

T/ctb*

Decision 82 04 038

APR 6 1982

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Luxe Livery Service, Inc., a California Corporation, for authority to increase passenger fares from points within Orange County on the one hand, and the Los Angeles International Airport, Ontario International Airport, the piers and docks in Los Angeles and Long Beach Harbors, and Orange County Airport on the other hand.

Application 82-01-14
(Filed January 11, 1982)

O P I N I O N

Luxe Livery Service, Inc. (applicant) provides a passenger stage corporation service (PSC-1044) between points in Orange County, on the one hand, and the Los Angeles International Airport, Ontario International Airport, Orange County Airport, and the piers and docks in Los Angeles and Long Beach Harbors, on the other hand. It also operates under charter-party carrier of passengers permit No. TCP-951-P.

Applicant requests authority to increase its present passenger fares as set forth in Exhibit B of the application.

The present fares were authorized by Decision (D.) 92566, dated December 30, 1980.

Applicant has increased its charter rates by approximately 15% as of September 1, 1981.

Applicant alleges that the proposed fare increase is necessary to offset the increases in its cost of operations, including a recent franchise fee of $12\frac{1}{2}\%$ of the gross revenue derived from the transportation of passengers leaving the Los Angeles International Airport, imposed upon applicant by the City of Los Angeles Department of Airports.

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Based on the information contained in the application, the following table shows a summary of the estimated results of operations for the test year ending February 28, 1982, under present and proposed fares.

	<u>Test Year Ending February 28, 1982</u>	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Operating Revenues	\$2,707,000	\$2,908,000
Operating Expenses	2,728,000	2,728,000
Income (Loss) before Income Taxes	(21,000)	180,000
Operating Ratio before Income Taxes	100.8%	93.8%

(Red Figure)

As indicated by the above table, applicant's operations in the test year ending February 28, 1982 under its present fares will be at a loss of \$21,000. The proposed fares will result in an annual gross revenue of \$2,908,000, an annual gross revenue increase of approximately \$200,000, with an operating ratio of 93.8% before income taxes.

Notice of the filing of this application was listed on the Commission's Daily Calendar. Additionally, the Commission staff notified affected public transit district operators of the receipt of this application under Public Utilities Code Sections 730.3 and 730.5. No protests have been received and a public hearing is not necessary.

Findings of Fact

1. Applicant seeks authority to increase its passenger fares.
2. Applicant's present fares were authorized by D.92566, dated December 30, 1980.

3. Applicant's operation in the test year ending February 28, 1982 under its present fares will be at a loss of \$21,000.

4. The requested fare increase will result in an additional annual gross revenue of approximately \$200,000, with an operating ratio of 93.8% before income taxes.

5. The requested fares are necessary to offset the increases in operating costs and to ensure applicant's continued operations.

6. The fare increase requested is justified.

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

8. Since applicant is operating at a loss under the present fares, the effective date of this order should be the date of signature.

Conclusion of Law

The fare increase requested is just and reasonable and should be granted.

O R D E R

IT IS ORDERED that:

1. Luxe Livery Service, Inc. is authorized to establish the increased fares proposed in Application 82-01-14. Tariffs shall be filed not earlier than 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. The authority shall expire unless exercised within 90 days after the effective date of this order.

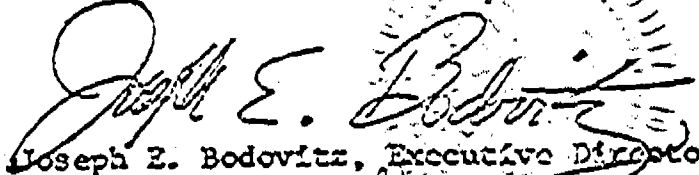
3. In addition to posting and filing tariffs, applicant shall post a printed explanation of its fares in its buses and terminals. The notice shall be posted at least five days before the effective date of the fare changes and shall remain posted for at least 30 days.

This order is effective today.

Dated APR 6 1982, at San Francisco, California.

JOHN E. ERYSON
President
RICHARD D. GRAVELLE
LEONARD M. GRIMES, JR.
VICTOR CALVO
PRISCILLA C. GREW
Commissioners

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


Joseph E. Bodovitz, Executive Director