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Decision No. 90444 JUN 19 1979*orig*
ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application)
of SANTA ROSA AIRPORTER, INC., a)
corporation, for authority to)
increase rates.)

Application No. 58815
(Filed April 20, 1979)

O P I N I O N

Applicant, Santa Rosa Airporter, Inc., operating as a passenger stage corporation (PSC-971) to provide service from Santa Rosa and Petaluma to the San Francisco International Airport (SFO) requests approval to increase its one-way fares.

Jack McIvor's authority to operate as a passenger stage corporation was issued to him by Decisions 84663 dated July 15, 1975 and 86067 dated July 7, 1976 in Applications 55622 and 56492, respectively. Decision 84663 authorized the operations between the City of Santa Rosa and San Francisco International Airport. Decision 86067 authorized service between Petaluma and San Francisco International Airport. Decision 89423 dated September 19, 1978 in Application 58134 authorized the transfer of these operating rights to Santa Rosa Airporter, Inc.

The present fares for each service were established at the time the services were respectively established.

The one-way fares both at present rates and those proposed by the applicant for service to or from SFO are shown below:

	<u>Present Fare</u>	<u>Proposed Fare</u>	<u>Percent Increase</u>
Santa Rosa	\$10.00	\$11.00	10.0%
Petaluma	8.50	10.00	17.6%
Children's Fare (either location)	5.00	5.00	-

The staff recognizes that in an operation of this type, there is an advantage to express fares in even dollar amounts.

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The Transportation Division of the Commission reviewed the data in the application, the annual reports to the Commission and the operations of applicant.

The annual report to the Commission for the year 1978 shows that this carrier had Gross Revenues of \$180,787 and Expenses before Taxes on Income of \$134,189.

Exhibit B attached to the application uses a rate year of May 1, 1979 to April 30, 1980 and shows estimated revenues and expenses for that period at both the present fares and at the fares proposed in the application. When an adjustment to the expenses is made for expenses which were inadvertently omitted then the operating ratios developed from this exhibit are 94.6% at present rate and 85.3% at the fares proposed by the applicant.

Applicant claims that the increase in fares should be granted because the immediate and the continuing increases in expenses, especially gasoline and oil, will cause the applicant to operate at a lower profit ratio. It should be noted that the application was filed before the present "fuel crisis" and that the price of gasoline has increased appreciably since that time.

Notice of the filing of this application was listed in the Commission's Daily Calendar on April 24, 1979. Additionally, the Commission staff notified affected public transit operators and planning agencies of the receipt of this application, pursuant to California Public Utilities Code Sections 730.3 and 730.5. No protest to the application have been received.

After consideration, the Commission finds that the increase in rates and charges authorized by this decision are justified and are reasonable, and the present rates and charges, insofar as they differ from those prescribed by this decision, are for the future, unjust and unreasonable. The increase in fares does not exceed the President's Guidelines for Wage Price Increases when the length of time since the fares were established is considered. A public hearing on this application is not necessary.

O R D E R

IT IS ORDERED that:

1. Santa Rosa Airporter, Inc. is authorized to establish the increased rates as requested. 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 no 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 his vehicles and terminals a printed explanation of 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.

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

Dated at San Francisco, California, this 19th day of JUNE, 1979.

John G. Brown
President
Robert W. Haeberle
James H. ...
Commissioners