

Decision No. 83224

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
AIRPORTTRANSIT, a corporation, for
authority to increase its fares as
a passenger stage corporation.

} Application No. 54697
} (Filed March 1, 1974)

O P I N I O N

Applicant is a California corporation operating as a passenger stage corporation under a certificate of public convenience and necessity issued by the Commission in Decision No. 78126. Its last fare increases were authorized by Decision No. 79918 dated April 4, 1972 and Decision No. 81839 dated September 5, 1973, both in Application No. 52651. The points served by applicant and listed in its tariff include many of the principal hotels, motels, office buildings, and passenger terminals located within Los Angeles County.

In Decision No. 81839, supra, the Commission found that applicant would receive a 14.36 percent rate of return on a rate base of \$557,000 and have an operating ratio of 96 percent. It found these results to be reasonable. Applicant alleges Decision No. 81839 was based upon the record and evidence prior to February 28, 1973, the date of submission of the application therein; that such evidence included applicant's costs for diesel and gasoline fuel as of July 1, 1973; and that since then, applicant's fuel costs have increased substantially as the direct result of the current energy crisis and it cannot absorb such increased costs without jeopardizing its financial condition and its ability to continue operations as a passenger

stage corporation. Applicant further alleges its cost for diesel fuel, including sales tax, was 13.95 cents per gallon on and prior to July 1, 1973; that its present costs is 25.20 cents per gallon, including sales tax; that its cost for gasoline on and prior to July 1, 1973 was 23.10 cents per gallon; that its present cost is 35.07 cents per gallon; that such costs include sales tax in both cases; and that based upon 1973 recorded miles and gallons consumed this will result in a minimum cost increase to applicant of \$36,460 per annum.

Applicant alleges that its operations for the twelve months ended December 31, 1973 resulted in a loss of \$13,356 (Exhibit D on application).

Applicant further alleges that its net loss of \$13,356 for the twelve months ended December 31, 1973 and its increased fuel costs of \$36,460 will result in a total minimum loss per year to applicant of \$49,816; that to recover this amount and to avoid the establishment of rates at less than multiples of five cents, applicant proposes to increase its Los Angeles fare by five cents and all other fares by ten cents; and that based upon recorded 1973 passenger count the increase in fares will produce additional revenues to applicant of \$45,901.

The applicant alleges the application herein is to recover the actual loss sustained by applicant from its operations for 1973 and the added fuel costs of applicant since July 1, 1973 as the result of the present energy crisis.

The staff made a study of applicant's results of operations. This study is filed as Exhibit 1.

The staff recommends that the application be granted.

Findings

1. Applicant is a passenger stage corporation transporting commuter passengers between various airports, on the one hand, and cities and communities in the vicinity thereof, on the other hand.

2. Applicant's present fares resulted in a loss for the calendar year of approximately \$50,000 from its total operations.

3. Applicant has proposed fare increases of five or ten cents only.

4. On the basis of the staff's study filed herein as Exhibit 1, the applicant is in need of an immediate rate increase. The rates authorized herein will permit applicant to offset increased fuel costs without increasing its rate of return or lowering its operating ratio.

Conclusions

1. Fare increases as specified in the following order should be authorized.

2. The applicant should be authorized to establish the increased fares on less than thirty days' notice to the Commission and to the public.

O R D E R

IT IS ORDERED that:

1. Airporttransit is authorized to increase its Los Angeles fares by five cents and all other fares by 10 cents. Tariff publications authorized to be made as a result of this order 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.

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 is the date hereof.

Dated at San Francisco, California,
this 30th day of JULY, 1974.

Vernon L. Sturges
President
William Symons, Jr.
[Signature]
[Signature]
Commissioners

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