

ORIGINAL

Decision 87-11-033 November 13, 1987

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 Bay Area SuperShuttle, Inc. (PSC-1298) )  
 establish a zone of rate freedom )  
 for passenger stage service between )  
 points in its authorized service )  
 area and San Francisco International )  
 Airport. )

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Application 86-03-014  
 (Filed March 7, 1986;  
 amended October 21, 1986  
 and August 26, 1987)

INTERIM OPINION

By amended application, Bay Area SuperShuttle, Inc. seeks to establish a zone of rate freedom (ZORF) pursuant to Public Utilities (PU) Code Section 454.2. The ZORF's parameters would be \$7 (present fare level) as the floor and \$10 as the ceiling. By petition filed August 26, 1987, applicant requests a \$1 increase in its present adult fare from \$7 to \$8. The application shows that all parties to the proceeding were served with a copy of such petition and that none of the parties has protested the requested \$1 increase.

Applicant is a passenger stage corporation serving between points in San Francisco and the San Francisco International Airport (SFO). Applicant's 1986 Annual Report filed with the Commission shows that in 1986 its gross passenger operating revenue was \$3,722,468 and that its net revenue was \$192,320, for an operating ratio of 94.8%. Applicant calculates the increase will result in additional revenue of \$486,395 and an additional \$172,670 in revenue-sensitive expenses (driver wages and revenue based taxes) for an operating ratio of 88.0%, assuming its passenger count does not decrease. But since it is likely that applicant will experience at least some passenger resistance to the increase, applicant projects that the actual resulting operating ratio under the increase will lie somewhere between 94.8% and

88.0%. Applicant submits that this is not an unreasonable range of operating ratios in light of the competitive market served by its passenger stage airport transportation service. The proposed \$8 fare will keep applicant's fare within the \$7 to \$10 range of rates now being charged by applicant's competitors at SFO.

Findings of Fact

1. Applicant is a passenger stage corporation operating between San Francisco and SFO.
2. Applicant's current adult fare is \$7.
3. Applicant requests authority to increase its adult fare to \$8.
4. Applicant's present gross revenue for the year 1986 is \$3,722,468 and its net revenue of \$192,320, for an operating ratio of 94.8%.
5. The increase will result in an additional revenue of \$486,395 and an additional \$172,670 in revenue-sensitive expenses, for an operating ratio of 88.0% if applicant's passenger count is not reduced as a result of the increase.
6. It is most likely, however, that the increase will meet some passenger resistance and result in an operating ratio between 88.0% and 94.8%.
7. The proposed \$8 fare will keep applicant's fare within the \$7 to \$10 fare range now being charged by applicant's competitors.
8. The requested increase is reasonable.
9. A hearing on the proposed \$1 increase is not necessary.

Conclusion of Law

Applicant should be authorized to increase its adult fare from \$7 to \$8 on an interim basis.

INTERIM ORDER

IT IS ORDERED that:

1. Bay Area SuperShuttle, Inc. is authorized to increase its adult passenger stage fare from \$7 to \$8, as requested in its Petition to Application 86-03-014 on an interim basis. Tariffs shall be filed on or after the effective date of this order. They may go into effect 5 days or more after the effective date of this order on not less than 5 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 the 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 5 days before the effective date of the fare changes and shall remain posted for at least 30 days.

This order is effective today.

Dated November 13, 1987, at San Francisco, California.

STANLEY W. HULETT  
President  
FREDERICK R. DUDA  
G. MITCHELL WILK  
JOHN B. OHANIAN  
Commissioners

Commissioner Donald Vial, being necessarily absent, did not participate.

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY.

  
Victor Weisser, Executive Director

Decision S7 11 023**ORIGINAL** NOV 13 1987

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3. In addition to the 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 5 days before the effective date of the fare changes and shall remain posted for at least 30 days.

This order becomes effective 30 days from today.

Dated NOV 13 1987, at San Francisco, California.

STANLEY W. HULETT  
President  
FREDERICK R. DUDA  
G. MITCHELL WILK  
JOHN B. OHANIAN  
Commissioners

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