

Decision No. 89422

SEP 19 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of STARLINE SIGHTSEEING TOURS,) Application No. 58132
INC., a California corporation,) (Filed June 9, 1978)
for authority to adjust rates.)

O P I N I O N

Applicant operates as a Passenger Stage Corporation (PSC-857) pursuant to a Certificate of Public Convenience and Necessity authorizing a sightseeing service by van, not to exceed 11-passenger capacity, in certain portions of the Cities of Los Angeles and Beverly Hills. By this application, it seeks authority to increase its presently authorized fares by 30% for its Tour 1 which is a sightseeing tour to the homes of movie stars; for its Tour 2 - Hollywood-Busch Gardens Tour; for its Tour 3 - Hollywood - Universal Studios Tour; for its Tour 4 - Nightclub Tour; and for its Tour 4-A - Nightclub-Dinner Tour.

The present and proposed round-trip passenger fares for these tours are as follows:

	<u>Present</u>	<u>Proposed</u>
Tour 1 - Adult (12 and Over)	\$4.90	\$6.50
Child (5-11)	2.45	3.25
Tour 2 - Adult (12 and Over)	\$6.00	\$7.00
Child (5-11)	3.00	3.50
Tour 3 - Adult (17 and Over)	\$4.00	\$5.00
Junior (12-16)	4.00	5.00
Child (5-11)	2.00	2.50
Tour 4 - Adults Only	\$11.50	\$15.00
Tour 4-A - Adults Only	\$16.50	\$18.00

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The application states as follows: Tour 1 had a fare increase June 25, 1974. Tours 2, 3, 4 and 4-A have received no increase in rates since establishment of authority in December 1973. The spiraling costs of inflation, including increases in fuel, repairs, maintenance, salaries and purchase of equipment have become a burden upon the applicant's operation.

According to applicant's Statement of Financial Condition as of December 31, 1977, attached to the application as Exhibit B, applicant had total assets of \$215,116 and total liabilities of \$176,000 and the stockholders' equity was \$39,116. The estimate of operating results under present fares for historical year (1977) and under present and proposed fares for the rate year July 1, 1978 to June 30, 1979 as set forth in Exhibit C to the application are as follows:

	<u>Historical Year</u>	<u>Rate Year</u>	
	<u>Present Fares</u>	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenues	\$513,346 ⁽²⁾	\$529,398 ⁽³⁾	\$586,398 ⁽³⁾
Expenses	499,422	533,745	535,455
Income Tax	200	200	14,323
Net Income	13,724	-4,547	36,620
Operating Ratio - % ⁽¹⁾	97.3	100.8	93.8

(1) After income tax.

(2) Includes \$313,723 in charter revenue.

(3) Includes \$329,348 in charter revenue.

On June 16, 1978, and 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. As of July 31, 1978, Southern California Rapid Transit notified the Commission that RTD had seats available to absorb ridership if deflection occurs as a result of a fare increase. No other comments were received by the Commission. A public hearing is not necessary.

The Commission finds that the proposed increases in the passenger fares for applicant's Tours 1, 2, 3, 4 and 4-A are reasonable and justified and concludes that the application should be granted.

O R D E R

IT IS ORDERED that:

1. Starline Sightseeing Tours, Inc. is authorized to establish the increased rates proposed in Application No. 58132. Tariff publications authorized to be made as a result of this order shall be filed not earlier than the effective date of this order and may be made effective not earlier than ten days after the effective date of this order on not less than ten 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 its buses and terminals a printed explanation of its 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.

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

Dated at San Francisco, California, this 19th day of SEPTEMBER, 1978.

President
William J. ...

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Commissioners

Commissioner Robert Batinovich, being necessarily absent, did not participate in the disposition of this proceeding.