

Decision No. 83035**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of STARLINE SIGHTSEEING TOURS, INC.,
a California corporation, for
authority to adjust rates.

Application No. 54707
(Filed March 4, 1974)

O P I N I O N

Applicant operates as a passenger stage corporation pursuant to a certificate of public convenience and necessity authorizing a sightseeing service by limousine, not to exceed 7-passenger capacity, in certain portions of the cities of Los Angeles and Beverly Hills. By this application, it seeks authority to increase the rates in its tariff - Cal. P.U.C. 2 - for its Tour 1 which is a sightseeing tour to the homes of movie stars. The present and proposed fares for this tour are as follows:

	<u>Present</u>	<u>Proposed</u>
Adult (12 and over)	\$3.70	\$4.90
Child (5-11)	\$1.85	\$2.45

No increase is sought for its other tours, none of which were operated during 1973.

The application states as follows: The present fares for Tour 1 were established in 1965, almost 10 years ago; since that time, there have been continuous and steady increases in the cost of operation; in the last 12 months, there has been a sudden and unprecedented increase in the cost of fuel, repairs, and maintenance and in other operating costs; and without the sought adjustment in the fares for Tour 1, it will be operated at a loss and become a burden upon applicant's other operations.

According to applicant's Statement of Financial Condition as of December 31, 1973, attached to the application as Exhibit B, applicant had assets of \$68,419 and liabilities of \$58,032 and the stockholders' equity was \$10,387. The estimate of operating results under present fares for the historical year (1973) and under present and proposed fares for the rate year (1974) as set forth in Exhibit C to the application are as follows:

	<u>Historical Year</u>	<u>Rate Year</u>	
	<u>Present</u>	<u>Present</u>	<u>Proposed</u>
	<u>Fares</u>	<u>Fares</u>	<u>Fares</u>
Revenues	\$85,822 ⁽²⁾	\$ 95,115 ⁽³⁾	\$122,822 ⁽³⁾
Expenses	82,791	106,773	107,983
Operating Income	\$ 3,031	\$(11,658)	\$ 14,839
Income Tax	880	200	4,305
Net Income	\$ 2,151	\$(11,858)	\$ 10,534
Operating Ratio (1)	97.5%	112.5%	91.4%

(Indicates Loss)

- (1) After income tax.
- (2) Includes \$7,110 in charter revenue.
- (3) Includes \$8,532 in charter revenue.

The application was served in accordance with the Commission's rules. No protests have been received. A public hearing is not necessary.

The Commission finds that the proposed increases in the passenger fares for applicant's Tour 1 are reasonable and justified and concludes that the application should be granted.

O R D E R

IT IS ORDERED that:

1. Starline Sightseeing Tours, Inc. is authorized to establish the increased rates proposed in Application No. 54707. 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 ten days after the effective date of this order on not less than ten days' notice to the Commission and to the public.

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

3. 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 ten days after the date hereof.

Dated at JUNE San Francisco, California, this 25th day of JUNE, 1974.

Thomas L. Stearns
President
William J. Lyons
William J. Lyons
Franklin
San Diego
Commissioners