

Decision No. 84390

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Swift Aire Lines  
for an ExParte order for immediate  
authority to increase its intrastate  
fares.

Application No. 55882  
(Filed August 22, 1975)

O P I N I O N

Swift Aire Lines, Inc. (Swift) is a passenger air carrier with base of operations at San Luis Obispo. By this application it seeks authority to increase all fares by 12 cents in order to offset increases in the price of aviation fuel. Applicant's present fares were authorized by the Commission in Decision No. 84764 which considered applicant's average fuel cost as of July 11, 1975.

The application states that Swift was notified by Standard Oil Company of California, its principal supplier, that the price of aviation gasoline would be raised by one cent per gallon effective September 7, 1975, bringing Swift's average fuel cost to 58.6 cents per gallon.

The application shows that Swift has averaged 7,443 passenger boardings per month for the six-month period ending June 30, 1975. Average fuel enplanement is 87,963 gallons per month. An increase of 12 cents per passenger is required to offset an increase of one cent per gallon in the cost of fuel.

The application states that the sought increase of 12 cents per passenger amounts to less than a 0.50 percent increase in its average fare of \$25.49.

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

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. 55882. 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 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 15th  
day of OCTOBER, 1975.

I abstain:

~~Edward~~, Commissioner

William J. Quinn President  
Vernon L. Sturgeon  
W. H. Bat Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.