

ORIGINAL

Decision No. 82462

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SKYVIEW LIMOUSINE SERVICE, INC., a California corporation, for authority to adjust its rates for passenger stage fares between Los Angeles and Palm Springs areas.

Application No. 54486
(Filed December 6, 1973)

OPINION AND ORDER

Skyview Limousine Service, Inc. (Skyview) is authorized to operate as a passenger stage corporation between points located within the Palm Springs Territory and the Los Angeles Territory as described in Item 5 of Skyview's Local Passenger Tariff No. 1, CPUC 1. Skyview's present one-way and round-trip fares are \$10 and \$20, respectively. By this application authority is sought to increase the one-way fare to \$12.50 and the round-trip fare to \$25.

Skyview's present level of fares has been in effect since 1970 when it received its authority to operate as a passenger stage corporation. Applicant states that during the past three years its labor costs and fuel costs, as well as other costs, have increased substantially and present operations are being conducted at a loss. Applicant submits that the sought relief is noncontroversial and urges the Commission to grant the sought fare increase by ex parte order.

In support of the sought fare increase there is attached to the application (Exhibit A) a Skyview balance sheet as of January 31, 1973. Also attached to the application (Exhibit B) is a statement setting forth the actual results of Skyview's operations for the year 1972 as well as the estimated results of operations under present and proposed fares for a projected 12-month period commencing January 1, 1974. A summary of applicant's results of operations under present and proposed fares follows:

TABLE 1

Skyview Limousine Service, Inc.
Results of Operations

<u>Account Items</u>	<u>1972 Actual</u>	<u>1974 Projected Rate Year</u>	
		<u>Present Fares</u>	<u>Proposed Fares</u>
<u>Revenues</u>			
Passenger Service	\$60,965	\$ 85,350	\$106,687
Charter Service	<u>7,535</u>	<u>13,189</u>	<u>13,189</u>
Total	\$68,500	\$ 98,359	\$119,876
<u>Expenses</u>	<u>62,439</u>	<u>119,018</u>	<u>119,018</u>
Net Operating Profit (Loss) Before Income Taxes	\$ 6,061	(\$ 20,659)	\$ 858
Operating Ratio	91.8%	121%	99.3%

It will be noted that Skyview anticipates the sought fare increase will provide approximately \$21,337 in additional operating revenues. Applicant expects to experience a net operating deficit for the year 1974 of about \$21,000 in the event the sought fare increase is not authorized. Under the proposed increase applicant expects the operations of Skyview to be about at the break-even point or an operating ratio of 99.3 percent.

The certificate of service shows that copies of the application were served upon the cities of Los Angeles, Desert Hot Springs, Indio, Palm Springs, and Palm Desert and the county of Riverside. The application was listed on the Commission's Daily Calendar for December 10, 1973. No objection to the granting of the application has been received.

The Commission finds that:

1. Applicant's present level of fares has been in effect since 1970. Since that time the operating expenses of Skyview Limousine Service, Inc. have increased substantially.

2. Applicant estimates that under the present level of fares it will experience a net operating deficit of about \$21,000 or an operating ratio of 121 percent. Under the proposed fare increase applicant has shown that it will realize a net operating profit of only \$858 or an operating ratio of 99.3 percent.

3. The proposed increase in the existing fares of Skyview Limousine Service, Inc. has been shown to be justified.

4. The fare increase found justified herein is consistent with the objectives of the Federal Cost of Living Council and this Commission's Resolution No. 4157 dated August 21, 1973.

The Commission concludes that Application No. 54486 should be granted. A public hearing is not necessary.

IT IS ORDERED that:

1. Skyview Limousine Service, Inc. is authorized to establish the increased fares proposed in Application No. 54486.

2. Tariff publications authorized to be made as a result of this order shall be filed not earlier than the effective date of this order and may be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and to the public.

3. The authority shall expire unless exercised within sixty days after the effective date of this order.

4. In addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in its buses and terminals 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 thirty days.

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

Dated at San Francisco, California, this 13th
day of FEBRUARY, 1974.

Vernon L. Stacey
President
William J. Lyons
William J. Lyons
William J. Lyons
Commissioners