

T/MM

Decision 92 06 012 June 3, 1992

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In regards to the Application of
Thomas L. Miller, an individual, dba
Antelope Valley Airport Express, Inc.
to establish a Rate Increase for his
authorized points of Antelope Valley,
Santa Clarita Valley and the Los
Angeles Airport.

ORIGINAL

Application 92-02-029
(Filed February 14, 1992)

O P I N I O N

The above caption incorrectly states Thomas L. Miller, an individual (Miller), is applying for the rate increase. In fact, Miller is the President and the majority shareholder of Antelope Valley Airport, a California corporation (applicant). Applicant is a passenger stage corporation (PSC-1348) that operates between Lancaster, Palmdale, Newhall, on the one hand, and Los Angeles International Airport (LAX) and Burbank Airport, on the other hand. By this application, applicant requests authority to increase its present rates by approximately 10% pursuant to Public Utilities (PU) Code § 454 and 491.

The present fares were authorized by Decision (D.) 87-10-019 in Application 87-05-027. Applicant published these fares in its Local Passenger Tariff No. 1, made effective on June 16, 1988.

Applicant has submitted its latest unaudited Balance Sheet and Income Statement, for the year ending December 31, 1990. A pro forma income statement is included in the application and identified as Exhibit "E". This pro forma statement includes present and proposed cash flow data.

Present and proposed fares and rates are shown in Table 1.

TABLE 1Between LAX and points shown below

<u>Community</u>	<u>FARES</u> <u>In Dollars</u>		<u>Proposed</u>	
	<u>Present</u> <u>One-Way</u>	<u>Round-Trip</u>	<u>One-Way</u>	<u>Round-Trip</u>
Lancaster/Palmdale				
Adult	18	36	25	45
Couple			50	75
Child under 12			15	30
Child occupying a seat			15	30
Newhall				
Adult	12	24	15	30
Couple			30	60
Child under 12			12	24
Child occupying a seat			12	24
<u>Additional Charges</u>				
Golf bags and clubs	2	4	3	6
Parcels	12	24	15	30

Table 2 sets forth the estimated results of operations under present and proposed fares and rates for the test year ending November 30, 1992.

TABLE 2Test Period Ending November 30, 1992INCOME STATEMENT

	<u>Historical Year ending</u> <u>November 30, 1991</u>	<u>Test Year ending</u> <u>November 30, 1992</u>	
	<u>Present Fares</u>	<u>Present Fares</u>	<u>Proposed Fares</u>
Operating Revenue	381,064	381,725	419,900
Operating Expenses	381,697	395,905	395,905
Operating Income(Loss)			
Income Before Tax	(633)	(14,180)	23,995
Operating Ratio	100.17%	103.71%	94.29%
Before Income Tax			

Table 2 shows that applicant's operations in the year ending November 30, 1992 under the present rates resulted in a loss of \$633 with an operating ratio of 100.17% before income taxes.

If present rates and trends continue, applicant forecasts that it will sustain a loss of \$14,180 for 1992 with an operating ratio of 103.71%. This loss is attributed to increases in drivers salaries, gas, workers compensation, and maintenance costs.

The proposed rate increase, on the other hand, will result in an annual gross operating revenue of \$419,900 and operating income of \$23,995, with an operating ratio of 94.29% before income taxes.

The proposed rate increases are just and reasonable and should be granted.

Findings of Fact

1. Applicant seeks authority to increase its passenger stage fares and rates by approximately 10% to offset increases in Drivers Salaries, Gas, Workers Compensation, and Maintenance costs.

2. Applicant's present fares and rates were granted by D.87-10-019.

3. Applicant's operations in the test period ending November 30, 1992, under present fares and rates would result in a loss of \$14,180 with an operating ratio of 103.71%.

4. The proposed fares and rates will result in an annual gross revenue of \$419,900 which will generate an annual net income before taxes of \$23,995 with an operating ratio of 94.29% before income taxes.

5. The requested fare and rate increases under PU Code § 454 are justified.

6. Notice of filing of this application appeared in the Commission's Daily Transportation Calendar of February 26, 1992. No protests have been filed.

Conclusions of Law

1. The passenger fares and rates increases under PU Code § 454 herein requested are just and reasonable.

2. The application should be granted.

3. A public hearing is not necessary.

4. Because the applicant is operating at a loss, the order should be effective today, and short notice authority should be granted pursuant to PU Code § 491.

O R D E R

IT IS ORDERED that:

1. Antelope Valley Airport Express, Inc., a California corporation is authorized to establish the increased passenger fares and rates set forth in the application.

2. Tariffs may be filed on or after the effective date of this order. They may become effective five days or more after the effective date of this order provided that the Commission and the public are given not less than five days' notice.

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 the fares and rates. Such notice shall be posted not less than ten days before the effective date of the fare changes and shall remain posted for a period of not less than 30 days.

4. This authority shall expire unless exercised within 90 days after the effective date of this order.

5. The application granted as set forth above.

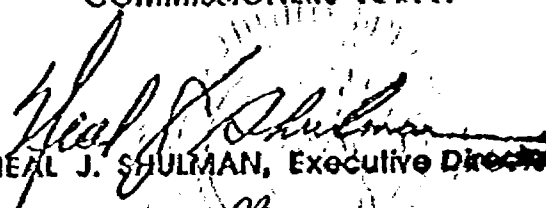
This order is effective today.

Dated June 3, 1992, at San Francisco, California.

DANIEL Wm. FESSLER
President

JOHN B. OHANIAN
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
Commissioners

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


NEAL J. SHULMAN, Executive Director