May 14, 2007.
2. That a copy of this order be served upon Main Line Transit Service, Inc.

**BY THE COMMISSION**



James J. McNulty  
Secretary

(SEAL)

**ORDER ADOPTED:** May 10, 2007

**ORDER ENTERED:** **MAY 10 2007**