

T/MEE/ebi

Decision **91 03 025** MAR 13 1991

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Shuttle Express Interna-)	Application 90-10-009
tional, Inc., for authority to adjust)	(Filed October 11, 1990)
its passenger rates.)	

O P I N I O N

Shuttle Express International, Inc., a Colorado Corporation, is a passenger stage carrier (PSC-5465) authorized to transport passengers and their baggage, on-call, on a door-to-door basis between points in San Diego County and the San Diego International Airport (SAN).

Applicant presently has one level of base tariff fares for first and second passengers. The fares are assessed on the basis of zip code points of origin. Group discounts of 5%, and senior citizens (over 65 years of age) and handicapped discounts of 10% are allowed. Travel agencies and sales promoters are allowed a 50% discount.

By this application, applicant seeks to adjust its fares two ways: (a) increase the base fares for relatively long hauls by \$0.00 to \$15.00; and (b) decrease the fares for certain points by \$0.00 to \$6.00. Applicant's existing rules and regulations, on file, will apply to the new fares.

Applicant states that the proposed fares are necessary to offset increased operating expenses due to inflation, including a 45% increase in fuel costs (not offset by the surcharge allowed by Resolution TL-18380-A), a 13% increase in maintenance costs, and a 30% increase in insurance costs.

Applicants's present passenger fares were established by Decision (D.) 89-09-015, dated September 7, 1989, in Application (A.) 89-01-042.

Based on data submitted with the application, applicant experienced losses of \$119,869, \$123,317, \$75,748, \$69,213, \$45,338 and \$76,666, in the months of April, May, June, July, August and September, of 1990, respectively, and has projected a cumulative loss of \$664,099 for the 12 months ending March 1991. The following table sets forth the estimated results of operations under present and proposed passenger fares for nine months of the test year ending March 31, 1991:

Test Year Ending March 31, 1991
(First Nine Months)

	<u>Present Fares</u>	<u>Proposed Fares</u>
<u>Operating Revenue</u>	\$2,776,617	\$3,304,174
<u>Operating Expenses</u>	3,339,107	3,339,107
<u>Net Income (Loss)</u>	(562,490)	(34,932)
 Operating Ratio	 120%	 101%

(Red Figure)

As indicated by the above table, applicant's operations for nine months of the test year ending March 31, 1991, under present fares, will be at an operating ratio of 120%. The proposed fares will result in annual operating revenues of \$3,304,174, and a net loss of \$34,932, with an operating ratio of 101%.

Applicant states that it is aware that operations under the proposed fares would not be profitable. However, it feels that by increasing the efficiency of the operations and reducing overhead costs the service will be profitable in the future.

Notice of the filing of this application appeared in the Commission's Transportation Daily Calendar on October 16, 1990. No protest or request for public hearing has been received.

Findings of Fact

1. Applicant seeks authority to increase its passenger fares approximately 19.0% to offset increased operating expenses.
2. Applicant's present fares were authorized by Decision D.89-09-015, dated September 7, 1989, in Application 89-01-042.
3. Applicant's operations for the first nine months of the test year ending March 31, 1991, under present fares would be at a loss of \$562,490 with an operating ratio of 120%.
4. Operations under proposed fares for the nine-month period will result in operating revenues of \$3,304,174, and a net loss of \$34,932, with an operating ratio of 101%.
5. The requested fares are necessary and justified.
6. No protests have been received concerning this application and a public hearing is not necessary.
7. Applicant is operating at a loss.

Conclusions of Law

1. The fares requested in A. 90-10-009 are just and reasonable and should be granted.
2. Since applicant's operations will be at a loss under the present fares, the effective date of this order should be the date of signature.

ORDER

IT IS ORDERED that:

1. Shuttle Express International, Inc. is authorized to establish the increased passenger fares proposed in A. 90-10-009. 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.

3. In addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in applicant's vehicles a printed explanation of the 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 MAR 13 1991 , at San Francisco, California.

PATRICIA M. ECKERT
President
G. MITCHELL WILK
JOHN B. OHANIAN
DANIEL WM. FESSLER
NORMAN D. SHUMWAY.
Commissioners ..

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

[Handwritten Signature]
MEL J. SHUMWAY, Executive Director