

ORIGINAL

Decision No. 42269

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 GLENDALE CITY LINES, INC., for an)
 order granting permission to discon-) Application No. 29633
 tinue its present token rate of fare)
 and to increase other fares.)

C. H. HASBROUCK for applicant; JOHN W. LAUTEN for City of
 Glendale, CLARK E. STORM for Board of Public Utilities and
 Transportation, City of Los Angeles, interested parties.

O P I N I O N

Glendale City Lines, Inc. operates a passenger stage service in the
 City of Glendale and vicinity, and between Glendale and the City of Burbank. It
 is seeking authority to increase its fares as follows:

<u>Fare</u>	<u>Present</u>	<u>Proposed</u>
Adult	10¢, 5 tokens 35¢	10¢, eliminate tokens
One-zone School Commutation	40 rides, \$2.00 (Free Transfer)	40 rides, \$2.40 (Free Transfer)
Two-zone School Commutation	40 rides, \$2.40 (Free Transfer)	40 rides, \$3.20 (Free Transfer)

A public hearing was held in Glendale on October 21, 1948. Evidence,
 oral and documentary, having been adduced, the matter was submitted for decision.

At the hearing, applicant requested permission to amend its application
 to ask for the elimination of its present Atwater Zone No. 2 and to include said
 zone within its present Glendale Zone No. 1. The consolidation will place appli-
 cent on a fairer competitive basis.

Applicant's general auditor and a Commission engineer presented evidence
 showing estimated results of operation that would obtain under different fare
 structures. A tabulation of their evidence follows:

PROJECTED INCOME STATEMENT

Item	12 Months Ending August 31, 1949		12 Months Ending October 31, 1949		P.U.C. Staff Est. 10¢ cash
	Applic. Ex. Nos. 9 & 10 Present Fares 10¢ cash Tok. 5/35¢	Proposed Fares 10¢ cash No Tokens	Present Fares 10¢ cash Tok. 5/35¢	Proposed Fares 10¢ cash No Tokens	
Rev. (a)	\$381,400	\$430,300	\$385,340	\$427,265	\$413,380
Exp. (b)	385,755	390,287	384,643	384,643	384,643
Net before Inc. Tax	(4,355)	40,130	697	43,222	28,737
Oper. Ratio (c)	-	90.7%	99.82%	89.90%	93.05%
Inc. Taxes	-	12,938	-	15,305	7,400
Oper. Ratio (d)	-	93.71%	-	93.48%	94.24%

- (a) Includes income from Pacific Elec. Ry. Co. contract
- (b) Includes Depreciation, Oper. Taxes, & Licenses
- (c) Before Income Taxes
- (d) After Income Taxes

(Red Figure)

It will be noted that both witnesses submitted substantially comparable figures of estimated results based on proposed fares.

An increase in fares was not opposed although the City of Glendale took the position, based on the evidence presented at the hearing, that any increase that may be authorized should be less than that requested. The city did not offer evidence.

The record shows that applicant is in need of additional revenue to meet increased operating costs; that passenger traffic throughout 1947 and 1948, to date, has gradually declined, and that the cost of labor and material and supplies has constantly increased.

An early reversal of the traffic and cost trends is not anticipated.

Upon the record we find that applicant has justified an increase in fares; that its proposed fares would yield additional revenue in excess of a

reasonable amount; that the fare structure developed by the Commission's staff of 10 cents cash fare, four tokens for 35 cents, and the increase in school fares as requested by applicant, appears reasonable; that said fares, before income taxes, would result in an operating ratio of approximately 93% and after income taxes approximately 95%; and that the increase in fares authorized by the following order is justified.

The evidence also shows that applicant has been curtailing its service on some lines in order to effect operating economies and that the present frequency of service on said lines has reached a minimum from the standpoint of public convenience. As any further reduction in schedules would probably result in additional loss of patronage, it would appear that the company should refrain from further curtailment of schedules and should take such steps as may be necessary to make its service more desirable.

ORDER

A public hearing having been had in the above-entitled proceeding, the Commission being fully advised in the premises and basing its order upon the findings and conclusions set forth in the preceding opinion,

IT IS ORDERED that applicant be, and it hereby is, authorized to establish, on not less than five (5) days' notice to the Commission and the public, increased fares and revised fare zones as follows:

- (a) Adult Fare:
 - Intrazone,
 - Cash fare 10 cents
 - Token fare (4 tokens for 35¢) 8-3/4¢
 - Interzone,
 - Cash fare 10 cents or 1 token for the first zone, plus 5 cents for each additional zone
- (b) School Fare:
 - Intrazone,
 - 40 rides for \$2.40 with free transfer privilege
 - Interzone (2 zones),
 - 40 rides for \$3.20 with free transfer privilege
- (c) Zone change:
 - Eliminate Atwater Zone
- (d) All other fares, rules and regulations to remain unchanged.

IT IS FURTHER ORDERED that the authority herein granted shall be void unless the changes in fares authorized in this order are published, filed and made effective within sixty (60) days from the effective date hereof.

IT IS HEREBY FURTHER ORDERED that, in all other respects, the above-entitled application be, and it hereby is, denied.

The effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, November 23, 1948.

R. T. Davidson
James L. Quinn
Harold P. Hild
James P. Potter

COMMISSIONERS