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Decision 91-05-047 May 22, 1991

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

In the Matter of the Application of )  
 SANTA CRUZ TRANSPORTATION, INC., )  
 doing business as SANTA CRUZ )  
 AIRPORTER, to establish a Zone of )  
 Rate Freedom of minus \$5.00 to plus )  
 \$10.00 from its current tariff )  
 rates, pursuant to the provisions of )  
 Section 454.2 of the Public )  
 Utilities Code. )

**ORIGINAL**

Application 90-09-041  
 (Filed September 14, 1990)

OPINION

Santa Cruz Transportation, Inc., a California corporation doing business as Santa Cruz Airporter, requests authority to establish a zone of rate freedom (ZORF) under Public Utilities (PU) Code § 454.2 between points within its authorized service area and to deviate from the long- and short-haul provisions of PU Code § 460.

Applicant conducts operations as a passenger stage corporation for transportation of passengers and their baggage between points in Santa Cruz County and San Jose Municipal Airport and San Francisco International Airport in competition with other substantially similar passenger stage transportation services.

Applicant proposes a ZORF that is \$5 below and \$10 above its present fares, as the minimum and maximum. The ZORF includes promotional fares of \$5 below its present fares for "early morning" and "late evening" services.

Notice of the filing of the application appeared in the Commission's Daily Transportation Calendar on September 26, 1990. No protests have been received. On October 15, 1990, Transportation Division (staff) recommended ex parte approval of the application in the absence of protests.

With respect to promotional services, we concur with staff's request and place applicant on notice to define in its tariffs: (1) the terms "early morning" and "late evening"; and (2) the exact times of its promotional fares.

Findings of Fact

1. Applicant is operating in competition with other substantially similar passenger stage transportation services.
2. Applicant requests authority to establish a ZORF of \$5 to \$10 around its existing fares.
3. The competitive transportation services will result in reasonable rates when considered with the ZORF authorized below.
4. The granting of an exemption from the long- and short-haul provisions of PU Code § 460 is appropriate in this case.
5. A public hearing is not necessary.

Conclusions of Law

1. The application should be granted.
2. Before applicant charges rates under the ZORF authorized below, 10 days' notice should be given to the Commission.
3. The filing of ZORF rates should be accompanied by a tariff amendment showing for each route the high and low ends of the ZORF and the currently effective rate.
4. No rate should be reduced to zero by application of the ZORF.
5. In order to make the proposed rates changes available as soon as possible, the following order should be effective immediately.

ORDER

IT IS ORDERED that:

1. Santa Cruz Transportation, Inc. is authorized to establish fares within a zone of rate freedom (ZORF) that is \$5 below or \$10 above its present fares, as the minimum and maximum.

2. Applicant shall file a ZORF tariff on not less than 10 days' notice to the Commission and to the public; and subject to Commission approval. The ZORF authority shall expire unless exercised within 60 days after the effective date of this order.

3. Applicant may make rate changes within the ZORF by filing amended tariffs on not less than 10 days' notice to the Commission and to the public. The tariff shall include for each route the authorized maximum and minimum rates and the rate to be charged.

4. Applicant is exempted from the long- and short-haul provisions of Public Utilities Code § 460 in setting the authorized ZORF rates.

5. In addition to posting and filing proposed tariff changes, applicant shall post notices explaining rate changes in its terminals and passenger-carrying vehicles. The notices shall be posted at least 5 days before the effective date of the rate changes and shall remain posted for at least 30 days.

6. This application is granted as set forth above.  
This order is effective today.

Dated May 22, 1991, at San Francisco, California.

PATRICIA M. ECKERT  
President  
G. MITCHELL WILK  
DANIEL Wm. FESSLER  
NORMAN D. SHUMWAY  
Commissioners

Commissioner John B. Ohanian,  
being necessarily absent, did  
not participate.

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

  
NEAL J. SHULMAN, Executive Director