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Decision 90 04 012 APR 11 1990

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
San Ramon Valley Airporter Express ) Application 89-10-047  
Inc., a California corporation, for ) (Filed October 31, 1989,  
authority to increase its fares. ) amended December 14, 1989  
and January 30, 1990)

O P I N I O N

San Ramon Valley Airporter Express, Inc., (applicant) is a passenger stage corporation (PSC-1362) engaged in the transportation of persons and their baggage on a regularly scheduled service between points in Castro Valley, Dublin, Pleasanton, and San Ramon, on the one hand, and San Francisco (SFO) and Oakland (OAK) International Airports, on the other hand.

Applicant was granted passenger stage authority by Decision (D.)84-08-113, in Application (A.) 84-05-081 and amended by D.88-07-012, dated July 8, 1988, in A. 88-04-043.

Applicant requests authority to increase its fares by approximately 11% under Public Utilities (PU) Code § 454.

Applicant has submitted a Balance Sheet, Income Statement and a projected Income Statement that includes present and proposed cash flow data.

The last fare increase was granted by D. 88-07-012. The tariff was filed with the Commission on July 8, 1988.

Present and proposed fares are shown in Table 1. These fares are one-way fares.

TABLE 1

Between SFO and OAK/ Pleasanton, San Ramon, Dublin, and Castro Valley

	<u>Present Fares</u>		<u>Proposed Fares</u>	
	SFO	OAK	SFO	OAK
Adult one-way	\$17.00	\$15.00	\$19.00	\$17.00
Two adults one-way			\$34.00	\$30.00
Two adults round-trip			\$60.00	\$50.00
seniors one-way	\$15.00	\$13.00	\$15.00	\$13.00
Children one-way	\$8.50	\$7.50	\$9.50	\$8.50

Using the data provided by applicant, the following table sets forth the estimated results of operations under present and proposed passenger fares for the test year ending June 30, 1990.

TABLE 2

Test Period Ending June 30, 1990

## INCOME STATEMENT

	<u>Historical Year</u>	<u>Test Year ending</u>	
	<u>ending June 30, 1989</u>	<u>June 30, 1990</u>	
	<u>Present Fare</u>	<u>Present Fare</u>	<u>Proposed Fare</u>
Operating Revenue	\$291,166	\$348,030	\$386,500
Operating Expenses	\$293,087	\$367,385	\$367,385
Operating Income(Loss)			
Income Before Tax	(\$1,921)	(\$19,355)	\$19,115
Income after Tax	0	0	\$17,900
Operating Ratio After Income Taxes	100.66%	105.27%	95.13%

Applicant asserts that the costs of equipment, fuel, repairs and maintenance, salaries, wages of drivers and mechanics, and insurance have increased to a level that is causing the service to be operated at a deficit.

As indicated by Table 2, applicant's operations in the year ending June 1989 under the present fares resulted in a loss of \$1,921 with an operating ratio of 100.7% after income taxes.

The proposed fares, on the other hand, will result in an annual gross operating revenue of \$386,500 and operating income of \$19,115 before income tax, with an operating ratio of 95.13% after income taxes.

Notice of filing of this application, as amended, appeared on the Commission's Daily Transportation Calendar of November 13, 1989, December 19, 1989, and February 5, 1990. No protests have been received. A public hearing is not necessary. In the opinion of the staff, the proposed fare increases are justified and should be granted.

#### Findings of Fact

1. Applicant seeks authority to increase its passenger stage fares by approximately 11% to offset increased operating costs.

2. Applicant's present fares were granted by D.88-07-012.

3. Applicant's operations in the test period ending June 30, 1990, under present fares would cause it to lose \$19,355 with an operating ratio of 105.27%.

4. The proposed fares will result in an annual gross revenue of \$386,500 which will generate an annual net income before taxes of \$19,115 and provide an operating ratio of 95.13% after income taxes.

5. The requested fare increases under PU Code § 454 are necessary and justified.

6. No protests have been received.

7. Applicant is operating at a loss.

Conclusions of law

1. The passenger fare increases under PU Code § 454 herein requested are justified and reasonable.
3. The application, as amended, should be granted.
3. A public hearing is not necessary.
4. Since applicant is operating at a loss this order should be effective on the date it is signed.

O R D E R

IT IS ORDERED that:

1. San Ramon Vallery Airporter Express, Inc., is authorized to establish the increased passenger fares proposed in A.89-10-047 under PU Code § 454. Tariffs may be filed on or after the effective date of this order. They may become effective five days or more after the effective date of this order provided that the Commission and the public are given not less than five days' notice.
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, applicant shall give notice to the public by posting in his operating vehicles a printed explanation of the fares. Such notice shall be posted not less than ten days before the effective date of the fare changes and shall remain posted for a period of not less than 30 days.

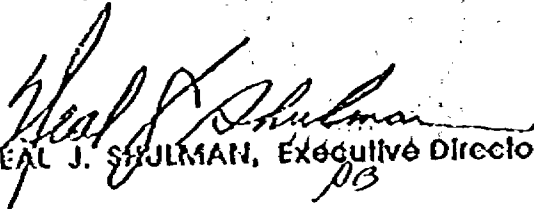
4. The application, as amended, is granted as set forth above.

This order is effective today.

Dated APR 11 1990, at San Francisco, California.

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

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

  
NEAL J. SHULMAN, Executive Director  
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