

Decision No. 83263

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
JOHN N. THOMPSON ENTERPRISES, INC.,)
dba AIRPORT COMMUTER, a California)
Corporation, to increase fares and)
charges, pursuant to Section 454,)
California Public Utilities Code.)

Application No. 54891
(Filed May 17, 1974)

OPINION AND ORDER

John N. Thompson Enterprises, Inc., dba Airport Commuter, conducts operations as a passenger stage corporation between Arcadia, Pasadena, and Hollywood-Burbank Airport. By this application it seeks authority to increase one-way adult fares from \$2.00 to \$3.00, and fares for children (five through eleven years of age) from \$1.00 to \$1.50.^{1/} Children under five are carried free.

Applicant states that since commencing operations in 1972 it has operated at a loss. The losses are attributed to continuously rising costs of maintenance and repair of buses, and rising cost of fuel. In addition, applicant lost two buses in September and October, 1973 through fire and motor explosion. Maintenance on the remaining vehicle and rentals on replacements assertedly have been high. Applicant plans to purchase new buses. The depreciation on such equipment will add to operating expenses.

Applicant contends that while some of the expenses have been extraordinary and non-recurring in nature the increased

^{1/} This is the first fare increase since applicant commenced operations in June 1972 pursuant to Decision No. 79852.

fuel and maintenance costs are such that it will not be able to recover financially or to eventually operate at a profit unless the sought fare increases are granted.

Exhibit A to the application is the company's balance sheet as of December 31, 1973. Exhibit B is the profit and loss statement for the year ended December 31, 1973. The latter statement shows a net loss for the year of \$5,662, and an accumulated deficit of \$11,838.

The Transportation Division has prepared a study and report of estimated results of operations which is received as Exhibit 1, and which shows that applicant, at present rates will have an estimated loss of \$7,714 in 1975, and at proposed rates will have an estimated profit of \$1,454 in 1975 and an estimated operating ratio of 96.2 percent.

Applicant states that there is no competitor involved and requests that the matter be disposed of by ex parte procedure. Copies of the application were served on the city of Pasadena and the county of Los Angeles on or about May 15, 1974. Notice of the application was listed on the Commission's Daily Calendar of May 21, 1974. There are no protests. A public hearing is not necessary.

Findings

1. Applicant's present tariff rates do not provided revenues sufficient to meet expenses incurred in providing service as a common carrier of passengers.

2. Applicant has demonstrated a need for additional revenues from its common carrier passenger operations.

3. The staff estimated operating results under the proposed rates are reasonable estimates for ratemaking purposes.

4. The proposed increase in passenger fares will not produce excessive earnings for applicant.

5. The proposed increase has been shown to be justified.

The Commission concludes that Application No. 54891 should be granted.

IT IS ORDERED that:

1. Applicant is authorized to increase passenger fares in its Local Passenger and Express Tariff No. 1, Cal PUC No. 1, as sought in the application.

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

3. The authority herein granted shall 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 6th
day of AUGUST, 1974.

Vernon L. Stearns
President
William J. Symons, Jr.
William J. Symons, Jr.
William J. Symons, Jr.
Commissioners

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