

Decision No. 92420 NOV 18 1980**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of STARLINE SIGHTSEEING TOURS,
INC., a California corporation,
for authority to adjust rates.

Application No. 59824
(Filed July 24, 1980)

O P I N I O N

Applicant operates as a Passenger Stage Corporation (PSC-857) pursuant to a Certificate of Public Convenience and Necessity authorizing certain services in Los Angeles and Beverly Hills.

Applicant seeks authority to increase passenger fares of Tours 1 and 3 as follows:

	<u>Present</u>	<u>Proposed</u>	<u>Percent Increase</u>
<u>Tour 1 - Home of the Stars</u>			
Adult (12 and Over)	\$6.50	\$7.50	15.4
Child (5-11)	3.25	3.75	15.4
<u>Tour 3 - Hollywood - Universal City Studios</u>			
Adult (12 and Over)	5.00	6.00	20.0
Child (5-11)	2.50	3.00	20.0

No increase is sought for Tour 2 - Hollywood - Busch Gardens, since Busch Gardens has suspended operation. Also, due to little demand no increase is requested for Night Club and Dinner Tours 4 and 4A.

The fares sought to be increased by this application were last adjusted by Decision No. 89422 dated September 19, 1978, in Application No. 58132. Applicant states that since the last fare adjustment it has incurred increases in the cost of fuel, repairs, maintenance, salaries, and purchase of equipment.

According to applicant's Statement of Financial Condition as of December 31, 1979, attached to the application as Exhibit B, applicant had total assets of \$534,492 and total liabilities of \$361,044 and the stockholders' equity was \$173,448. The estimate of

operating results under present fares for historical year (1979) and under present and proposed fares for the rate year October 1, 1980 to September 30, 1981 as set forth in Exhibit C to the application are as follows:

	<u>Historical Year</u> 1979	<u>Rate Year</u> Year ending Sept. 30, 1981	
	<u>Present</u> <u>Fares</u> (2)	<u>Present</u> <u>Fares</u> (3)	<u>Proposed</u> <u>Fares</u> (3)
Revenues	\$1,169,912	\$1,262,428	\$1,296,294
Expenses	1,075,755	1,246,280	1,249,360
Income Tax	4,050	4,031	12,242
Net Income	\$ 90,107	\$ 12,117	\$ 34,692
Operating Ratio (1)	92.3%	99.0%	97.3%

(1) After income tax.

(2) Includes \$925,150 in charter revenue.

(3) Includes \$1,017,665 in charter revenue.

Notice of filing of this application appeared in the Commission's Daily Calendar on July 28, 1980. Additionally, the Commission staff notified 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.

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

Findings of Fact

1. Since the present fares were established in 1978, the applicant has experienced increases in operating expenses.
2. The proposed fare and rate increases will result in an estimated annual increase in gross revenues of \$33,865 and an operating ratio of 97.3 percent.
3. A public hearing is not necessary.

Conclusion of Law

The increased rates authorized by the following order are just, reasonable, and nondiscriminatory.

O R D E R

IT IS ORDERED that:

1. Starline Sightseeing Tours Inc. is authorized to establish the increased rates proposed in Application No. 59824. Tariff publications authorized to be made as a result of this order shall 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 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 shall be thirty days from the date hereof.

Dated NOV 18 1980, at San Francisco, California.

John E. Guyon
President
Hermon L. Sturgeon
Richard P. Howell
Clair J. Diederich
Thomas W. Smith
Commissioners