

Decision No. 87724 AUG 10 1977**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
 of Stol Air Commuter for an)
 Order Authorizing it to Increase)
 Fares for Air Passenger Service.)

Application No. 57435
 (Filed July 8, 1977)

O P I N I O N

Stol Air Commuter is a passenger air carrier with operations between San Francisco, on the one hand, and Santa Rosa, San Rafael, Concord, Napa, and Vallejo, on the other hand.

Stol Air seeks an ex parte order for authority to increase passenger fares as follows:

<u>Stol Air Commuter</u> <u>Present and Proposed Fares (Without Tax)</u>		
<u>Cities</u>	<u>Present Fares</u>	<u>Proposed Fares</u>
Santa Rosa - San Francisco	\$16.50	\$21.20
San Rafael - San Francisco	13.80	16.57
Concord - San Francisco	13.80	16.57
Napa/Vallejo - San Francisco	14.35	17.50

The applicant alleges that in the past three consecutive years of 1974, 1975 and 1976, it has incurred substantial net operating losses despite steadily increasing operating revenues. The incurred losses have been met through deferred payment of salaries to executive personnel, and by additional capital contributions.

Stol's Exhibits B and C, attached to the application, show that the carrier has incurred a net operating loss of \$47,520 in the fiscal year ended July 31, 1976, and a net operating loss of \$85,316 in the twelve-month operation ended July 31, 1975.

Applicant anticipates that the increased fares sought will result in an additional annual gross revenue of \$172,250 or an increase of 25.0 percent of the annual gross revenues, based on the level of operations in the fiscal year ended July 31, 1976.

The application was served in accordance with Commission rules. Notice of the filing of the application appeared on the Commission's Daily Calendar. No protest to the granting of the application or request for public hearing has been received.

Under the circumstances the Commission finds:

1. Stol Air Commuter seeks authority to increase passenger fares to offset operating losses and increasing costs.
2. The applicant's operations in the fiscal year ended July 31, 1975 resulted in gross operating revenues of \$507,763, an operating expense of \$593,079, and, therefore, a net operating loss of \$85,316.
3. The operations in the fiscal year ended July 31, 1976 resulted in a gross operating revenue of \$689,001, an operating expense of \$736,521, and a net operating loss of \$47,520.
4. The proposed increased fares will produce an additional annual gross revenue of approximately \$172,000 or an increase of 25.0 percent, based on the level of operations in the fiscal year ended July 31, 1976.
5. The increases in the passenger fares proposed herein are justified.
6. No protest has been filed with the Commission regarding this application.
7. A public hearing is not necessary.

The Commission concludes that the application should be granted.

O R D E R

IT IS ORDERED that:

1. Stol Air Commuter is authorized to establish fares proposed in Application 57435.
2. Tariff publications authorized to be made as a result of this order may be made effective not earlier than the effective date of this order on not less than ten days' notice to the Commission and to the public.
3. The authority shall expire unless exercised within ninety days after the effective date of this order.
4. 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 105-Series.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 16th day of AUGUST, 1977.

Robert B. Linnell
President
William J. Lyons Jr.
Vernon L. Sturgeon
Richard D. Shadle
Clare D. DeBrie
Commissioners