

Decision No. 76680**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of GOLDEN WEST AIRLINES }
 for an Ex Parte Order or expedited }
 authority to increase its Los }
 Angeles - Palm Springs Intra-State }
 fare. }

Application No. 51467
 (Filed November 7, 1969)

O P I N I O N

Golden West Airlines, Inc. is a common carrier by air of passengers between a number of airports in California. It uses DeLavilland DHC-6 Twin Otter aircraft in its operations and has its principal base and facilities at the Long Beach Airport. It here seeks authority to increase its fare for the transportation of passengers between Los Angeles and Palm Springs from \$15 to \$18. Copies of the application were served upon officials of the cities and the counties affected and upon other air carriers serving said points. Notice of the filing of the application appeared in the Commission's Daily Calendar of November 10th. There are no protests.

By Decision No. 76352, dated October 28, 1969, in Application No. 51119, applicant was authorized to increase fares on certain single-segment routes. Said application did not cover the fare between Los Angeles and Palm Springs. Applicant is the surviving corporation of a consolidation or merger of some five or six third-level airlines. As was stated in Decision No. 76352, applicant is conducting operations at a loss and its financial position is weak.

Applicant states that its substantial financial losses have required it to temporarily suspend air carrier service between certain

airports and to reduce service between others in order to decrease major financial losses on routes requiring high operating costs in relation to obtainable revenue. It asserts that fuel requirements for flights between the points here involved limit the seat-loading capacity of the aircraft to 18 passengers and the direct expenses of operation are such as to require an average of 10.5 passengers per flight (58.1% load factor) for revenues to meet the direct operating expenses. It asserts that the 58.1% load factor is not realistic and that based on total operating costs for commuter service a reasonable break-even point should not exceed a 42% load factor; however, the Palm Springs market is highly seasonal and it is expected that for the next six months the load factor will exceed the estimated average of 42%. The proposed fare of \$18 will permit applicant to recover its direct operating expenses at a load factor of 48.3%, which on the route segment involved herein represents an average of 8.7 passengers per flight.

The proposed increase is justified. A public hearing is not necessary and the application should be granted.

O R D E R

IT IS ORDERED that:

1. Golden West Airlines, Inc. is authorized to establish the increased fare proposed in Application No. 51467, filed November 7, 1969. Tariff publications authorized to be made as a result of the order herein may be made effective not earlier than ten days after the effective date hereof on not less than ten days' notice to the Commission and to the public.

2. The authority herein granted shall expire unless exercised within ninety days after the effective date of this order.

The effective date of this order shall be ten days after the date hereof.

Dated at San Francisco, California, this 20th day of JANUARY, 1970.

William Synovis, Jr.
President

J. P. ...

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Commissioners

Commissioner A. W. Gatov, being necessarily absent, did not participate in the disposition of this proceeding.