

Decision No. 88842 MAY 16 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Vandenberg Limousine Service, Inc., to make increases in passenger fares between Santa Maria Airport and Vandenberg Air Force Base and Santa Maria Airport and the City of Lompoc.

Application No. 57755
(Filed December 21, 1977)

O P I N I O N

Vandenberg Limousine Service Inc., is operating as a passenger stage corporation (PSC-847) between Santa Maria Airport, on the one hand, and Vandenberg Air Force Base and the City of Lompoc on the other hand.

By this application Vandenberg Limousine Service Inc., seeks authority to increase passenger fares approximately 12.5 percent.

The present fares were originally established by Decision No. 85686, dated November 6, 1974, in Application No. 55055.

Applicant alleges that its present rates do not yield sufficient revenue to allow it to conduct its passenger stage operations at a profit.

Applicant further alleges that additional revenue is required because of increased cost in all phases of operation, including fuel, insurance, labor and maintenance.

The staff of the Transportation Division has made an analysis of applicant's operations and submitted a report on the estimated results of operations based on the future year ending December 31, 1978 under present and proposed fares which is summarized as follows:

<u>Item</u>	<u>Present Fares</u>	<u>Requested Fares</u>
Revenues	\$32,200	\$34,200
Expenses	38,922	38,922
Income Tax	629	677
Net Income	-7,351	-5,399
Operating Ratio %	123%	116%

The report is hereby received as Exhibit 1. The results of operation show that even with the proposed 12.5 percent fare increase, the operating ratio of the passenger stage service would be over 116 percent with a net loss of \$5,399.

In accordance with Sections 730.3 and 730.5 of the Public Utilities Code, the State and local agencies operating or planning public transit systems were notified and asked for comments regarding the proposed rate increase. No replies were received.

Notice of filing of this application appeared in the Commission's Daily Calendar on December 22, 1977. No protests have been received.

After consideration the Commission finds that:

1. The requested fare increase would result in additional annual revenue of \$2,000.
2. The proposed fare increase is justified.
3. A public hearing is unnecessary.

O R D E R

IT IS ORDERED that:

1. Vandenberg Limousine Service Inc., is authorized to establish the increased fares proposed in Application 57755. Tariff publications authorized to be made as a result of this order may be made effective not earlier than on five days' notice to the Commission and to the public.

2. The authority shall expire unless exercised within ninety days after the effective date of this order.

3. In addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in his buses and terminals, a printed explanation of his fares. Such notice shall be posted not less than five days before the effective date of the fare changes and shall remain posted for a period of not less than thirty days.

4. Since applicant will be operating at a loss even under the authorized fares, the effective date of this order is the date hereof.

Dated at San Francisco, California, this 16th
day of 1 MAY, 1978.

Robert Bateman
President
William Sproun Jr.
Veronica L. Sturgeon
Richard D. Givelle
Clair J. Debrile
Commissioners