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JUN 3 1980

Decision No. _____

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of Vandenberg Limousine Service, Inc.,)
a California Corporation, for the)
authority to increase passenger)
fares between Santa Maria Airport)
and the Vandenberg Air Force and)
Lompoc, California to offset recent)
fuel and labor cost increases.)

Application No. 59568
(Filed April 2, 1980)

O P I N I O N

Vandenberg Limousine, Inc., a passenger stage corporation (PSC-847), is engaged in the business of transporting passengers between the Santa Maria Airport, on the one hand, and Lompoc and Vandenberg Air Force Base, on the other hand. This service is scheduled so as to meet airline arrivals and departures at the Santa Maria Airport.

Applicant seeks authority to increase its passenger stage fares as follows:

Between Santa Maria Airport and:	Present Fare	Proposed Fare
Vandenberg AFB.....	\$7.00	\$8.00
Lompoc.....	8.00	10.00

The fares sought to be increased by this Application were originally established by the Commission in its Decision No. 88342, dated May 16, 1978. That decision found that even at the fares authorized by that decision, Applicant would be operating at a loss. Since these fares were established, Applicant states that it has experienced further increases in driver wages, maintenance and fuel costs. In particular, applicant notes that its net income after taxes for the year 1979 was \$2,289 and that this small net would all but evaporate in the current year's operations, given the effect of recent cost increases, including fuel expenses. Applicant estimates that it will net \$3,253 in 1980, with the requested fare relief. The applicant has included a total of \$8,588 in allowances

for work performed by Percy Clark, applicant's president, in driving a bus and in managing the operations of the business.

The Transportation Division staff has made an engineering economic study of the applicant's operations under both present and proposed fares. A summary of these data are as follows:

	<u>HISTORIC YEAR 1979</u>	<u>RATE YEAR 1980 PRESENT FARES</u>	<u>PROPOSED FARE</u>
Total Revenue	\$54,104	\$54,104	\$59,127
Total Operating Expenses	49,369	53,706	53,706
Operating Income	4,735	398	5,421
Income Taxes (est.)	1,906	200	2,168
Net Income	2,829	198	3,253
Operating Ratio (after taxes)-%	94.8	99.6	94.5

Notice of filing of this application appeared in the Commission's Daily Calendar and, additionally, the Commission staff notified public transit ^{operation} and planning agencies of the filing of this application, pursuant to California Public Utilities Code Sections 730.3 and 730.5. No protests have been received. SS

The increase authorized herein is necessary to insure the continuation of this transportation service, and thus should be excepted from the President's Guidelines for Wage and Price Increases.

After consideration, the Commission finds that:

1. The requested fare and rate increases would result in additional annual revenue of approximately \$5,023.
2. The proposed fare and rate increases are justified.
3. A public hearing is not necessary.

The Commission concludes that the requested passenger fare increases should be granted.

ORDER

IT IS ORDERED that:

1. Vandenberg Limousine Service, Inc. is authorized to establish the increased passenger fares proposed in Application No. 59568. 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 passenger fares.

Such notice shall be posted not less than five days before the effective date of the passenger 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} ~~from~~ the date hereof.

SS

Dated JUN 3 1980, at San Francisco, California.

John E. Snyro
President

William L. ...

Richard W. ...

Samuel J. ...
Commissioners

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