

T/FS

Decision No. 92149 AUG 19 1980

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Skyview Limousine )	
Service, Inc. for an order )	Application No. 59737
authorizing application of a )	(Filed June 16, 1980)
percent surcharge to offset )	
increases in the cost of gasoline.)	

O P I N I O N

Applicant is a passenger stage corporation (PSC-884) operating between territories and cities in southern California. Skyview Limousine Service, Inc. (Skyview) provides a door-to-door personalized service with limousine-type, air-conditioned vehicles. Skyview is also authorized to conduct charter-party operations, pursuant to a charter permit (TCP-172-P). Its present fares were established by Decision 90607 dated July 31, 1979.

Skyview requests authority to increase its passenger stage fares from \$18.00 to \$21.00 one way between Los Angeles and Palm Springs. Skyview states that the purpose of this requested fare increase is to offset the continuing escalating cost of gasoline. Skyview alleges that at the time of its last fare increase in July of 1979 fuel costs were 63 cents per gallon and currently it is paying \$1.30 per gallon for a total increase of over 100 percent. Skyview also alleges that it is losing money now at present fares because wages, tires, maintenance and insurance costs continue to rise although <sup>these</sup> ~~the latter~~ expenses have not been included in the instant application.

The Transportation Division staff has made an engineering economic study covering the results of operation for the historical year 1979 and rate year 1981 at present and proposed fares. The study is hereby received into evidence as Exhibit 1.

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The following are the results of this study which reflects the fuel cost increase and additional revenue sought:

	<u>1979</u>	<u>1981 Rate Year</u>	
	<u>Adopted Year</u>	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenue	\$194,382	\$213,289	\$243,115
Expenses	189,019	203,664	203,664
Operating Income	5,363	9,625	39,451
Income Taxes	1,339	2,403	10,170
Net Income	4,024	7,222	29,281
Operating Ratio	97.9	96.6	88.0

An analysis of this study shows that at present fares, Skyview would be operating with an operating ratio somewhat below that which could be considered reasonable for a carrier of its size and a fare increase is thus justified.

The proposed rates qualify for an exemption under the President's Guidelines for Wage and Price ~~Increases~~ <sup>Stability</sup> since they are necessary to ensure the continued viability of this transportation service.

SS ✓ Notice of the filing of this application appeared in the Commission's Daily Calendar on June 18, 1980. In addition the Commission staff notified affected public transit operators 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, and a public hearing is not necessary.

#### F I N D I N G S

After consideration, the Commission finds that:

1. The requested fare increase will result in additional annual revenue of \$29,826.
2. Since the applicant's fares were established it has experienced increases in operating expenses, the most significant being fuel.
3. The proposed fares set forth in Application 59737 are justified.
4. A public hearing is not necessary.

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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. Skyview Limousine Service, Inc., is authorized to establish the increased fares proposed in Application 59737. Tariff publications authorized to be made as a result of this order 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. This 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.

The effective date of this order is the date hereof.

Dated AUG 19 1980, at San Francisco, California.

John E. Byrne  
President  
Thomas L. Sturgeon

Clair J. DeWitt  
Thomas L. Sturgeon  
Commissioners

Commissioner Richard D. Gravelle, being necessarily absent, did not participate in the disposition of this proceeding.