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Decision No. 90237 APR 24 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 AIRLINE LIMOUSINE SERVICE, INC.,)
 doing business as PENINSULA LIMOU-)
 SINE SERVICE,)
 for authority to increase its pas-)
 senger stage corporation fares,)
 pursuant to Section 454 of the)
 Public Utilities Code.)

Application No. 58663
 (Filed February 8, 1979)

O P I N I O N

Airline Limousine Service, Inc., doing business as Peninsula Limousine Service is a passenger stage corporation (PSC-978) operating between San Francisco International Airport, Oakland International Airport and San Jose Municipal Airport, on the one hand and various communities in Santa Clara, San Mateo and Alameda Counties, on the other hand. Applicant provides luxury-type airport limousine transportation on an on-call basis.

By this application, Peninsula Limousine Service seeks authority to increase its passenger stage fares between the three airports and points in Santa Clara, San Mateo and Alameda Counties.

Typical fares, both present and proposed are listed below:

Between San Francisco International Airport and	Fare	
	Present	Proposed
Palo Alto	\$ 8.00	\$10.00
San Jose	10.00	16.50

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Between
San Jose Municipal Airport
and

Palo Alto
San Jose

	Fare	
	<u>Present</u>	<u>Proposed</u>
	\$ 8.00	\$10.00
	8.00	12.75

Between
Oakland International Airport
and

Palo Alto
San Jose

	\$13.00	\$17.75
	15.00	20.25

In making this request for higher fares, applicant states as follows:

1. Under the fares presently being charged passengers utilizing the applicant's service, Peninsula Limousine Service has been incurring substantial losses.

2. Its last published fares became effective January 1, 1976.

3. Since that time, there have been substantial increases in all expenses.

Peninsula Limousine Service has been under new management since August 30, 1978.

The staff of the Transportation Division has made an analysis of the applicant's operations, and submitted a report identified and received as Exhibit 1 on the estimated results of operations based on annualized results for the year ending December 31, 1979, under present and proposed airport fares which is summarized as follows:

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Item	Intrastate Passenger Stage Operations	
	Rate Year 1979	
	Present Fares	Proposed Fares
	(1)	(2)
Revenue	\$179,888	\$267,246
Expenses	320,696	353,113 ^{1/}
Operating Income (Loss)	-140,808	-85,867
Interest & Income Taxes	302	327
Net Income (Loss)	-140,110	-86,195
Operating Ratio - %	178.4%	132.3%

Source

- (1) Exhibit 1 - Table 2 - Column 6
(2) Exhibit 1 - Table 3 - Column 6

The applicant is presently operating at a loss. The fare increase authorized herein is an exception to the President's Guidelines for Wage and Price Increases. The proposed fares reflect an operating ratio of 132.3 percent and are justifiable in light of the guidelines and necessary to ensure the continued viability of this transportation service.

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 increase. The Commission received a letter from the City of Palo Alto asking for a copy of the Transportation Division's results of operation report. This was sent to the city. No other comments were received by the Commission.

Notice of the filing of this application appeared on the Commission's Daily Calendar on February 13, 1979. No protests or requests for public hearing have been received.

^{1/} Increase in expenses since drivers are paid a percentage of gross revenue.

After consideration, the Commission finds that the requested increases are justified and a public hearing is not necessary. It is estimated that the granting of the fare increase will result in approximately \$87,358 additional revenue in the annualized rate year. In view of the extreme operating loss, there is an immediate need for rate relief, and the effective date should be the date hereof.

O R D E R

IT IS ORDERED that:

1. Airline Limousine Service, Inc., doing business as Peninsula Limousine Service is authorized to establish the increased passenger stage fares as requested in its application filed February 8, 1979. Tariff publications authorized to be made effective 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 five days after the effective date of this order on not less than 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 its operating vehicles 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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Since applicant will continue to operate at a substantial loss even after a fare increase, the effective date of this order is the date hereof.

Dated at San Francisco, California, this 24th day of APRIL, 1979.

John E. Bryson
President

Thomas L. Stinson

Richard W. Smith

Robert J. ...

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Commissioners