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JUN 8 1988

Decision 88 06 013

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of)
ALFREDO and ROSITA G. ANDRES, dba:)
SACRAMENTO AIRPORT TRANSIT for the)
authority to increase fares for the)
transportation of passengers and)
baggages between its service points in)
the city of Sacramento, Yolo County,)
and Rancho Cordova)
-----)

Application 88-02-006
(Filed February 3, 1988)

O P I N I O N

Alfredo and Rosita G. Andres (applicants), doing business as Sacramento Airport Transit, with their principal place of business at 6091 Heath Way, Sacramento, California, 95823, are a passenger stage corporation (PSC 1435) engaged in serving the City of Sacramento, Yolo County and Rancho Cordova, on one hand, and the Sacramento Metropolitan Airport on the other hand. Currently, applicants are operating two 14 passenger vans on an "on-call" basis. Applicants, under Section 454 of the Public Utilities Code, seek authority to increase their present fares, which were established when they were granted passenger stage authority by the Commission's Decision No. 87-02-001, dated February 2, 1987 in Application No. 86-06-037.

Table 1

<u>Between Sacramento Metro Airport and</u>	<u>Present Fares</u>	<u>Proposed Fares</u>
Downtown Sacramento (12 - 14 mi)	\$ 6.50	\$ 7.00
West-Yolo County (16 - 22 mi)	6.50	7.50
Arden-Sacramento (24 - 28 mi)	6.50	8.50
North Sacramento (30 - 32 mi)	6.50	13.00
Rancho Cordova (33 - 35 mi)	10.00	15.00

Due to the considerable distance between Sacramento Metro Airport and North Sacramento or Rancho Cordova and the lower number of passengers travelling to or from these areas, the applicants found it necessary to increase these fares substantially in order to cover their expenses.

Discussion

Applicants state that the proposed fares are necessary to offset increases in operating costs since the present fares were established.

Table 2 has been constructed from the information supplied by the applicants. The table shows the projected results of operation under the present and proposed fares for historical year January 9, 1987 to December 31, 1987 and test year January 1, 1988 to December 31, 1988.

Table 2

	<u>Historical Period</u> <u>1/87 - 12/87</u>	<u>Test Year 1/88-12/88</u> <u>Present Fares</u>	<u>Proposed Fares</u>
Revenue	\$ 52,702	\$ 52,702	\$ 69,112
Expenses	51,100	63,000	63,000
Income (after income tax)	1,602	(10,298)	6,112
Operating Ratio (after income tax)	97.0 %	119.5 %	91.2 %

As indicated by Table 2, applicants' operations in the test year ending December 31, 1988 under the present fares will result in a loss of \$10,298 with an operating ratio of 119.5 % after income taxes. The proposed fares will result in an annual gross operating revenue increase of \$16,410 and operating income of \$6,112 with an operating ratio of 91.2 % after income taxes.

Notice of filing of this application appeared on the Commission's Daily Calendar of February 8, 1988. No protest or requests for public hearing have been received. In the opinion of the staff, the proposed fares are justified and should be granted.

Findings of Fact

1. Applicants seek authority to increase its passenger stage fares as set forth on Table 1.

2. Applicants' present fares were established when they were granted passenger stage authority by D.87-02-001, dated February 2, 1987.

3. Applicants' operations in the test year ending December 31, 1988 under present fares would be at a loss of \$10,298 with an operating ratio of 119.5 % after taxes.

4. Applicants' operations at the proposed fares will result in an annual gross revenue increase of \$16,410 with an operating ratio of 91.2 % after taxes.

5. The requested passenger fare increases are necessary and justified.

6. No protests have been received and a public hearing is not necessary.

7. To ensure applicants' continued operations, the effective date of this order should be the date of signature.

Conclusion of Law

1. The fare increase requested in A.88-02-006 are just and reasonable and should be granted.

O R D E R

1. Alfredo and Rosita G. Andres, dba Sacramento Airport Transit, are authorized to establish the increased passenger fares proposed in A.88-02-006. Tariffs may 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.

3. In addition to the required posting and filing of tariffs, applicants shall post a printed explanation of their fares in their vans. 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 no less than 30 days.

4. The application is granted as set forth above.

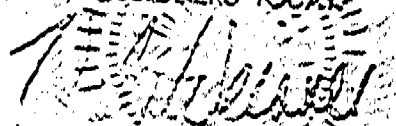
This order is effective today.

Dated JUN 8 1988 at Carson, California

STANLEY W. HULETT
President

DONALD VIAL
FREDERICK R. DUDA
G. MITCHELL WILK
JOHN B. O'HANIAN
Commissioners

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


Victor Vignati, Executive Director

T/BG

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