

ORIGINALDecision No. 49091

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of ANGELS' FLIGHT RAILWAY COMPANY.
for authority to revise rates by
eliminating the sale and use of
certain full-fare commutation
books and offering a new
commutation book.

Application No. 34394

O P I N I O N

In this application as amended Angels' Flight Railway Company, a California corporation, seeks an increase in its fare structure as follows:

<u>Type of Fare</u>	<u>Present</u>	<u>Proposed</u>
2 rides	5¢	5¢
15-ride book	25¢	Not offered
30-ride book	Not offered	50¢
50-ride book	50¢	Not offered

The company operates an inclined cable way in the City of Los Angeles, on Third Street between Hill and Olive Streets. This railway originally was constructed in 1901.

In the original application it was proposed to offer a 25-ride book for 50 cents but in the amended application this was changed to a 30-ride book. Exhibit "D" attached to the application shows an estimate of earnings for the year 1953, both under present and proposed fares. A study of this operation was made by an associate transportation

engineer of the Commission staff and a comparison of these estimates is set out hereinbelow. It should be noted that the applicant's studies were based upon the original proposal of a 25-ride book, whereas the engineer has submitted two studies, one based upon a 25-ride book and the other upon a 30-ride book.

Estimated Results of Operation

<u>Item</u>	<u>Applicant</u> Year <u>1953</u>	<u>P.U.C. Staff</u> 12 months' period ending <u>August 31, 1954</u>	
I <u>Under Present Fares</u>			
Revenue	\$33,660	\$34,560	
Operating Expenses	<u>37,012</u>	<u>38,485</u>	
Net Income before Income Taxes	<u>(3,352)</u>	<u>(3,925)</u>	
() Red Figure			
II <u>Under Proposed Fares</u>			
		(1)	(2)
Revenue	\$39,917	\$46,650	\$42,210
Operating Expenses	<u>37,757</u>	<u>38,700</u>	<u>38,610</u>
Net Income before Income Taxes	2,160	7,950	3,600
Income Taxes	<u>750</u>	<u>2,610</u>	<u>1,180</u>
Net Income	\$ 1,410	\$ 5,340	\$ 2,420
Operating Ratio before Income Taxes - %	96.5	88.6	94.3
Rate Base	\$32,000	\$28,400	\$28,400
Rate of Return - %	4.4	18.8	8.5

(1) Based upon the proposed 25-ride fare.

(2) Based upon the proposed 30-ride fare.

Attached to the application is a description of applicant's property, a table of passenger revenue for the years 1947 to 1952, inclusive, and the first four months of 1953, and a summary of earnings for the first four months of 1953 together with the estimated results of operation hereinabove listed.

The Board of Public Utilities and Transportation of the City of Los Angeles has reviewed applicant's amended application and concluded that the requested fares as set forth in the amended application indicate a return to the company which would not be unreasonable.

After consideration of this record we conclude that applicant is entitled to an increase in its present fares. The fares as proposed in the amended application appear to be reasonable. Applicant's request will be granted and the fares authorized in the following order are hereby found to be adequate. A public hearing is not necessary.

O R D E R

Application as above entitled having been filed, the Commission being fully advised in the premises, and good cause appearing,

IT IS ORDERED that Angels' Flight Railway Company, a corporation, be and it hereby is authorized to establish on five days' notice to the Commission and the public the following fare structure:

2 rides	5¢
30-ride book	50¢

IT IS FURTHER ORDERED that the authority herein granted shall expire except to the extent that the rates and

charges published pursuant to this authority are filed and made effective within sixty days after the effective date of this order.

The effective date of this order shall be ten days after the date hereof

Dated at South Pasadena, California, this 15th of September, 1953.

R. F. [Signature]
President
Justin F. [Signature]
Harold [Signature]
[Signature]
[Signature]
Commissioners