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Decision 93522 SEP 1 1981

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of)
NRS, INC., doing business as)
FLEETWOOD LIMOUSINE SERVICE and)
FLEETWOOD LIMOUSINE AND AIRPORTER)
SERVICE, to increase its rates,)
charges and fares for passengers)
and their baggage.)

Application 60663
(Filed June 18, 1981)

O P I N I O N

NRS, Inc., doing business as Fleetwood Limousine Service and Fleetwood Limousine and Airporter Service (applicant), is a passenger stage corporation (PSC-1004) operating between various communities in San Diego County, on the one hand, and San Diego International Airport-Lindbergh Field, on the other hand.

Applicant seeks authority to increase its passenger fares \$3.00 per individual to offset increases in operating costs.

Applicant's fares were established June 17, 1979 by Decision 90389 dated June 5, 1979 in Application (A.) 58727.

Applicant alleges that the requested fare increase is necessary to offset increases in operating costs. As shown in the application, applicant's operations for the period ending December 31, 1979 were conducted at a loss of \$4,632, as represented by an operating ratio before taxes of 102.2%.

The Commission's Transportation Division staff has conducted an engineering-economics review of applicant's application; the following table sets forth applicant's estimated results of operations under present and proposed fares for a test year ended June 30, 1982.

TABLE 1

	Test Year Ending June 30, 1982	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenues	\$223,352	\$280,530
Expenses	269,114	269,114
Operating Income (Loss) Before Income Taxes	(45,762)	11,416
Operating Ratio Before Income Taxes	120.4%	95.5%

(Red Figure)

As indicated by the above table, applicant's operating income in the test year under its present fares will be a loss of \$45,762 with an operating ratio of 120.4%. The proposed fares will result in an annual gross revenue increase of \$57,178, a profit of \$11,416, with an operating ratio of 95.9%.

Even though the \$3.00 per individual fare increase is justified, applicant requests authority to increase the fares in two stages. For business development reasons, applicant proposes to initially increase the fares \$1.00 per individual, then establish the full \$3.00 increase in July, 1982.

The Transportation Division has reviewed the application and recommends that in the absence of protests the application be granted by ex parte order.

Notice of the filing of this application appeared on the Commission's Daily Calendar of June 23, 1981. No protest or request for public hearing has been received.

The Commission notified affected public transit district operators of the application under Public Utilities Code Sections 730.3 and 730.5, and the Commission requested the public agency to prepare an analysis of the effect of the fare increase on overall transportation problems within the territory served by the public transit system. No response has been received from any public transit district. The fare increase will not affect transit system plans prepared under Chapter 2.5 of Title 7 of the Government Code.

Findings of Fact

1. Applicant seeks a \$3.00 per individual increase in its passenger fares to offset increased operating expenses.
2. As shown in Table 1, applicant's operations in the test year will be conducted at a loss of \$45,762 under present fares.
3. The requested fare increase will result in an additional annual gross revenue of \$57,178, with an operating ratio of 95.9%, before taxes.
4. The requested fare increase is necessary to offset increased operating expenses and to ensure applicant's continued operations.
5. The requested fare increase is justified.
6. No protests have been received, and a public hearing is not necessary.
7. Since the fare increase is necessary to ensure applicant's continued operations, the effective date of this order should be the date of signature.

Conclusion of Law

The increased fares are reasonable and justified and should be authorized.

O R D E R

IT IS ORDERED that:


1. Applicant, NRS, Inc. is authorized to establish the increased fares as proposed in A. 60663. Tariffs shall be filed not earlier than the effective date of this order. They may go into effect five days or more after the effective date of this order on not less than five days' notice to the Commission and to the public.

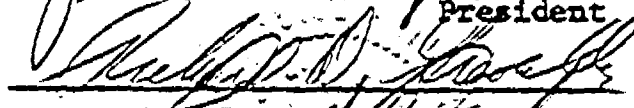
2. The authority shall expire unless exercised within 90 days after the effective date of this order.


3. In addition to posting and filing tariffs, applicant shall post a printed explanation of its fares in its buses and terminals. The notice shall be posted at least five days before the effective date of the fare changes and shall remain posted for at least 30 days.


This order is effective today.

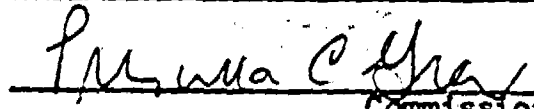
Dated SEP 1 1981, at San Francisco,
California.



President








Commissioners