

Decision No. 88241 DEC 13 1977

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Yosemite Airlines)	Application No. 57579
to Increase its Intrastate)	(Filed September 19, 1977)
Passenger Fares.)	(Amended November 7, 1977)

O P I N I O N

W. L. Murphy, dba Yosemite Airlines, (Yosemite) is an intra-state passenger air carrier serving Oakland and San Francisco on the one hand and Columbia and/or Pine Mountain Lake, on the other hand. By this application he seeks authority to increase fares when averaged out, by approximately 11 percent in order to offset increased operating costs. Present fares have been utilized since the carrier initiated its service in these markets. The carrier initially operated between Columbia and Oakland commencing in June 1975. In July 1976 service was extended to Pine Mountain Lake and in January 1977 the carrier started serving San Francisco.

In support of its application, the carrier states as follows:

1. When Yosemite commenced service at Oakland International Airport landing fees were \$2.25 per landing on Runway 29 and no charge was assessed for using Runway 27. Presently the Port of Oakland Authority is imposing a landing fee of \$4.75 per landing, regardless of runway being utilized. Therefore, the landing fees alone could be estimated at 89¢ per passenger using a 50% load factor as a guide.
2. Fuel costs have risen from \$.697 per gallon at the time service was inaugurated to \$.891 per gallon in September 1977 and this price may be expected to rise even further in the future.
3. All other costs such as insurance, labor, parts, maintenance, etc. are increasing under the present inflationary state of the economy.

4. Even with the sought increased fares the carrier does not expect to recover all the increases in costs it is experiencing. However, the carrier is hoping for increased traffic and higher load factors to enable it to provide better service to the public at reasonable rates.

The staff estimates that the proposed fares would increase the carrier's annual gross revenues by approximately \$3,705.00 or an increase of 8.94 percent.

F I N D I N G S

1. Applicant seeks to increase its intrastate passenger fares to offset the increased operating costs.
2. Yosemite's present passenger fares have not been increased since the carrier commenced operations.
3. The proposed fare increases will produce an additional annual gross revenue of approximately \$3,705.00 or an increase of 8.94 percent.
4. The increases in the passenger fares proposed herein are justified.
5. Notice of the filing of the application appeared on the Commission's Daily Calendar.
6. No protest has been filed with the Commission regarding this application.

We conclude that the applicant should be authorized to establish the proposed increased fares. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. W. L. Murphy, dba Yosemite Airlines, is authorized to establish fares proposed in Application 57579 as amended, viz.: the fare between Oakland and Columbia/or Pine Mountain Lake may be increased to \$25.00 plus tax, to match the present fare between San Francisco and these same points. The fare between Columbia and Pine Mountain Lake may be increased from \$5.56 plus tax to \$6.02 plus tax.

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2. Tariff publications authorized to be made as a result of this order may be made effective after 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 13th day of DECEMBER, 1977.

Robert Batmang
President
William Synov
Vernon L. Stetson
Frederick D. Thavala
David J. Delrich
Commissioners