

Decision No. 83834**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SIERRA PACIFIC AIRLINES, for an Ex
Parte Order to Increase Intrastate
Passenger Fares.

Application No. 55263
(Filed October 21, 1974)

O P I N I O N

Sierra Pacific Airlines is a corporation engaged in passenger air carrier operations between Los Angeles, Burbank, Fresno, Bishop, and Mammoth Lakes. It here seeks authority to increase its passenger fares. The present and proposed fares are set forth in the margin.^{1/}

Applicant's present fares have been in effect since January 1971. Since its inception, applicant has never earned an annual profit. As justification for the proposed increase in fares, applicant points to the operating losses it has sustained and to the dramatic increase in fuel prices that occurred since January 1, 1973 up to and including August 31, 1974, which it measured at 38.6 percent. Applicant presented data showing that the estimated \$58,515.00 additional passenger revenue from the proposed increase in fares would not offset the estimated \$95,141.88 net increase in its cost of fuel.

^{1/} One-way adult fares:

<u>Between</u>	<u>And</u>	<u>Present</u>	<u>Proposed</u>
Burbank	Mammoth Lakes	\$25.00	\$27.31
Burbank	Fresno	17.00	18.75
Fresno	Mammoth Lakes	12.50	17.59
Los Angeles	Mammoth Lakes	25.00	27.31

Applicant presented an estimate of operating results for a 12-month period ending November 30, 1975. It discloses an estimated loss from operations at the proposed fares of \$320,308.

Applicant served notice of the filing of the application and copies of the application in accordance with the Commission's procedural rules. Notice of the filing of the application also appeared on the Commission's Daily Calendar of October 23, 1974. There are no protests.

We find that the proposed fares are reasonable and that the increases that will result from their establishment are justified. We conclude that the application should be granted and that a public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Sierra Pacific Airlines, a corporation, is authorized to establish the increased fares proposed in Application No. 55263. 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 five days after the 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 shall be twenty days after the date hereof.

Dated at San Francisco, California, this 17th
day of DECEMBER, 1974.

Vernon L. Stinger
President
William A. Quinn, Jr.
[Signature]
[Signature]
Robert E. McLaughlin
Commissioners