

**ORIGINAL**Decision No. 84764

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Swift Aire Lines  
for an ex parte order or immediate  
authority to increase its intra-  
state fares.

Application No. 55815  
(Filed July 16, 1975)

O P I N I O N

Swift Aire Lines, Inc. is a passenger air carrier with base of operations at San Luis Obispo. By this application it seeks authority to increase all fares by 26 cents in order to offset increases in the price of aviation fuel. Applicant's present fares were authorized by the Commission in Decision No. 83550 which considered applicant's average fuel cost as of August 1, 1974.

On June 12, 1975 applicant was notified that the price of aviation gasoline was increased \$.012 per gallon. The price was further increased by \$.01 per gallon on July 11, 1975.

During the most recent six-month period applicant's average fuel enplanement was 87,963 gallons and its average boardings were 7,443 passengers per month. The estimated annual increase in cost of fuel is \$23,222.23 (87,963 gals. x 12 months @ 2.2¢ per gal.). The estimated additional revenue per year that would result from the proposed increase in fares is \$23,222.16 (7,443 passengers x 12 @ 26¢).

Financial statements appended to the application show that applicant incurred an operating loss for the first five months of 1975.

Applicant's present fares range from \$12.77 to \$39.62. Its average fare is \$25.49. The proposed increases of 26 cents in each fare provides increases ranging from 0.66 percent to 2.04 percent, with the average increase being 1.01 percent.

The proposed fare increases will not provide additional revenues in excess of the increases in the cost of aviation fuel and therefore will not provide additional net earnings to this carrier. Applicant's earnings under the proposed fares will not be excessive. The increases in fares have been shown to be justified and a public hearing is not necessary. We conclude that applicant should be authorized to establish the proposed increases in fares on not less than five days' notice to the Commission and to the public.

O R D E R

IT IS ORDERED that:

1. Swift Aire Lines, Inc. is authorized to establish the increased fares proposed in Application No. 55815. Tariff publications authorized to be made as a result of this order may be made effective 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. The tariff filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 105-Series.
4. In addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in its terminals a printed explanation of its proposed fares. Such notice shall be

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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 is the date hereof.

Dated at San Francisco, California, this 5th  
day of AUGUST, 1975.

William Lyons President  
Seamus L. Stanger  
Alan  
Robert Baker Commissioners

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