

Decision No. 836S9

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of HUGHES AIR CORP.,
d/b/a HUGHES AIRWEST, for authority
to increase intrastate passenger
fares.

Application No. 54599
(Filed January 28, 1974;
amended April 1, 1974)

FINAL ORDER

Hughes Air Corp., d/b/a Hughes Airwest (Airwest), is a common carrier by air of passengers and property between points located in various states of the United States, including California, and in Canada and Mexico. In California, Airwest operates in intrastate as well as interstate commerce providing local service between various California cities, as well as between those cities and points in other states.

In this application Airwest seeks authority to increase its intrastate passenger fares on an ex parte basis to offset increased costs of aviation fuel. Interim Decision No. 82451 dated February 5, 1974 authorized Airwest to increase its intrastate air fares by adding 70 cents per passenger (exclusive of security and armed guard surcharges and transportation tax) to the increased fares authorized in Decision No. 82396 issued January 29, 1974 in Application No. 53766. The interim increases parallel those authorized to Pacific Southwest Airlines (PSA) in Decision No. 82389 dated January 22, 1974 in Application No. 54387.^{1/}

Decision No. 82917 dated May 29, 1974 granted further interim relief. That decision authorized Airwest to establish

^{1/} That decision also authorized increased air fares to Air California, Inc., Golden West Airlines, Inc., Western Air Lines, Inc., and Swift-Aire Lines, Inc.

increased air fares by applying a surcharge of 4.95 percent (exclusive of security and armed guard surcharges and transportation tax) to the fares established pursuant to Decision No. 82396.

Concurrent with the establishment of the authorized 4.95 percent surcharge the interim increase of 70 cents per passenger authorized by Decision No. 82451 in this proceeding was cancelled.

Air fare increases granted to various airlines to offset increased fuel costs were made interim by the Commission because of initial uncertainty concerning the ultimate magnitude of the fuel cost increases, because of federal allocation of fuel to airlines, and in order to maintain a parity of air fare increases between airlines. The latest request made by Airwest in the amendment to its application herein, which was granted by Decision No. 82917, gives effect to fuel cost increases incurred by it for the calendar year 1974. All of the increases in fares sought herein by Airwest have been authorized. Allocations of fuel to airlines have been rescinded. Other major airlines recently have been granted further fuel offset increases which are not sought herein by Airwest.

It appearing that there no longer exists any reason that fare increases heretofore authorized in this proceeding should not be made final,

IT IS ORDERED that the interim relief granted to Hughes Air Corp., d/b/a Hughes Airwest, in Decision No. 82917 is hereby made final and the proceeding in Application No. 54599, as amended, is terminated.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 6th
day of NOVEMBER, 1974.

Vernon L. Sturgeon
President
William J. Synnott

Robert E. McFarland
Commissioners

Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.