

Decision 89 08 015 AUG 3 1989

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
George Preston, Inc. for authority)	Application 89-04-011
to establish a zone of rate freedom)	(Filed April 7, 1989)
for its tariffs filed for PSC 1419.)	

OPINION

George Preston, Inc. (applicant) is a California corporation operating out of Fremont, California. A copy of its Articles of Incorporation is on file with Commission Application 85-12-014.

Applicant provides an on-call airport transportation service between points in the Counties of Alameda and Santa Clara, on the one hand, and the Oakland International, San Jose International, and San Francisco International Airports, on the other hand. One-way adult fares extend from \$8 to \$18, depending upon the point of pickup and the destination. There are also round-trip fares, senior citizen fares, fares for children, and group rates. Applicant seeks to establish a Zone of Rate Freedom (ZORF) of plus or minus \$4 on all of its currently published tariff fares.

Applicant competes with other passenger carriers in the area it serves. Authorizing a ZORF will enable applicant to adjust its rates according to market conditions.

Applicant has provided balance sheets and profit and loss statements for 1987 and 1988. A proposed tariff page is included which lists the minimum and maximum ZORF rates, along with fares presently charged.

Applicant requests that an augmented rate be authorized. It consists of a \$5 per person surcharge on pickups between 11:00 p.m. and 6:00 a.m. and on pickups delayed more than an hour due to

late arriving aircraft, or the fault of a passenger. Applicant does not discuss this proposed rate and gives no reason why it should be adopted. The rate would be discriminatory if granted without a basis to support the action.

Applicant should be granted an exemption from the long- and short-haul provisions of Public Utilities (PU) Code § 460. A contrary finding might limit the carrier's ability to establish competitive rates where others are providing the same service.

Copies of the application were mailed to the City Clerks of Fremont, Newark, and Milpitas, also to the County Clerks of Alameda and Santa Clara County, and the Executive Director of the Metropolitan Transportation Commission. Notice of the filing of the application was provided in the Commission's Daily Calendar on April 11, 1989. There have been no protests or requests for hearing.

Findings of Fact

1. Applicant is a passenger stage corporation operating between points in Alameda and Santa Clara Counties and three major airports.
2. Applicant requests authority to establish a ZORF of plus or minus \$4 on its one-way and round-trip adult, children, senior, and group fares.
3. The ZORF will permit applicant to adjust rates as required by competition and rising operating expenses.
4. Applicant should be exempted from the long- and short-haul provisions of PU Code § 460.
5. Applicant has failed to justify the request for an augmented rate to be applied on late or delayed pickups.

Conclusions of Law

1. The application to establish a ZORF should be granted.
2. Before applicant charges any ZORF fares, it should first file such fares with the Commission on 10 days' notice.

3. The filing of ZORF fares should be accompanied by a tariff amendment which shows the high and low ends of the ZORF as well as the then currently effective rate.

4. The request for a \$5 augmented rate should be denied.

ORDER

IT IS ORDERED that:

1. George Preston, Inc. is authorized to establish a Zone of Rate Freedom (ZORF) of plus or minus \$4 on all of its currently published tariff rates.

2. Applicant shall file a tariff based on the ZORF on no less than 10 days' notice to the Commission and the public subject to Commission approval. The authority for ZORF shall expire unless exercised within 60 days after the effective date of this order.

3. Any fare changes within its ZORF may be made by applicant by filing and amending its tariff on no less than 10 days' notice to the Commission and the public. The tariff shall include for each fare point, the authorized maximum fare, the authorized minimum fare, and the fare to be actually charged.

4. Applicant is relieved from the provisions of the long- and short-haul requirements of PU Code § 460 in establishing the authorized ZORF fares.

5. In addition to posting and filing tariffs, applicant shall post a printed explanation of its fares in its fare passenger carrying vehicles and terminals. The notice shall be posted at least 5 days before the effective date of the fare changes and shall remain posted for at least 30 days.

6. The request for authority to charge an additional \$5 on late or delayed pickups is denied.

7. The application is granted as set forth above.

This order is effective today.

Dated AUG 3 1989, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

Commissioner Stanley W. Hulett,
being necessarily absent, did not
participate.

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.

Victor Weisser
Victor Weisser, Executive Director
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