

T/bcy *

Decision 84 04 088

APR 18 1984

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of AIRPORT SERVICE,)
 INCORPORATED, for authority to)
 adjust its rates.)

Application 84-02-34
 (Filed February 14, 1984)

O P I N I O N

Airport Service, Incorporated (Airport) is a passenger stage corporation (PSC-869) operating between various airports in Los Angeles and Orange Counties and various points in Los Angeles and Orange Counties, as well as between certain of the airports, as set forth in the appendix of Decision (D-) 83743, as amended by D.84583, in Application (A-) 54778. On August 26, 1979, Airport Service commenced operations between Los Angeles International Airport and Ontario Airport and various points in Los Angeles and San Bernardino Counties pursuant to D.90383 in A.58082.

Airport is seeking authority to increase its passenger fares by an overall average of 15.2% to offset the increases in operating expenses and the loss of approximately \$1,007,000 annual gross revenue due to the termination of a contract with the Los Angeles Department of Airports to operate between Los Angeles International Airport and the Flyaway Terminal in West Los Angeles. This contract terminated mid-March, 1984.

Exhibit B of the application shows applicant's present and proposed fares.

The present fares were established in D.83-01-033, dated January 12, 1983, in A.82-11-28.

Based on the information contained in the application, the following table shows applicant's estimated results of operations under present and proposed fares for a test year ending March 31, 1985.

<u>Item</u>	<u>Test Year Ending March 31, 1985</u>	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Operating Revenues:		
passenger stage	\$12,234,000	\$14,093,000
charter/special	<u>322,000</u>	<u>322,000</u>
Total	12,556,000	14,415,000
Operating Expenses	12,483,000	12,708,000
Operating Income Before Income Taxes	73,000	1,707,000
Operating Ratio Before Income Taxes	99.4%	88.2%

As indicated by the above table, applicant's operations in the test year ending March 31, 1985 under its present fares will be close to the break-even point, with an operating ratio before taxes of 99.4%. The proposed fares will result in an annual gross operating revenue of \$14,415,000, an annual gross revenue increase of \$1,859,000, with an operating ratio of 88.2% before income taxes.

Notice of the filing of this application appeared on the Commission's Daily Calendar of February 23, 1984. No protests or requests for public hearing have been received.

Findings of Fact

1. Applicant seeks authority to increase its passenger stage fares by an overall average of 15.2%.
2. Applicant's present fares were authorized by D.83-01-033 dated January 12, 1983.
3. Applicant's operations in the test year ending March 31, 1985 under its present fares will be close to the break-even point, with an operating ratio of 99.4% before income taxes.

4. The requested fare increase will result in an annual gross operating revenue of \$14,415,000, an annual gross revenue increase of \$1,859,000, with an operating ratio of 88.2% before income taxes.

5. The requested fares are necessary to offset applicant's increases in operating expenses and loss of contract revenues.

6. The fare increase requested in A.84-02-34 is justified.

7. No protests have been received concerning this application, and a public hearing is not necessary.

8. Since applicant's operations will be close to the break-even point under the present fares, the effective date of this order should be the date of signature.

Conclusion of Law

The fare increase requested in A.84-02-34 is just and reasonable and should be granted.

O R D E R

IT IS ORDERED that:

1. Airport Service, Incorporated is authorized to establish the increased passenger fares proposed in A.84-02-34. Tariffs shall be filed on or after the effective date of this order. They may go into effect five days or more after the effective date of this order on not less than five days' notice to the Commission and to the public.

2. This authority shall expire unless exercised within 90 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 operating vehicles 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 30 days.

This order is effective today.

Dated APR 18 1984, at San Francisco, California.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO

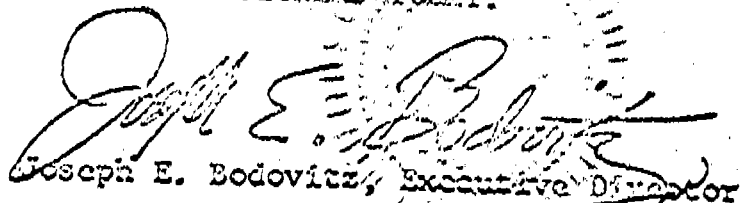
PRISCILLA C. CREW

DONALD VIAL

WILLIAM T. BAGLEY

Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bodovitz, Executive Director