

T/ctb

Decision 83 06 033

JUN 1 1983

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Application of)
 GOLDEN STATE LIMOUSINE, INC. for)
 authority to increase it's (sic))
 passenger stage corporation fares,)
 pursuant to Section 454 of the)
 Public Utilities Code.)

Application 82-12-41
 (Filed December 15, 1982;
 amended April 22, 1983)

O P I N I O N

Golden State Limousine, Inc. (applicant) is a passenger stage corporation (PSC-978) operating between the Counties of San Mateo, Santa Clara, and Alameda, and San Francisco International Airport, Oakland International Airport, and San Jose Municipal Airport.

Applicant seeks authority to increase its passenger fares by amounts which vary from 10 to 12% to offset increases in operating costs.

Applicant was granted a 10% fare increase by Decision (D.) 92687 dated February 4, 1981 in Application (A.) 59921, a 10% fare increase by D.93354 dated July 22, 1981 in A.60298, and a subsequent 10% increase by D.82-06-037 dated June 2, 1982 in A.82-02-31.

Applicant alleges that the requested fare increase is necessary to offset increases in operating costs. As shown in the amendment to the application, applicant's operations for the year 1982 were conducted at a loss of \$36,626, as represented by an operating ratio before taxes of 103%.

The following table sets forth the results of applicant's operations under present and proposed fares for a test year ended December 31, 1982, after adjusting revenues and related expenses to reflect the fare increase granted during the test period.

TABLE 1

	Test Year 1982	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenues	\$1,397,336	\$1,537,070
Expenses	1,406,525	1,500,887
Operating Income (Loss) Before Income Taxes	(9,189)	36,183
Operating Ratio Before Income Taxes	100.7%	97.6%

(Red Figure)

As indicated by the above table, applicant's operating income in the test year under its present fares will be a loss of \$9,189 with an operating ratio of 100.7%. The proposed fares will result in an annual gross revenue increase of \$139,734, a profit of \$36,183, with an operating ratio of 97.6%.

It must be noted that the reason for the small increase in net income resulting from the increase in gross revenue is because applicant contracts the bulk of its operations to charter-party operators at approximately 65% of the fares paid.

Notice of the filing of this application and its amendment appeared on the Commission's Daily Calendars of December 21, 1982 and April 27, 1983, respectively. No protest or request for public hearing has been received.

Findings of Fact

1. Applicant seeks a 10% increase in its passenger fares to offset increased operating expenses.
2. As shown in Table 1, applicant's operations in the test year will be conducted at a loss of \$9,189 under present fares.
3. The requested fare increase will result in additional annual gross revenues of \$139,734 with an operating ratio of 97.6% before taxes.

4. The requested fare increase is necessary to offset increased operating expenses and to ensure applicant's continued operations.

5. The requested fare increase is justified.

6. No protests have been received, and a public hearing is not necessary.

7. Since the fare increase is necessary to ensure applicant's continued operations, the effective date of this order should be the date of signature.

Conclusion of Law

The increased fares are reasonable and justified.

O R D E R

IT IS ORDERED that:

1. Golden State Limousine, Inc. is authorized to establish the increased fares proposed in Application 82-12-41. Tariffs shall be filed not earlier than the effective date of this order. They may go into effect 10 days or more after the effective date of this order on not less than 10 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.

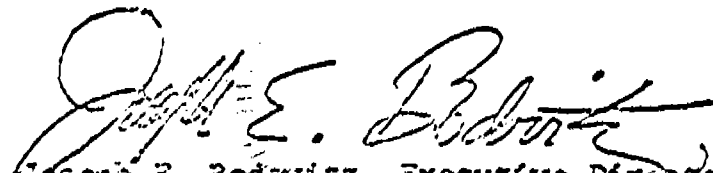
3. In addition to posting and filing tariffs, applicant shall post a printed explanation of its fares in its buses and terminals. The notice shall be posted at least 10 days before the effective date of the fare changes and shall remain posted for at least 30 days.

This order is effective today.

Dated JUN 1 1983, at San Francisco, California.

LEONARD M. GRIMES, JR.
President
VICTOR CALVO
PRISCILLA C. CREW
DONALD VIAL
Commissioners

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


Joseph E. Bodovitz, Executive Director