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APR 23 1997

Decision 97-04-061 April 23, 1997

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the application of Russell D. Beauchane, dba Airport Transportation Service, an individual, for the authority to increase fares for the transportation of passengers on regular scheduled routes between Chico, Paradise, Oroville, Marysville/Yuba City and the Sacramento International Airport, to offset recent increase in fuel and other operating expenses.

Application 97-01-006
(Filed January 7, 1997)

ORIGINAL

O P I N I O N

Russell D. Beauchane (applicant), an individual, doing business as Airport Transport Service, requests authority pursuant to Public Utilities (PU) Code §§ 454 to increase his present one-way and round-trip fares. The increase in the fares will generate a projected increase of 9.65% in total revenue for 1997.

Applicant is a passenger stage common carrier (PSC-1036) engaged in the transportation of passengers and their baggage on a scheduled service between the Cities or communities of Chico, Paradise, Oroville, Marysville, and Yuba City, on the one hand, and Sacramento Metropolitan Airport (SMA), on the other hand. Notice of filing of this application appeared in the Commission's Daily Calendar on January 10, 1997. No protests have been filed.

The present fares were authorized by Decision (D.) 91-03-062 in Application 90-12-019. Applicant published these fares in his Local Passenger Tariff, effective May 1, 1991.

The latest unaudited Balance Sheet and Income Statement for the period ended December 31, 1995, are attached to the application. A pro forma income statement is included in the application and identified as Exhibit "B".

The present and proposed fares are shown in Table 1.

TABLE 1
FARES
(in dollars per person)

Between SMA and:	Present	Proposed
Chico and Paradise		
<i>One-Way</i>		
Adult	\$30	\$35
Parent and child	15	18
Child	30	35
<i>Round-trip</i>		
Adult	50	60
Parent and child	25	30
Child	50	60
Oroville		
<i>One-Way</i>		
Adult	25	30
Parent and child	13	15
Child	25	30
<i>Round-trip</i>		
Adult	45	50
Parent and child	23	25
Child	45	50
Marysville/Yuba City		
<i>One-Way</i>		
Adult	10	20
Parent and child	5	10
Child	10	20
<i>Round-trip</i>		
Adult		35
Parent and child		18
Child		35

The applicant proposes to increase all of the fares.

Table 2 sets forth the estimated results of operations under present and proposed passenger fares for the test year ending December 31, 1997.

TABLE 2
Test Period Ending December 31, 1997
INCOME STATEMENT

	Historical Year ended:		Test Year ending:
	December 31, 1995	December 31, 1996	December 31, 1997
	Present Fares	Present Fares	Proposed Fares
Operating Revenue	\$291,015	299,540	319,095
Operating Expenses	258,575	302,662	302,662
Operating Loss	32,440	(3,122)	16,433
Operating Ratio	88.85%	101.04%	94.85%

In Table 2, the applicant's operations in the year ended December 31, 1995, under its present fares resulted in a profit of \$32,440 and an operating ratio of 88.85% before income taxes. In 1996 applicant lost \$3,122 and an increase in his operating ratio to 101.04% before income taxes. In 1996 drivers wages, office salaries, insurance, advertising, fuel, and maintenance increased by approximately 15%, 22%, 63%, 36%, 19%, and 46%, respectively. The salary increase is the result of the enactment of the minimum wages.

The proposed fare increases are expected to generate annual operating revenue of \$319,095 which will result with a net income of \$16,433 and an operating ratio to 94.85% before income taxes.

The proposed fare increases are just and reasonable and should be granted.

Findings of Fact

1. Applicant seeks authority to increase its adult one-way and round-trip fares as requested in the application.
2. Applicant's present fares were authorized by D.91-03-062.
3. Applicant's operations in ending December 31, 1996, under present fares resulted in a loss of \$3,132 and increased his operating ratio to 101.04%.
4. The proposed fares are projected to increase his annual operating revenue of \$319,095, which will result a net income of \$16,433, and an operating ratio to 94.85%.

5. No protests have been filed in connection with this application.
6. A public hearing is not necessary.
7. The requested fare increases to change his fares under PU Code § 454 are justified.

Conclusions of Law

1. The fare increases under PU Code § 454 herein requested are just and reasonable.
2. This application should be granted.
3. The applicant is operating at a loss and, therefore, this order should be effective on the date it is signed.

O R D E R

IT IS ORDERED that:

1. Russell D. Beauchane (applicant), an individual, is authorized to establish the increased passenger fares set forth in this application.
2. Tariffs may be filed on or after the effective date of this order. They may become effective ten days or more after the effective date of this order provided that the Commission and the public are given not less than ten days' notice.
3. This authority shall expire unless exercised within 90 days after the effective date of this order.
4. In addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in applicant's operating vehicles a printed explanation of the fares. Such notice shall be posted not less than 10 days' before the effective date of the fare changes and shall remain posted for a period of not less than 30 days.
5. This application is granted as set forth above.

6. This proceeding is closed.

This order is effective today.

Dated April 23, 1997, at San Francisco, California.

P. GREGORY CONLON

President

JESSIE J. KNIGHT, JR.

HENRY M. DUQUE

JOSIAH L. NEEPER

RICHARD A. BILAS

Commissioners