

Decision No. 92526 DEC 16 1980

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of P.S.P.A. Corporation, doing)
business as Airport Connection,)
for the authority to increase)
fares for the transportation of)
passengers on a regularly)
scheduled route between points)
in Alameda and Contra Costa)
County and the San Francisco)
International Airport.)

Application No. 59701
(Filed May 30, 1980)

O P I N I O N

P.S.P.A. Corporation (applicant) doing business as Airport Connection, (PSC-1009), presently provides airport-access passenger stage service to San Francisco International Airport (SFIA) from Berkeley and Emeryville on a scheduled basis, and from Orinda, Walnut Creek, and Concord on an on-call basis. It also operates as a charter-party carrier of passengers pursuant to Commission charter permit TCP 777-P.

Applicant proposes to increase its passenger stage fares as follows:

<u>Between SFIA and:</u>	<u>Presently Authorized Fares</u>	<u>Proposed Fares</u>
Berkeley	\$ 8.50	\$ 9.00
Emeryville	\$ 8.50	\$ 9.00
Orinda	\$ 9.00	\$12.00
Walnut Creek	\$10.00	\$13.00
Concord	\$10.00	\$14.00

Applicant offers discount fares for children, students, and senior citizens. These persons are presently being carried for \$2.00 below the regular passenger fares and they will continue to receive a \$2.00 discount under the proposed fares.

The presently authorized fares for Berkeley and Emeryville were authorized by Decision No. 91342, dated February 13, 1980 and the presently authorized fares for Orinda, Walnut Creek, and Concord were authorized by Decision No. 86569, dated October 26, 1976.

Applicant alleges that the proposed increases in fares are necessary to offset losses from its operations. Applicant's expense showing did not, however, conform to the Uniform System of Accounts. The Commission's Transportation Division staff has prepared an engineering economics study of applicant's operations. The staff study conforms to the Uniform Systems of Accounts, and it estimates that applicant operated with a small net income (\$6,488 after income taxes) in the historic year 1979. For a rate year January 1, 1981 through December 31, 1981, the staff estimates that applicant would achieve an operating ratio of 95.7 percent without rate relief and 90.6 percent with the requested fare increases.

A summary of these data follows:

	<u>Historic Year 1979</u>	<u>Rate Year 1/1/81-12/31/81</u>	
		<u>Present Fares</u>	<u>Proposed Fares</u>
Revenues	\$324,861	\$491,928	\$536,567
Expenses	316,021	463,009	463,009
Net Operating Revenue	8,840	28,919	73,558
Income Taxes, Estimate	2,352	7,810	23,379
Net Income	6,488	21,109	50,179
Operating Ratio	98.0%	95.7%	90.6%

The staff estimates include operating cost increases identified by applicant, chiefly in the price of fuel which has risen from 72¢ a gallon in the historic year to \$1.29 currently. The staff study also reflects applicant's increased schedule of operations on its Concord route (from 91 to 130 one-way trips per week). The staff advises that the Concord route should have the potential to carry additional passengers, given the increased convenience of these more frequent schedules and provided that applicant markets this service effectively. The route would then provide a significant transportation alternative to the private automobile in a heavily congested corridor. Based on these considerations, the Commission staff recommends that this application be granted.

Copies of this application were served on interested parties, and it was listed in the Commission's Daily Calendar. 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.

Findings of Fact

1. The requested fare increase will result in an additional annual revenue of \$44,639.
2. The proposed fares are necessary to ensure the continued viability of this transportation service, with the expanded Concord route schedules.
3. The proposed fare increase is justified.
4. No protests have been received concerning this application.
5. A public hearing is not necessary.

Conclusion of Law

The application should be granted and the authorized fares are just and reasonable.

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 No. 59701. 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. 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.

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

Dated DEC 16 1980, at San Francisco, California.

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.

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

John E. Bryan
President

[Signature]

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Commissioners