

Decision No. 91248 JAN 15 1980

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of YELLOW CAB CO., OF SACRAMENTO,)
a California corporation, for)
permission to increase fares.)
) Application No. 55281
) (Filed October 30, 1974)

In the Matter of the Application)
of YELLOW CAB CO., OF SACRAMENTO,)
a California corporation, for)
permission to increase fares, to)
eliminate routes and for recog-)
nition of change of name.)
) Application No. 53607
) (Filed September 27, 1972;
) Amended October 17, 1972;
) December 6, 1972 and
) December 26, 1972)

In the Matter of the Application)
of YELLOW CAB CO., OF SACRAMENTO,)
a California corporation, for)
permission to increase fares and)
eliminate routes.)
) Application No. 59031
) (Filed July 27, 1979)

O P I N I O N

Applicant, Yellow Cab Co. of Sacramento operates an airport limousine service in a regular-route scheduled service between the City of Sacramento and Sacramento Metropolitan Airport, which is operated by and located in Sacramento County. Applicant performs this service pursuant to Certificate of Public Convenience and Necessity Number PSC 836, issued by this Commission. It renders this service pursuant to a contract with the County of Sacramento, which, among other things, provides for minimum number of limousines and minimum passenger seating capacity, that all flights will be met 30 minutes prior to each flight and that limousine fares be approved by the Public Utilities Commission as required by law.

In Application 59031 applicant seeks authority to increase its fares by 70¢ each, which would result in an estimated \$67,662 or 27.6% increase in passenger revenue. It also seeks authority to discontinue certain "on call" service to certain points due to the lack of patronage and because Woodlake Inn provides its own limousine service to the airport.

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Applicant has operated its airport limousine service at a loss in 1978 and the first five months of 1979 as indicated in Table A attached hereto. If the requested increase is not granted, the staff estimates it will operate at a \$44,073 loss and operating ratio of 118%. If increase is granted as requested, the staff estimates a net operating income of \$23,589, based on costs during the first part of 1979 with no allowance for increased expenses in latter part of 1979 and the year 1980. This would result in an operating ratio of 92.5%.

Exhibit "E" in the application indicates the number of passengers generated at each of applicant's scheduled "on call" points during the month of January 1979. These numbers range from 5024 at the Senator Hotel to fewer than 20 passengers at several points. This evidence justifies applicant's request for authority to discontinue "on call" service to the following six points, each of which generated fewer than 20 passengers during the January 1979 period studied:

California Hotel
Clunie Hotel
El Mirador Hotel
Park Hotel
Sutter Club
Town & Country Inn

Applicant also seeks authority to discontinue "on call" service to two additional points: Woodlake Inn and Valley Hi Inn. During the January 1979 period, these points generated 134 and 48 passengers, respectively. The Commission is informed that since the last fare increase granted by the Commission in Interim Order of Decision No. 84127 dated March 25, 1979, Woodlake Inn under new management has purchased two additional vans and since April 1979 performs its own limousine service between Woodlake Inn and the airport, using Yellow Cab limousine's service for overflow in excess of passengers using Woodlake's service. This results in being called for low numbers of passengers per trip resulting in a very uneconomical operation.

The Valley Hi pick-up point is located at 5321 Stockton Boulevard, quite a distance southeast of downtown Sacramento and much further to Metropolitan Airport. When the point was originally proposed, Aero Jet Corporation was in operation and generated sufficient traffic to Valley Hi. Now, since Aero Jet has been closed down, the traffic being generated is minimal. In Exhibit E of the application, the number of passengers in any one day exceeds one or two twice during the month of January 1979. This does not appear to generate sufficient traffic to justify continued service to Valley Hi.

The applicant is presently operating at a loss. The increase authorized herein is necessary to ensure the continuation of the transportation service. Thus, the increase is excepted from the President's Guidelines for Wage and Price Increases.

In accordance with Sections 730.3 and 730.5 of the Public Utilities Code, the state and local agencies operating public transit systems were notified regarding the proposed rate increase. Notice of filing of this application was listed on the Commission's Daily Calendar of July 31, 1979. No protests have been received.

Pending Previous Applications

Applications 53607 and 55281 were previous rate increase proposals by this carrier. All of the rate requests in both proceedings were granted by Decisions 81465 and 84217, respectively. However, no final decision was entered in either proceeding because of the Commission's concern over some terms of the contract with the County of Sacramento, under which applicant performs its common carrier service. That contract exercises County's prerogatives as the proprietor of the airport^{1/}, which serves as one terminus of applicant's

^{1/} Cf. Burns v. City of Oakland (1954) 46C.2d 401.

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passenger stage operation (cf. Section 226, Public Utilities Code). The terms in question covered rate and service issues which are also subject to either Article XII of the California Constitution or various sections of the Public Utilities Code. With that contract in effect, this overlap, under certain circumstances, could cause delay, uncertainty and public expense in determining what the public's rights were and in enforcing them.

In February of 1979, we were furnished a copy of a new contract between applicant and the County^{2/}, clearly designed to minimize the overlap. The existence of this new contract allays much of our concern.

There now remains only one minor area of possible ambiguity which can be easily eliminated by an amendment to applicant's certificate.

Applicant's certificate now specifies Sacramento Metropolitan Airport as one of the termini of applicant's operation (cf. Section 226 Public Utilities Code). It should be obvious that picking up and discharging passengers and luggage at points other than the airport terminal building itself would be a gross inconvenience to the members of the public whom applicant is required to serve. We will therefore adopt by means of Appendix A hereto a modification to the certificate which specifies the terminal building as the terminus.

Judging from the previous contract, it is inferrable that applicant may not recognize that his certificate of public convenience and necessity is not merely a document which authorizes operation. On the contrary, by accepting this certificate, applicant became legally obligated to the public to perform the services specified therein and in its tariffs and timetables (General Order No. 98). In order that there should be no uncertainty concerning the scope of applicant's obligation to the public or of its legal effect, we will adopt Ordering Paragraph 2. This Paragraph requires applicant to continue to operate

2/ A copy of this contract is hereby received in evidence in this proceeding as Exhibit No. 1.

the service as specified in its certificate, its timetable, and its tariff. It is expressly intended that this ordering paragraph should be governed by the provisions of Sections 5, 8, and 9 of Article XII of the California Constitution and of Sections 1731 and 1759 of the Public Utilities Code.

After consideration the Commission finds that:

1. The requested fare increase will result in additional revenue of approximately \$67,622.
2. The above-mentioned eight "on-call" points do not generate sufficient traffic to continue serving.
3. The matters pending in Decisions 81465 and 84217 have either been resolved or will be taken care of by this decision.
4. The proposed rate increase is justified.
5. The proposed elimination of eight "on-call" points is justified.
6. A public hearing is not necessary, ~~at this time.~~ SS

O R D E R

IT IS ORDERED that:

1. Yellow Cab Co. of Sacramento is authorized to establish fares and rates and also eliminate the "on-call" points as requested in Application 59031 and shown in proposed Fourth Revised Page 11 of Tariff Cal. P.U.C. No. 3 in Appendix B attached to this decision. Tariff publications authorized to be made as a result of this order may be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and to the public.
2. Yellow Cab Co. of Sacramento's certificate is revised by Second Revised Page 2 in Appendix A attached to this decision, to provide for the airport terminus to be the Sacramento Metropolitan Airport Terminal. It is required to continue to operate service as specified in its certificate, its timetable and its tariff in accordance with the provisions of Sections 5, 8, and 9 of Article XII of the California Constitution and of Sections 1731 and 1759 of the California Public Utilities Code.

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3. The pending matters in Applications 53607 and 55281 are now resolved and therefore are hereby closed.

4. This authority shall expire unless exercised within ninety days after the effective date of this order.

5. 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 change and shall remain posted for a period of not less than thirty days.

In view of the extreme operating losses under present fares and rates, the effective date of this order is the date hereof.

Dated JAN 15 1980, at San Francisco, California.

John E. Geyer
President

William L. Sturgeon

Richard W. Hoyle

Clayton D. Dwyer

James H. Gentry
Commissioners

TABLE A
YELLOW CAB COMPANY OF SACRAMENTO

INCOME STATEMENT, LIMOUSINE PASSENGER SERVICE FOR THE CALENDAR YEAR 1978
FIVE MONTHS OF 1979 AND ESTIMATED RESULTS OF OPERATION FOR 1980

Item	Calendar Year 1978 (1)	5 Months of 1979 (2)	Estimated Results of Operation:	
			Without Increase 1980 (3)	With Increase 1980 (4)
Passenger Revenue:	\$237,784	\$102,009	\$244,862	\$312,524
Operating Expenses:				
Equipment Maintenance & Garage Exp.	\$ 27,346	\$ 8,264	\$ 19,834	\$ 19,834
Transportation Expense	138,896	63,134	151,521	151,521
Traffic, Administration Expense	8,122	10,823	25,975	25,975
Insurance & Safety Expense	33,252	12,252	29,863	29,863
Administrative & General Expense	35,962	17,631	42,314	42,314
Depreciation Expense	4,395	1,967	4,721	4,721
Operating Taxes and License	13,815	6,128	14,707	14,707
Total	<u>\$261,788</u>	<u>\$120,315</u>	<u>\$288,935</u>	<u>\$288,935</u>
Net Operating Income	\$-24,004	\$-18,306	\$-44,073	\$ 23,589
Operating Ratio (Before Income Taxes)	110%	118%	118%	92.5%

Columns (2), (3) and (4) have had expense items adjusted by PUC staff.

SECTION 1. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS
AND SPECIFICATIONS.

Yellow Cab Company of Sacramento, by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized as follows:

- *1. To transport passengers, their baggage and shipments of express weighing 100 pounds or less, on passenger-carrying vehicles between the Sacramento Metropolitan Airport Terminal, on the one hand, and the City of Sacramento, or any point within two miles of the Sacramento city limits, on the other hand, over the routes hereinafter described subject to the following provisions:
 - (a) No passengers shall be transported except those having either point of origin or destination at the Sacramento Metropolitan Airport.
 - (b) Passengers shall be picked up and discharged only at points and places named in tariffs and timetables filed with the Commission.
2. To transport passengers, baggage and shipments of express weighing 200 pounds or less, on passenger-carrying vehicles only, between West Sacramento, Sacramento, and Sacramento Municipal Airport.

SECTION 2. ROUTE DESCRIPTIONS.

Commencing at any point within the authorized service area, thence to the downtown terminal of Union Taxi Corporation in the City of Sacramento, thence via the most appropriate city streets and public highways to the Sacramento Metropolitan Airport, or the Sacramento Municipal Airport, and return via the same routing.

*Changed by the California Public Utilities Commission.

Decision 91248, Applications Nos. 53607, 55281 and 59031.

YELLOW CAB CO. OF SACRAMENTO

PASSENGER FARES

TCP-836

Fares from the Sacramento Metropolitan Airport Terminal (or return)
for One (1) person to:

Proposed Tariff

Airline Office, 515 L Street (downtown terminal)	\$2.60
Senator Hotel, 12th and L Streets	2.60
Greyhound Bus, 715 L Street	3.10
Mansion Inn, 728 16th Street	3.30
Holiday Inn, 3rd and J Streets	3.30
Travelodge, 11th and H Streets	3.30
Americana Motel, 15th and I Streets	3.30
Caravan Lodge, 1212 16th Street	3.30
State Garage, 9th and O Streets	3.30
Marina Inn, W. Capitol and 2nd Streets	3.80
El Rancho, 1029 W. Capitol, W.S.	3.80
Holiday North, 1900 Canterbury Road	3.80
Sheraton Hotel, 2600 Auburn Boulevard	4.30
Caravan Inn, 2300 Auburn Boulevard	4.30

ISSUED:

EFFECTIVE DATE:

ISSUED BY:

FREDERICK PLEINES, President
YELLOW CAB CO. OF SACRAMENTO
900 Richards Boulevard
Sacramento, California 95814