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Decision 93551 SEP 15 1981

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
EVANS AIRPORT SERVICE, INC., a)
corporation, for a rate increase)
for existing service between the)
Cities of Napa and Vallejo.)

ORIGINAL

Application 60218
(Filed January 26, 1981)

O P I N I O N

Evans Airport Service, Inc. (applicant) is a passenger stage corporation (PSC-985) operating from Napa and Vallejo to San Francisco International Airport.

Applicant seeks authority to increase its passenger fares by 15.8% and 17.6%, respectively, to offset increases in operating costs.

Applicant's fares were established by Decision 89693 dated November 28, 1978 in Application 58320.

Applicant alleges that the requested fare increase is necessary to offset increases in operating costs. As shown in the annual report to the Commission, applicant's operations for the period ending December 31, 1980 were conducted at a profit of \$27,470 as represented by an operating ratio before taxes of 86.8%.

The following table sets forth applicant's estimated results of operations under present and proposed fares for a test year ended December 31, 1981:

TABLE 1

| | Test Year Ending December 31, 1981 | |
|--|---------------------------------------|-----------------------|
| | <u>Present Fares</u> | <u>Proposed Fares</u> |
| Revenues | \$225,600 | \$261,600 |
| Expenses | 251,818 | 251,818 |
| Operating Income (Loss) Before Income Taxes | (26,218) | 9,782 |
| Operating Ratio Before Income Taxes | 111.6% | 96.3% |

(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 \$26,218 with an operating ratio of 111.6%. The proposed fares will result in an annual gross revenue increase of \$36,000, a profit of \$9,782, with an operating ratio of 96.3%.

Notice of the filing of this application appeared on the Commission's Daily Calendar of January 29, 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 16.0% 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 \$26,218 under present fares.

3. The requested fare increase will result in additional annual gross revenues of \$36,000 with an operating ratio of 96.3% 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.

O R D E R

IT IS ORDERED that:

1. Applicant, Evans Airport Service, Inc. is authorized to establish the increased rates proposed in Application 60218. Tariffs shall be filed not earlier than the effective date of this order. They may go into effect 10 days or more after the effective date of this order on not less than 10 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 10 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 15 1981, at San Francisco, California.

John G. Byron
President
Michael D. ...
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Commissioners