

T/yo

TL-1

Decision 84 07 147

JUL 18 1984

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of SFO AIRPORTER, INC., for)
authroity (sic) to increase its)
passenger stage corporation)
fares, pursuant to Section 454)
of the Public Utilities Code.)

Application 84-06-026
(Filed June 8, 1984)

O P I N I O N

SFO Airporter, Inc. (applicant) is a passenger stage corporation (PSC-37) operating primarily between San Francisco and San Francisco International Airporter (SFO). Applicant also operates as a Class A charter-party carrier of passengers under certificate TCP-104-A.

Most of applicant's San Francisco operations are between SFO and the downtown terminal at Taylor and Ellis. On October 1, 1981 applicant established additional service between SFO and certain hotels and office buildings in San Francisco.

Applicant requests authority to increase the present one-way adult and children fares between SFO and San Francisco downtown terminal from \$4.00 and \$2.00 to \$6.00 and \$3.00, respectively. It also requests authority to increase one-way adult and children fares between SFO and certain hotels and office buildings in San Francisco from \$5.00 and \$2.50 to \$6.00 and \$3.00, respectively.

The total fare increase requested by this application will result in an additional annual gross revenue of approximately \$2,433,300 or an overall average increase of 34%.

Applicant's present fares between SFO and San Francisco downtown terminal were established in Decision (D.) 93223, dated June 16, 1981, in Application (A.) 60536, and its present fares between SFO and San Francisco Hotel-Financial District were authorized in D.82-01-074, dated January 19, 1982, in A.60992.

Exhibit "C" of the application shows an operating loss of approximately \$117,000 in conducting airport services in 1983. Applicant alleges that its losses are attributable to dilution of the market through the issuance of several new passenger stage certificates by the Commission, higher labor costs, and overall increases in operating expenses.

Based on the information contained in the application and additional data received from the carrier, the following table shows applicant's results of operations for the historical calendar year 1983, and the estimated results of operations under both present and proposed fares for a test year ending June 30, 1985.

<u>Item</u>	<u>Historical Year</u> <u>Ended December 31,</u> <u>1983</u>	<u>Test Year Ending June 31, 1985</u>	
		<u>Present Fares</u>	<u>Proposed Fares</u>
Passengers:	1,354,574	1,407,638	1,407,638
Revenues:			
Passenger Stage	\$5,496,600	\$6,012,500	\$8,445,800
Charter	722,300	1,000,000	1,000,000
Other	115,700	85,000	85,000
Total	<u>\$6,334,600</u>	<u>\$7,097,500</u>	<u>\$9,530,800</u>
Operating Expenses	\$6,451,000	\$8,390,800	\$8,523,600
Operating Income (Loss) Before Income Taxes	(117,000)	(1,293,300)	\$1,007,200
Operating Ratio Before Income Taxes	101.8%	118.2%	89.4%

(Red Figure)

As indicated by the above table, applicant's operation in the historical year 1983 resulted in an operating loss of \$117,000. Operations in the test year ending June 30, 1985 under its present fares will be at a loss of \$1,293,300. The proposed fares will result in an annual gross operating revenue of \$9,530,800, an annual gross revenue increase of \$2,433,300, and an operating ratio of 89.4% before income taxes.

Notice of the filing of this application appeared on the Commission's Daily Calendar of June 12, 1984. No protests or requests for public hearing have been received.

Findings of Fact

1. Applicant seeks authority to increase its passenger stage fares by an overall average of approximately 34%.
2. Applicant's present fares were authorized by D.93223, dated June 16, 1981, and D.82-01-074, dated January 19, 1982.
3. Applicant's operations in the historical year ended December 31, 1983 were at a loss of \$117,000.
4. Applicant's operations in the test year ending June 30, 1985 under its present fares will be at a loss of \$1,293,300.
5. The requested fare increases will result in an annual gross operating revenue of \$9,530,800, an annual gross revenue increase of \$2,433,300, with an operating ratio of 89.4% before income taxes.
6. The requested fares are necessary to offset applicant's increases in operating expenses.
7. The fare increases requested in A.84-06-026 are justified.
8. No protests have been received concerning this application, and a public hearing is not necessary.
9. Since applicant's operations will be at a loss under its present fares, the effective date of this order should be the date of signature.

A.84-06-026 T/yo

Conclusion of Law

The fare increases requested in A.84-06-026 are just and reasonable and should be granted.

O R D E R

IT IS ORDERED that:

1. SFO Airporter, Inc. is authorized to establish the increased passenger fares proposed in A.84-06-026. Tariffs shall be filed on or after 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. This authority shall expire unless exercised within 90 days after the effective date of this order.

A.84-06-026 T/yo

3. In addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in its operating vehicles 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 30 days.

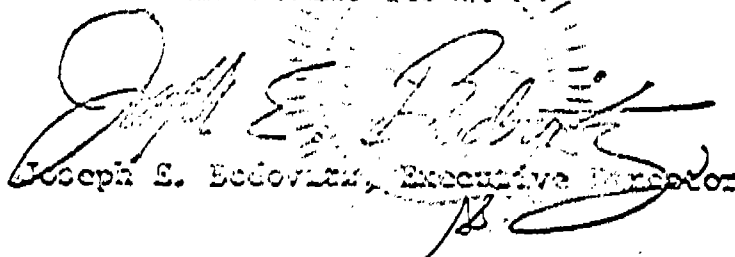
4. The application is granted as set forth above.

This order is effective today.

Dated JUL 18 1984, at San Francisco, California.

LEONARD M. CRIMES, JR.
President
VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
WILLIAM T. BAGLEY
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED AS SET FORTH ABOVE
COMMISSIONERS' ACTION


Joseph E. Esdovitz, Executive Director