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FEB 13 1980

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of P.S.P.A. Corporation, dba Airport Connection, for the authority to increase fares for the transportation of passengers on a regularly scheduled route between points in Berkeley and the San Francisco International Airport. }

Application No. 59186
(Filed October 9, 1979)

O P I N I O N

Applicant is a passenger stage corporation (PSC-1009) operating between points in Concord, Walnut Creek, Orinda, Berkeley, and Emeryville, on the one hand, and the Oakland and San Francisco Airports, on the other hand. The present fares were authorized by Decision 86569 dated October 26, 1976.

Applicant requests authority to increase passenger stage fares as follows:

The applicant requests an increase on one route only (San Francisco International Airport to Berkeley) and proposes to increase that fare by \$1.00 (14%) immediately and an additional \$0.50 (7%) effective no less than six months following the first fare increase.

<u>Between San Francisco International Airport and Berkeley</u>	<u>One-Way Fare</u>		
	<u>Present</u>	<u>Proposed Immediately</u>	<u>Proposed six months later</u>
- Adult	\$7.00	\$8.00	\$8.50
- Reduced (Children, etc.)	5.00	6.00	6.50

In support of its request for a fare increase, applicant alleges that the costs of fuel, wages, benefits, supplies, and vehicles have increased since 1976.

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Expected increase in revenues due to implementation of the proposed fare increase (based on ridership data from the previous years) is \$62,000 per year after the proposed two-step fare increase.

The actual increase in operating cost due to specific cost increases since December 1, 1976, is \$88,700 per year. ✓

The expense increases exceed the expected increase in revenue to be gained from the proposed fare increase by \$26,700 per year, which the applicant hopes will be made up by a ridership increase of 4,500 passengers per year on this route.

The increases authorized herein are necessary to insure the continued viability of this transportation service and will compensate the rising costs of fuel and other expenses. Thus, the increase should be excepted from the President's guidelines for wage and price increases.

Copies of this application were served on interested parties and the application was listed in the Commission's Daily Calendar on October 10, 1979. Additionally, the Commission staff notified affected public transit operators and planning agencies of the filing of this application pursuant to California Public Utilities Code Sections 730.3 and 730.5. No protests or comments have been received.

F I N D I N G S

After consideration, the Commission finds that:

1. The requested fare increases will result in additional revenue of approximately \$51,500 during the first year, and \$62,000 per year thereafter.
2. Since the applicant's fares were established, it has experienced increases in operating expenses.
3. The proposed fares set forth in this application are reasonable and therefore justified.
4. A public hearing is not necessary.

The Commission concludes that the application shall be granted.

O R D E R

IT IS ORDERED that:

1. P.S.P.A. Corporation, doing business as Airport Connection, is authorized to establish the increased fares proposed in Application 59186. Tariff publications authorized to be made as a result of this order may be 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. The authority for the "first-step" (14%) fare increase shall expire unless exercised within ninety days after the effective date of this order.

3. The effective date of the "second-step" (7%) fare increase shall be 180 days after the effective date of this order and the authority for the "second step" (7%) fare increase shall expire unless exercised within 270 days after the effective date of this order.

4. 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 each fare change 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 30 days from the date hereof.

Dated FEB 13 1980, at San Francisco, California.

John E. Bryson
President
Leonard M. Grimes, Jr.
Richard D. Howell
Clare T. Smith

Commissioners

Commissioner Leonard M. Grimes, Jr.,
being necessarily absent, did not
participate.