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Decision No. 90085 ? MAR 13 1979**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of AIRPORT SERVICE )	
INCORPORATED, for authority )	Application No. 58584
to lease equipment )	(Filed January 3, 1979)

O P I N I O N

Applicant, Airport Service, Incorporated, (Airport Service), seeks authority to amend the terms of an equipment lease agreement between it and its wholly-owned affiliate, Orange Coast Sightseeing Company (Orange Coast).

By Decision No. 76330, dated October 28, 1969, in Application No. 50491, Orange Coast was granted authority to lease bus equipment from Airport Service. The lease agreement in Application No. 50491 provided for payment by Orange Coast for the use of 29 passenger buses at the rate of 28 cents per mile. It also provided that Orange Coast may hire bus drivers employed by Airport Service. By Decision No. 88435 dated January 31, 1978 in Application No. 57725 Orange Coast was granted authority to lease equipment from Airport Service at the rate of 41.15 cents per mile for the use of 45, 49 or 53 passenger buses.

In the lease agreement in Application 58584 filed January 3, 1979, Airport Service proposes to charge Orange Coast 42.70 cents per mile for the use of 45, 49 or 53 passenger buses. This would represent a 3.7% increase.

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Applicant states that this increase is necessitated by an increase in cost of motor coaches, and an increase in cost for its operation and maintenance. No change in rates to the public will result from approval of the revised lease. Notice of the filing of this application appeared in the Commission's Daily Calendar on January 9, 1979. No protest or request for public hearing has been received. ✓

After consideration, the Commission finds that:

1. No change in rates charged to the public by Airport Service or Orange Coast will result from authorization of the revised lease proposed herein.

2. The revised lease, as proposed herein, is not adverse to the public interest.

3. The equipment is not necessary for the applicant to perform its duties to the Public. ✓

The Commission concludes that:

1. A public hearing is not necessary.

2. The application should be granted.

In the future applicant should not be required to file a formal application for authority to lease equipment to its wholly-owned affiliate. ✓

The findings and conclusions of this decision are not to be considered as approval of the reasonableness of the resulting rentals and intercompany charges, as proposed in the revised lease in the determination of just and reasonable rates in any future proceeding before this Commission.

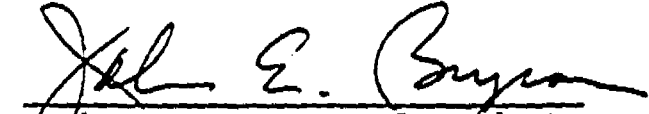
O R D E R

IT IS ORDERED that:

Airport Service, Incorporated, may lease equipment to Orange Coast Sightseeing Company in the manner and for the purpose set forth in the lease agreement attached to the application.

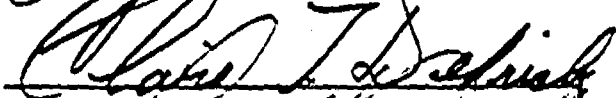
The effective date of this order shall be thirty days after the date hereof.

Dated at San Francisco, California, this 13th day of MARCH, 1979.

  
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President

  
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Commissioners