

Decision \_\_\_\_\_

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Sacramento Transportation Systems, Inc. d/b/a SuperShuttle of Sacramento (PSC-15260) for authority to establish Revised Rates and Zones of Rate Freedom for service between the Sacramento International Airport, on the one hand, and points in Butte, El Dorado, Nevada, Placer, Sacramento, San Joaquin, Solano, Sutter, Yolo and Yuba Counties, on the other hand.

Application 12-09-009  
(Filed September 12, 2012)

**D E C I S I O N****Summary**

This decision grants the application of Sacramento Transportation Systems, Inc. dba SuperShuttle of Sacramento, a corporation, to revise its rates and its Zone of Rate Freedom, pursuant to Pub. Util. Code § 454.2.

**Discussion**

Sacramento Transportation Systems, Inc., dba SuperShuttle of Sacramento (applicant) was granted authority in Decision (D.) 02-09-015 to operate as a Passenger Stage Corporation (PSC) to transport passengers and their baggage between Sacramento International Airport (SMF) to points in El Dorado, Nevada, Placer, Sacramento, San Joaquin, Solano, Sutter, and Yolo Counties. That Decision also approved the PSC certificate to establish a Zone of Rate Freedom (ZORF) of \$20 above and below any of the proposed fares and the minimum fare of \$5. The certificate was amended by letter dated May 21, 2008 to reflect the transfer of Butte and Yuba Counties from SuperShuttle of San Francisco, Inc. to applicant.

The application requests authority to revise currently effective rates and the ZORF approved by D.02-09-015. Currently effective rates and ZORF are attached as Exhibit B to the application. The proposed rates and ZORF for various service points are in Exhibit C. The applicant estimates that the rates proposed will increase revenues by no more than 4%.

Proposed residential shared-ride fares range from \$15 to \$133 depending upon service point. The proposed ZORF will be \$80 or less below the proposed fare, with a minimum rate of \$5, and \$20 above the proposed fare. For hotel service, shared-rides proposed fares range from \$13 to \$21. The proposed ZORF will be \$8 below the proposed rate, with a minimum fare of \$5, and \$21 or less over the proposed rate.

The applicant also seeks to eliminate its second passenger rate for hotel service. The additional passenger rate of \$11 falls within the existing ZORF under D.02-09-015. The additional passenger rate will remain in effect for residential service.

The applicant also proposes changes to exclusive-ride rates it has included in its current tariff. However, under applicable law and Commission regulations, a PSC has no authority to offer exclusive-ride service. Thus the applicant should refile its PSC tariff removing exclusive-ride service rates, and apply for Transportation Charter Party (TCP) authority with the Safety and Enforcement Division Licensing Section if it wants to offer exclusive-ride service.

The applicant's request for shared-ride rates and ZORF changes is reasonable. The applicant will compete with other PSCs, TCPs, taxicabs, public transit and private automobiles in its service area. This highly competitive market will result in the applicant's rates being set at a reasonable level with the ZORF.

The applicant submitted on September 12, 2012, a motion to file under seal, as Exhibit A, its latest financial statements, an unaudited balance sheet for the years ended December 31, 2011 and 2010, and its audited financial statements for the years ended December 31, 2010 and 2009. Administrative Law Judge (ALJ) Hallie Yacknin ruled on November 1, 2012, that the information in Exhibit A is of the type that is not commonly made public and which, if made public, could subject the applicant to an unfair business disadvantage, and granted the unopposed motion of the applicant to file Exhibit A under seal.

Notice of filing of the application appeared in the Commission's Daily Calendar on September 18, 2012.

In Resolution ALJ 176-3301 dated September 27, 2012 the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. No protest has been received. Given this status, a public hearing is not necessary, and it is not necessary to alter the preliminary determinations made in Resolution ALJ 176-3301.

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Pub. Util. Code § 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

### **Safety Considerations**

In order to be authorized to commence operations as a passenger stage corporation, the applicant must comply with the following requirements in order to protect public safety: Proof of adequate insurance, compliance with the controlled substance and alcohol testing program pursuant to Pub. Util. Code §1032.1 and General Order Series 158, and enrollment in the pull notice system as required by Section 1808.1 of the Vehicle Code.

**Assignment of Proceeding**

Emory J. Hagan, III is the assigned Examiner in this proceeding.

**Findings of Fact**

1. The applicant is currently authorized to operate as a PSC between points between Sacramento International Airport and points in Butte, El Dorado, Nevada, Placer, Sacramento, San Joaquin, Solano, Sutter, Yolo, and Yuba Counties.
2. The applicant requests authority to revise its ZORF for residential service to be \$80 or less below the proposed fare, with a minimum rate of \$5, and \$20 above the proposed fare, with a maximum rate of \$153, for shared-ride fares as shown in Exhibit C of the application.
3. The applicant seeks authority to revise its rates for hotel service; the proposed ZORF will be \$8 below the proposed rate, with a minimum fare of \$5, and \$21 or less over the proposed, with a maximum fare of \$38, for shared-ride fares.
4. The applicant seeks to eliminate its second passenger rates for hotels. The additional passenger rate of \$11 falls within the existing ZORF established under D.02-09-015. The additional passenger rate will remain in effect for residential service.
5. The applicant does not have the authority to provide exclusive-rides. If applicant desires to provide exclusive-ride services, it shall file an application to provide charter-party services.
6. The proposed increases in base fares are justified under Pub. Util. Code § 454.
7. The applicant will compete with other PSCs, taxicabs, limousines, public transit, and private automobiles in its operations. The ZORF is fair and reasonable.

8. No protest to the application has been filed.

9. The applicant's Motion For Leave to File Confidential Information under Seal was granted by ALJ Hallie Yacknin on November 1, 2012.

10. A public hearing is not necessary.

11. The activity in question will not have a significant effect on the environment and thus is not subject to review under the California Environmental Quality Act.

**Conclusions of Law**

1. The proposed fares for shared-ride services are just and reasonable and should be granted.

2. The applicant is not authorized to provide exclusive-rides; thus no fare structure for this service should be created.

3. The application for a shared-ride ZORF should be granted.

4. Before the applicant changes any fares under the revised ZORF authorized below, the applicant should give this Commission at least ten days' notice. The tariff should show the high and low ends of the ZORF and the then currently applicable fare between each pair of service points.

5. Since the matter is uncontested, the decision should be effective on the date it is signed.

**O R D E R**

**IT IS ORDERED** that:

1. Sacramento Transportation Systems, Inc., is authorized under Pub. Util. Code § 454.2 to establish a revised Zone of Rate Freedom as shown in Exhibit C of the application, except as provided in Ordering Paragraph No. 4 below.

2. Sacramento Transportation Systems, Inc., is authorized to establish a revised Zone of Rate Freedom (ZORF) fare \$80 or less below and \$20 above the proposed fare with a minimum fare of \$5. For hotel service, the proposed ZORF

will be \$8 below the proposed rate, with a minimum fare of \$5, and \$21 or less over the proposed rate, with a maximum fare of \$38. Sacramento Transportation Systems, Inc. is authorized to eliminate its second passenger rate for hotels.

3. Sacramento Transportation Systems, Inc., shall file an amended tariff on or after the effective date of this order reflecting the approved shared-ride fares. The tariff may become effective ten days or more after the effective date of this order provided that the Commission and the public are given not less than five days' notice.

4. Sacramento Transportation Systems, Inc., shall file amended tariffs within 20 days after the effective date of this order removing the exclusive-ride fares. The amended tariffs may become effective no less than ten days after the amended tariffs have been approved provided that the Commission and public are given not less than five days' notice. If Applicant desires to provide exclusive-ride services, it shall file an application to provide charter-party services.

5. Sacramento Transportation Systems, Inc., shall file a Zone of Rate Freedom (ZORF) tariff in accordance with the application on not less than ten days' notice to the Commission and to the public. The ZORF and the authorized increase in fares shall expire unless exercised within 120 days after the effective date of this order.

6. Sacramento Transportation Systems, Inc., may make changes within the Zone of Rate Freedom by filing amended tariffs on not less than ten days' notice to the Commission and to the public. The tariff shall include the authorized maximum and minimum fares and the fare to be charged between each pair of service points.

7. In addition to posting and filing tariffs, Sacramento Transportation Systems, Inc., shall post notices explaining fare changes in its terminals and

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passenger-carrying vehicles. Such notices shall be posted at least ten days before the effective date of the fare changes and shall remain posted for at least 30 days.

8. The confidential information subject to Administrative Law Judge (ALJ) Hallie Yacknin's ruling dated November 1, 2012, shall remain under seal for a period of two years from the date of that ruling. During this period, the information shall not be made accessible or disclosed to anyone other than (a) Commissioners and Commission Staff, (b) other parties to this proceeding who have executed a reasonable nondisclosure agreement with Sacramento Transportation Systems, Inc., or (c) upon further order or ruling of this Commission, the assigned Commissioner, the assigned ALJ, or the ALJ then designated as Law and Motion Judge.

9. The Application is granted as set forth above.

10. This proceeding is closed.

This decision is effective today.

Dated \_\_\_\_\_, 2013, at San Francisco, California.