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Decision No. 90726 AUG 28 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of:)	
Airport Limousine Service of)	Application No. 58812
Sunnyvale, for the Authority to)	(Filed April 19, 1979)
Increase passenger stage fares.)	

O P I N I O N

Airport Limousine Service of Sunnyvale, Inc., is a passenger stage corporation (PSC-899) 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, Alameda and Contra Costa Counties, on the other hand.

The carrier is also authorized to conduct charter-party operations, pursuant to a charter permit (TCP-321-P).

Applicant requests authority to increase its passenger stage fares by 10 percent.

Applicant alleges that its present fares do not yield sufficient revenue to allow it to conduct its passenger stage operations at a profit. Maintenance, fuel, and insurance costs have increased.

Applicant's fares were last adjusted pursuant to authority granted by Decision 89646, signed November 9, 1978, in Application 58285.

The staff of the Transportation Division has made an analysis of the applicant's operation and submitted a report on the estimated results of operation based on the rate year ending August 31, 1980 under present and proposed fares. The report is hereby received as Exhibit I. The staff study includes reasonable increases in the operating expenses and shows that under the present structure during the rate year, the operating ratio will be

over 101 percent. The study shows that the requested 10 percent fare increase will result in an operating ratio of 95.79. The increase in fares herein sought would result in an annual increase in revenues of \$215,400.

The applicant is presently operating at a loss. The increase authorized herein is necessary to ensure the continued viability of the limousine service and will produce an operating ratio of only 95.79 percent. Thus, the increase should be exempted from the President's Guidelines for Wage and Price Increase.

Exhibit I indicates the following results:

ESTIMATED RESULTS OF OPERATION
YEAR YEAR ENDING AUGUST 31, 1980

	<u>At Present Fares</u>	<u>At Requested Fares</u>
Revenues	\$2,269,150	\$2,484,550
Expenses	2,281,390	2,346,000
Operating Income	\$-12,240	\$138,550
Income Taxes	200	33,904
Net Income	\$-12,440	\$104,646
Operating Ratio	100.55	95.79

Notice of the filing of this application was listed in the Commission's Daily Calendar. 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 protests or adverse comments have been received.

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 \$215,400 additional revenue in the rate year.

O R D E R

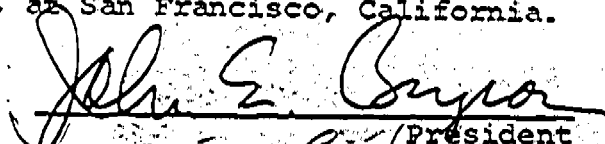
1. Airport Limousine Service of Sunnyvale, Inc., is authorized to establish the increased passenger stage fares proposed in Application 58812. Tariff publications authorized to be made as a result of this order shall be filed not earlier than the effective date of this order and may be made effective 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.

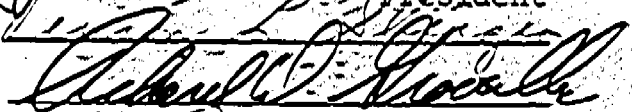
3. In addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in its buses and terminals a printed explanation of its fares. Such notice shall be posted not less than ten days before the effective date of the fare changes and shall remain posted for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

Since the carrier is currently operating at a substantial loss, the effective date of this order is the date hereof.

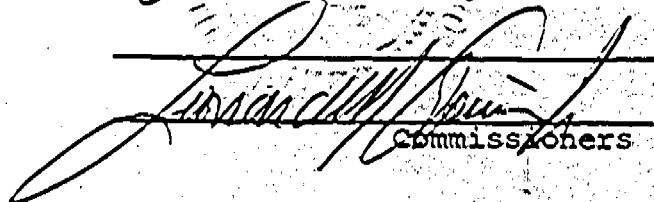
Dated AUG 28 1979, at San Francisco, California.



President



Commissioner



Commissioners

Commissioner Claire T. Dedrick, being necessarily absent, did not participate in the disposition of this proceeding.