

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the applica- )  
of RUSSELL BEAUCHANE, doing bus- )  
iness as AIRPORT TRANSPORTATION )  
SERVICES, for authority to in- )  
crease rates (Public Utilities )  
Code Section 454.)

Application No. 59719  
(Filed June 9, 1980)

O P I N I O N

Russell Beauchane, an individual, doing business as Airport Transportation Services (ATS), has authority from the Commission to operate as a Passenger Stage Corporation (PSC-1036) to transport passengers and their baggage and express between the Cities of Chico, Paradise, Oroville, Marysville and Yuba City, on the one hand, and the Sacramento Metropolitan Airport, on the other hand, and also a permit as Charter Party Carrier of Passengers (TCP 891-P).

Applicant requests authority to increase its passenger stage fares as indicated in the following table:

Between Sacramento Metropolitan Airport and	Present Fares	Proposed Fares
Chico	\$ 15.00	\$ 18.00
Oroville	13.00	16.00
Paradise	15.00	18.00
Marysville	9.00	No change
Yuba City	9.00	No change

The proposed fare increase will result in an additional annual revenue of \$39,000 or approximately 19 percent of the gross annual operating revenue, based on the rate year ending June 30, 1981 operation.

Applicant's fares between Sacramento and Chico, Oroville, <sup>and</sup> Yuba City, were last adjusted pursuant to authority granted by Decision 91146, signed October 16, 1979. The present fares between Sacramento and Paradise <sup>and</sup> Marysville were authorized by Decision 91221, <sup>53</sup> signed, January 8, 1980.

In support of the proposed fare increase, applicant alleges that he has incurred operating losses in the year 1979 and during the first 5 months of 1980. Requested increases in fares are necessary to compensate for the losses and to offset the effect of the recent increases in fuel costs and employees' wages and benefits.

The staff of the Transportation Division has made an engineering economic study of the carrier's operation. The following table shows the summary of the staff's results of operation study for the rate year ending June 30, 1981 under both the present and proposed fares:

Items	Rate Year ending June 30, 1981	
	Present Fares	Proposed Fares
Bus Miles	361,000	361,000
Passengers	13,300	13,300
Operating Revenues	\$201,000	\$240,000
Operating Expenses	202,000	206,000
Gross Income	\$ -1,000	\$ 34,000
Income Taxes	-200	8,700
Net Income	\$ -1,200	\$ 25,300
Operating Ratio After Income Taxes	101%	90%

As indicated in the above table, the staff's study shows that under the present fare structure during the rate year the operating ratio will be over 100 percent with a net ~~loss~~<sup>loss</sup> of \$1,200. The requested fare increase will result in an additional annual gross revenue of \$39,000, a net annual income of \$25,300 with an operating ratio of approximately 90 percent which appears to be reasonable for this carrier at this time. ✓  
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The proposed fares qualify for an exemption under the President's Guidelines for Wage and Price Stability since they are necessary to ensure the continued viability of this transportation service.

Copies of this application were served on interested parties and the application was listed in the Commission's Daily Calendar. Additionally, the Commission staff notified affected public transit operators and planning agencies of the filing of this application pursuant to California Public Utilities Code, Section 730.3 and 730.5.

#### Findings of Fact

1. Applicant has incurred operating losses in the year 1979 and during the first six months of 1980.
2. Under the present fare structure during the rate year ending June 30, 1981, the carrier will be operating at a loss.

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3. The requested fare increase will result in an additional annual gross revenues of \$39,000 and an operating ratio of approximately 90 percent.

4. The proposed fares are necessary to ensure the viability of Airport Transportation Services.

5. An operating ratio of 90 percent after income taxes is reasonable for this Carrier.

6. The fare increase requested in Application 59719 is justified.

7. No protests have been received concerning this application.

8. A public hearing is not necessary.

9. Since the continued operation by Airport Transportation Services under its present fares will be at a loss, the effective date of this order should be the date hereof.

Conclusions of Law

The fare increase requested in Application No. 59719 is just and reasonable and should be granted.

O R D E R

IT IS ORDERED that:


1. Russell Beauchane, an individual, doing business as Airport Transportation Services (ATS), is authorized to establish the increased passenger stage fares proposed in Application No. 59719. 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 <sup>or</sup> ~~or~~ not less than ten days notice to the Commission and to the public. SS

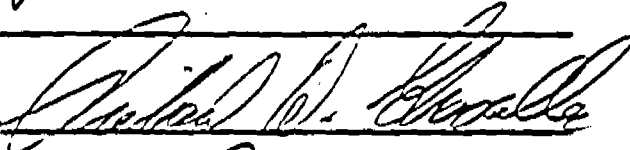
2. The authority shall expire unless exercised within ninety days after the effective date of this order.

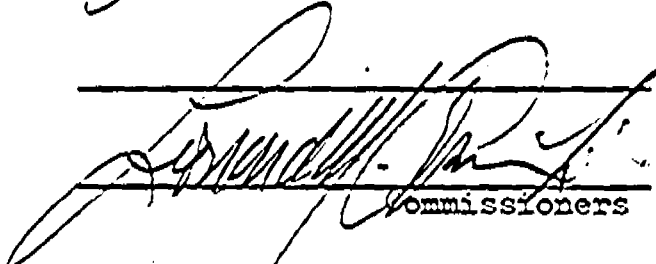
3. In addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in its buses and terminals a printed explanation of its fares. Such notice shall be posted not less than ten days before the effective date of the fare changes and shall remain posted for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

The effective date of this order is the date hereof.

Dated OCT 22 1980, at San Francisco, California.

  
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President

  
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Commissioners

Commissioner Vernon M. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.

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