

Decision No. 82413

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of UNITED AIR LINES, INC.,
for authority to increase intra-
state passenger fares.

} Application No. 54549
(Filed January 2, 1974;
amended January 17, 1974
and January 18, 1974)

SECOND INTERIM OPINION

In this application United Air Lines, Inc. (United) seeks authority to increase its California intrastate fares to offset increased costs of aircraft fuel. Interim Decision No. 82354 dated January 15, 1974 authorized United to increase each of its published California intrastate air fares by 23 cents per passenger (exclusive of security and armed guard charges and transportation tax), which is the same increase per passenger authorized to Pacific Southwest Airlines (PSA) in Decision No. 82280 dated December 18, 1973 in Application No. 54387.

In the amendments to its application filed January 17 and 18, 1974, United seeks to increase all of its California intrastate fares by the same amounts per passenger as those sought by PSA in the second amendment to Application No. 54387 filed January 4, 1974. Decision No. 82389, issued January 22, 1974, authorized PSA to increase its air fares on an interim basis to the level sought in the second amendment to its application. That decision also authorized Air California, Inc., Golden West Airlines, Inc., Western Air Lines, Inc., and Swift Aire Lines, Inc. to increase their intrastate air fares.

In the circumstances, we find that United, as well as the aforementioned airlines, has incurred an unprecedented increase in its aviation fuel costs within the last six months resulting from the worldwide energy crisis and the pricing policies permitted by the Federal Cost of Living Council; that the fuel cost increases are of

such magnitude as to impair United's California operations unless an immediate revenue increase is authorized to offset such fuel cost increases; that PSA is the fare-setting (low-cost) carrier in the California intrastate markets served by United; and that United should be authorized an additional interim increase in fares not exceeding the amount per passenger granted to PSA pending further action.

SECOND INTERIM ORDER

IT IS ORDERED that:

1. United Air Lines, Inc. is authorized to establish the increased air fares set forth in Exhibit F to the Second Amendment to Application No. 54549 filed January 18, 1974.

2. Tariff publications authorized to be made as a result of the order herein shall be filed on or after the effective date of this order and may be made effective on five days' notice to the Commission and the public.

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

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 29th
day of JANUARY, 1974.

Vernon L. Sturges
President
William Synovius
[Signature]
[Signature]
Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.