

ORIGINALDecision No. 83521

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of IMPERIAL COMMUTER
AIRLINES, INC. for authority to
increase its intrastate passenger
fares.

Application No. 54678
(Filed February 21, 1974;
amended August 16, 1974)

INTERIM OPINION

Imperial Commuter Airlines, Inc. conducts passenger air carrier operations between San Diego and El Centro. By application filed February 21, 1974, it sought authority to increase its one-way adult fare from \$13.89 to \$15.74. There are no protests. On August 16, 1974 it filed an amendment to its application seeking authority to establish its one-way fare at \$20.00.

The Commission's Transportation Division has made an investigation and analysis of applicant's operations in connection with the original application. Its report is received in evidence as Exhibit 1. The report estimates \$22,667 additional gross revenue would be provided at a fare of \$15.74. It projects an operating loss before income taxes of \$15,288 under the present fare and net revenue of \$7,379 before income taxes under the \$15.74 fare. That projection is based upon the number of passengers transported and the number of flight hours operated with 10-passenger aircraft during 1973.

In its amended application applicant asserts that in August 1974 it leased and began operating an additional aircraft, a 19-passenger Swearingen Metroliner, which will enable it to serve better an increasing demand for passenger space. The Metroliner has almost double the seating capacity of the aircraft applicant has been operating. That circumstance alters estimated ticket sales and passenger revenues, particularly in that in the prior proceeding establishing applicant's present fare, it was established that certain flights with the aircraft then in operation were booked to capacity.

Exhibit No. 1 shows that earnings resulting from operations at a fare of \$15.74 will not be excessive.

In the circumstances further investigation is required in connection with the proposed \$20.00 fare; however, the increase in fare to \$15.74 has been shown to be justified; and pending such further investigation, applicant should be authorized to establish the \$15.74 fare.

INTERIM ORDER

IT IS ORDERED that:

1. Imperial Commuter Airlines, Inc. is authorized to establish an increased fare of \$15.74. 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.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 1st day of OCTOBER, 1974.

Vernon L. Sturgeon
President
William J. ...
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Commissioners