

FS

Decision No. 91092

NOV 30 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Orange Coast )  
Sightseeing Company for authority )  
to apply 2.5 percent surcharge to )  
offset increases in the cost of )  
diesel fuel. )

Application No. 59173  
(Filed September 28, 1979)

Application of Airport Service, )  
Incorporated, for authority to )  
apply 3.2 percent surcharge to )  
offset increases in the cost of )  
diesel fuel. )

Application No. 59175  
(Filed September 28, 1979)

O P I N I O N

Airport Service, Incorporated (Airport) is a passenger stage corporation (PSC 869) engaged in operations between various airports in Los Angeles and Orange Counties, on the one hand, and various points in Los Angeles and Orange Counties, on the other hand, as well as between certain of the airports, as set forth in the appendix of Decision No. 83743 as amended by Decision No. 84583 in Application No. 54778. Airport by Decision No. 90383 in Application No. 58082 acquired the Southern Region passenger stage certificate of Airporttransit, Inc. from Robert N. Mateer receiver in bankruptcy for Airporttransit, Inc. as set forth in Appendix A to Decision No. 78126 which provides for operations between various points in Los Angeles, Riverside and San Bernardino Counties on the one hand and certain of the airports on the other hand. The present fares for both Airport and its subsidiary Orange Coast Sightseeing Company were established in Decision No. 88958 dated June 13, 1978 in Application No. 57880.

Airport alleges the instant application is necessitated because of the recent dramatic and continually escalating rise in the cost of fuel. It is estimated that the requested increase in the amount of 3.2 percent will result in additional gross annual revenue of approximately \$232,400 for Airport.

A. 59173, A. 59175 - FS

Orange Coast Sightseeing Company (Orange Coast) is a passenger stage corporation (PSC 322) which provides a sightseeing service between various points in Orange County, on the one hand and points of interest in Orange and Los Angeles Counties on the other hand, as set forth in Decision No. 69671 in Application No. 47707 as amended by later decisions.

By Application No. 59173, Orange Coast seeks authority to increase its fares by 2.5 percent to offset the continually escalating fuel costs. It is estimated that the requested increase will result in additional gross annual revenue of approximately \$19,000 for Orange Coast.

The Transportation Division staff has prepared engineering economic studies of the applications which are received in evidence as Exhibit 1 in Application No. 59175 and Exhibit 1 in Application No. 59173. The staff recommends the sought increases be granted.

Notice of filing of the applications appeared in the Commission's Daily Calendar on October 5, 1979. The Commission staff has notified the required parties pursuant to Sections 730.3 and 730.5 of the Public Utilities Code. No comments or protest have been received.

#### Findings

1. Under present fares, Orange Coast would experience a profit of \$80,367 after income taxes during the rate year and under proposed fares, experience a profit of \$89,680.

2. Under present fares, Airport would experience a profit of \$285,449, after income taxes during the rate year and under proposed fares experience a profit of \$390,597.

3. The results of operations for Orange Coast in the rate year produced an operating ratio after income taxes of 91.15 percent under present fares and an operating ratio of 90.33 percent under requested fares.

4. The results of operations for Airport produces an operating ratio after income taxes of 96.08 percent under present fares and an operating ratio of 94.80 percent after income taxes under requested fares.

5. Decision No. 88958 dated June 13, 1978 provided for an operating ratio after income taxes of 91.03 percent under requested fares as being reasonable for Orange Coast and an operating ratio after income taxes of 92.46 percent as being reasonable for Airport.

6. Airport Service is requesting the principal increase. The requested increase for Orange Coast an affiliate of Airport Service is a minor matter and the proposed operating ratio for Orange Coast is so close to the approved operating ratio that we will approve it in this instance with the understanding that it will not set a precedent for future rate increases. The combined operating ratio of both companies at proposed fares is 94.53 percent.

7. A public hearing is not necessary.

The Commission concludes that the application should be granted and since there is an immediate need for the relief sought, the effective date of this order should be the date hereof.

O R D E R

IT IS ORDERED that:

1. Airport Service, Incorporated is authorized to establish the increased fares proposed in Application No. 59175. 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 five days after the effective date of this order on not less than five days' notice to the Commission and to the public.

2. Orange Coast Sightseeing Company is authorized to establish the increased fares proposed in Application No. 59173. 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 five days after the effective

A. 59173, A. 59175 - PWL

date of this order on not less than five days' notice to the Commission and to the public.

3. The authorities shall expire unless exercised within ninety days after the effective date of this order.

4. In addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in their buses and terminals a printed explanation of their 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 is the date hereof.

Dated NOV 30 1979, at San Francisco, California.

John E. Conroy  
President  
James L. Strommen  
Richard W. Kroselle  
Clair T. Dederick  
Samuel W. Jones  
Commissioners