

Decision No. 84272**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Airport Limousine
Service of Sunnyvale, for the
authority to increase passenger
stage fares.

Application No. 55285
(Filed October 31, 1974)

O P I N I O N

Airport Limousine Service of Sunnyvale is a corporation engaged in passenger stage operations between points in the counties of Santa Clara, San Mateo, Alameda, and Contra Costa, on the one hand, and San Francisco International Airport, Oakland International Airport, and San Jose Municipal Airport, on the other hand. It also conducts charter-party operations. By this application it seeks authority to increase its fares by approximately nine percent for its passenger stage operations.

In exhibits attached to the application it is shown that applicant has experienced increases in fuel and oil costs, repair costs, and expenses for operation of airport counter stations, of approximately \$16,300. Applicant asserts that the total increase in expense would have been \$20,000 if consideration is given to an increase in the cost of labor of about 10.3 percent and to the increase in the cost of general overhead of 12 percent. It estimates that the increase in revenue that will result from the proposed increased fares will be \$18,000.

The Commission staff made a study and analysis of applicant's operations. Its report of that study is received in evidence in this application as Exhibit 1.

Exhibit 1 states that applicant's passenger traffic has been increasing since the carrier inaugurated its common carrier service. During the year ended June 30, 1974 the carrier transported 55,300 passengers in common carrier service. In estimating results of operations for a future rate year the staff estimated the traffic would increase to 68,570 passengers under present fares. Under the proposed fares 67,340 passengers were estimated because of the effect of diminution. Exhibit 1 sets forth the staff's estimates of the results of applicant's passenger stage operation and of its total operations (including charter operations) as follows:

Estimated Results of Passenger
Stage Operations and Total Operations
of Airport Limousine Service of
Sunnyvale Under Present Fares and
Under Proposed Increased Fares.

	<u>Present Fares</u>		<u>Proposed Fares</u>	
	<u>Passenger</u>	<u>Total</u>	<u>Passenger</u>	<u>Total</u>
Revenue	\$348,200	\$388,500	\$372,700	\$413,000
Expense	<u>354,330</u>	<u>377,980</u>	<u>354,290</u>	<u>377,800</u>
Gross Income	(6,130)	10,520	18,410	35,200
Income Taxes	<u>-</u>	<u>200</u>	<u>3,810</u>	<u>7,280</u>
Net Operating Income	(6,130)	10,320	14,600	27,920
Operating Ratio	101.8%	97.3%	96.1%	93.2%

(Red figure)

It must be noted that the foregoing estimates give consideration to a 24 percent increase in passenger traffic. The staff report states that Airport Limousine Service of Sunnyvale is now a rapidly developing carrier, and it is in the interest of the public that the results of operations from the service be improved so as to facilitate the carrier's continued expansion of service. It recommends that the application be granted without hearing if no protests are received.

Notice of the filing of this application appeared in the Commission's Daily Calendar on November 4, 1974. No protests have been received. We find that the proposed increases in fares have been shown to be 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. Airport Limousine Service of Sunnyvale, a corporation, is authorized to establish the increased fares proposed in Application No. 55285. 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 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 stations 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 shall be twenty days after the date hereof.

Dated at San Francisco, California, this 1st day of APRIL, 1975.

Vernon L. Stuenkel
President
William J. Quinn Jr.
Donald J. [unclear]
Leonard [unclear]
Commissioners

Commissioner ROBERT BATINOVICH

Present but not participating.