

Decision No. 88554 MAR 7 1978

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of:)
 Airport Limousine Service of) Application No. 57546
 Sunnyvale, for the authority to) (Filed August 29, 1977)
 increase passenger stage fares.) (Amended twice on October 19, 1977)

O P I N I O N

Airport Limousine Service of Sunnyvale, Inc. (Airport Limo) is a passenger stage corporation (PSC-899) operating between San Francisco International Airport, Oakland International Airport, and San Jose Municipal Airport, on the one hand, and various communities in Santa Clara, San Mateo, Alameda, and Contra Costa Counties, on the other hand. Airport Limo provides luxury-type airport limousine transportation on an on-call basis. The carrier is also authorized to conduct charter-party operations, pursuant to a charter permit (TCP-321-P), although charter only accounts for some two percent of Airport Limo's total business, with the passenger stage service predominating.

By this application, as amended, Airport Limo seeks authority to increase its passenger stage fares between the three airports and points in Santa Clara and San Mateo Counties ("West Bay") by \$1.40, and points in Alameda and Contra Costa Counties ("East Bay") by 40 cents.¹ Also requested is an extra one dollar fare increase for trips from an airport to that portion of the City of San Jose lying south of Blossom Hill Road, and generally known as "South San Jose". This is, in effect, a new fare zone, premised on the significantly longer travel distance required to

¹ The difference in these requests is explicable on the basis that the present East Bay fares were authorized more recently than the present West Bay fares and consequently reflect somewhat more current (e.g., higher) level of operating expenses than do the West Bay fares. (The East Bay fares were authorized by Decision 87294 in May, 1977; the West Bay fares by Decision 84272 in April, 1975). For this reason, increasing the West Bay fares at this time by a larger amount than the East Bay fares would not be inequitable.

serve this more remote area. Typical fares, both present and proposed, are listed below:

Between San Francisco International Airport and	Fare	
	Present	Proposed
Palo Alto	\$10.00	\$11.40
San Jose (Central)	12.00	13.40
San Jose (South of Blossom Hill Road)	12.00	14.40
Walnut Creek	14.00	14.40

A surcharge of \$5.00 per person is proposed for trips relating to scheduled arrivals at airports between 12 midnight and 4:00 a.m. While this would be of limited financial impact (less than \$1,000 per year) it is not unreasonable given the expense of providing this specialized on-call type of service during these periods of sparse patronage.

In making this request for higher fares, applicant cites increases in operating expenses generally, and insurance expenses in particular, which latter have risen from some \$25,000 in 1976 to an estimated \$167,000 for 1978. While this large increase is partially due to the expansion in applicant's operations, it also reflects a major increase in the basic level of insurance expense.

Applicant is a rapidly-growing company, as evidenced by the following statistics:

	1976	1978, est.
Vehicles	36	50
Vehicle-miles	2,119,698	3,450,000
Passenger-trips	89,908	146,000

The 1978 estimates are provided by the Commission staff in its report, herein accepted as Exhibit 1. With the requested fare increases, the carrier is expected to achieve a 93.8% after-income-tax operating ratio in 1978. Revenues are projected to reach \$2,000,000, with expenses and taxes at approximately \$1,875,000, leaving \$125,000 net operating income. An operating ratio of 93.8% is reasonable, and it is in the public interest to assure the financial ability of this carrier to continue its rapid expansion of passenger transportation services.

Notice of the filing of this application was listed in the Commission's Daily Calendar. Additionally, the Commission staff notified affected public transit operators and planning agencies of the receipt of this application, pursuant to California Public Utilities Code Sections 730.3 and 730.5. No protests or adverse comments have been received.

After consideration, the Commission finds that the requested increases are justified and a public hearing is not necessary. It is estimated that the granting of these fare increases will result in approximately \$176,000 additional revenue in the rate year.

O R D E R

IT IS ORDERED that:

1. Airport Limousine Service of Sunnyvale, Inc. is authorized to establish passenger stage fares as requested in its Second Amendment to Application, filed October 19, 1977. Tariff publications authorized to be made as a result of this order may be made effective 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 ninety 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 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 thirty days.

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The effective date of this order shall be thirty days after the date hereof.

Dated at San Francisco, California, this 7th day of MARCH, 1978.

Robert Babin
President
William S. Jones Jr.
Vernon L. Steegen
George R. Shavell
Alan J. Schick
Commissioners