

Decision No. 40668

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 G.F.D.LINES, INC. for authority to ) Application No. 28508  
 increase its rates. )

AppearanceArlo D. Poe, for applicantO P I N I O N

G.F.D. Lines, Inc. is a corporation engaged in transporting motion picture films and film accessories as a highway common carrier between points within southern California. By this application it seeks authority to establish, in addition to the rates and charges which would otherwise apply, a surcharge of \$2.50 per theater per week.<sup>1</sup>

Public hearing was held before Examiner Bryant at Los Angeles on July 23, 1947. The matter is ready for decision.

Evidence was submitted by applicant's secretary-treasurer and by a transportation engineer of the Commission's staff. The witnesses agreed that applicant's operations are being conducted at a loss. The secretary-treasurer introduced exhibits to show that from its over-all operations the company lost \$41,154 during 1946, and \$11,079 during the first six months of 1947. He attributed the losses to sharp advances in operating costs, and said that further increases in the costs of fuel, insurance, labor, and taxes have been recently experienced. Applicant's witness did not know the extent to which the highway common carrier operations, considered separately,

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The company is also engaged in certain other intrastate and interstate transportation services. Rates for such services are not involved in this proceeding.

were contributing to the losses. He was certain, however, that such operations were unprofitable, and believed that they would be restored to a profitable basis under the proposed rates.

The Commission engineer introduced an exhibit which he had developed from an analysis of applicant's records covering operations for the first six months of 1947. According to figures taken from the exhibit, the highway common carrier operations during the period resulted in a net operating loss of \$2,473; had the current level of expenses prevailed throughout the six months, the loss would have been \$4,504; had the proposed rates been assessed, the company would have earned a profit of \$2,370 after meeting the increased expenses.<sup>2</sup>

No one appeared in opposition to the granting of the application.

The increased rates which applicant proposes to establish appear reasonable and necessary to the maintenance of its highway common carrier services. We conclude and find as a fact that applicant has shown an increase in its rates by the amount of the proposed surcharge to be justified. The application will be granted.

#### O R D E R

Public hearing having been had in the above entitled application, full consideration of the matters and things involved having been had, and the Commission being fully advised,

<sup>2</sup>

The operating ratio under the proposed rates would have been 94.7 per cent. The engineer did not develop a rate base nor estimate the rate of return. No allowance was made for income taxes.

IT IS HEREBY ORDERED that applicant be and it is hereby authorized to establish, on not less than ten (10) days' notice to the Commission and to the public, a charge of \$2.50 per week per theater served, to apply in addition to all other transportation charges provided in applicant's tariff.

This order shall become effective twenty (20) days from the date hereof.

Dated at San Francisco, California, this 26<sup>th</sup> day of August, 1947.

Harold P. Kelly  
Julius J. Craven  
W. H. Russell  
A. J. ...  
Herbert Patten  
 Commissioners

