

ORIGINALDecision No. 50498

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of Thomas W. Gilboy, Thomas E. Gilboy,)
Patricia Gilboy Shortall, and)
Edward Hunter, a co-partnership,)
doing business as Gilboy Company of) Application No. 35401
Los Angeles, for authority to increase)
rates for the transportation of motion)
picture film and motion picture theater)
supplies.)

Arlo D. Poe for applicant.
Rudolph Lubich and Leonard Diamond for the
Commission staff.

O P I N I O N

Applicant co-partnership is engaged in business as a high-way common carrier transporting films and motion picture theater supplies between Los Angeles and various Southern California points. It also transports such property as a city and contract carrier.

By this application, as amended, authority is sought to increase certain rates and make other changes in its Local Freight Tariffs Nos. 2 and 3 as follows:

Local Freight Tariff No. 2

	<u>Present</u>	<u>Proposed</u>
Item # 5 Special Deliveries--per trip	None	\$5.00
Item #10 Penalty Charge--Tendering Clause	\$4.00	5.00
Item #15 C.O.D. Collections		Eliminate
Item #20 Rates per Week--Between Los Angeles and all points in territories described on Page 3	5.00	7.50
Tag Breaker --ca.	1.00	1.50
Replacement Prints--ca.	3.00	1.50
Circuits --ca.	1.00	1.50
Night Shipments	16¢/mi.-- 3.00 ea.min.	20¢/mi.-- 5.00 ea.min.

Local Freight Tariff No. 3

	<u>Present</u>	<u>Proposed</u>
Item #10 Special Deliveries--per trip	None	\$5.00
Item #15 Penalty Charge--Tendering Clause	\$4.00	5.00
(A) Rates between Los Angeles (Index No. 1 and Index No. 2--West Hollywood--per week	5.00	7.50
" No. 3--Beverly Hills -- " "	5.00	7.50
" No. 4--Santa Monica -- " "	6.38	8.00
" No. 5--Ocean Park -- " "	6.38	8.00
" No. 6--Culver City -- " "	6.38	8.00
" No. 7--Inglewood -- " "	6.38	8.00
" No. 8--Hawthorne -- " "	6.38	8.00
" No. 9--Hyde Park -- " "	6.38	8.00
Tag Breakers --ea.	1.00	1.50
Replacement Prints --ea.	1.00	1.50
Circuits --ea.	1.00	1.50
Night Shipments	16¢/mi.-- 3.00 ea.min.	20¢/mi.-- 5.00 ea.min.

The proposed rates would result in increases in varying percentages. Applicant states that said increases, in addition to providing needed revenue, will produce a just, reasonable, and non-discriminatory rate structure for applicant's service; that rates have not been changed substantially since 1946 whereas its costs of operation have materially increased, particularly wages, fuel, insurance, materials, supplies, and taxes; and that highway common carrier operations are now being operated at a loss.

A public hearing was held in Los Angeles before Examiner Mark V. Chiesa. Oral and documentary evidence having been adduced the matter was submitted for decision.

The record shows that for the year ending December 31, 1953, applicant's total revenues and expenses for the entire city, contract, and highway common carrier operations were as follows:

	<u>Applicant</u> <u>(Ex. No. 1)</u>	<u>P.U.C. Staff</u> <u>(Ex. No. 3)</u>
Total Revenue	\$57,286.48	\$57,287
Expenses:		
M & O Expenses	56,577.95 *	57,669 *
Depreciation	721.70	722
Oper. Taxes & Licenses	2,954.05 *	3,968 *
Total Expenses	\$60,253.70	\$62,359
Operating Loss	(2,967.22)	(5,079)

(Red Figure)

* Variance results from applicants having adjusted certain accounts, whereas Commission staff figures are book records.

Applicant's estimated result of operations for a calendar year based on proposed rates, and the Commission's staff estimates based on present and proposed rates for a rate year ending June 30, 1955, are as follows:

	<u>Applicant</u>	<u>P.U.C.</u>	
	<u>Proposed Rates</u>	<u>Present Rates</u>	<u>Proposed Rates</u>
Operating Revenue	\$66,671.29	\$64,370	\$67,685
Operating & Maintenance Expense	58,241.42	60,225	60,225
Depreciation	577.47	795	795
Oper. Taxes & Licenses	3,281.73	3,325	3,355
Total Expenses	\$62,110.62	\$64,345	\$64,375
Operating Ratios before Inc. Taxes	93.2%	100.0%	95.0%
Net Operating Income	4,560.67	25	3,310
State & Federal Income Taxes	948.62 *	5	690
Net Income after Taxes	3,612.05 *	20	2,620
Operating Ratio after Inc. Taxes	94.6% *	100.0%	96.1%

* P.U.C. staff figure

Applicant developed estimated results of operation for a calendar year only for the over-all transportation business, consisting of the city, contract, and highway common carrier operations. Expenses were not allocated to the various services.

The Commission's staff report shows that applicant's highway common carrier operations account for approximately 17.5 per cent of the total revenue, and the city and contract carrier business 82.5 per cent. In 1953 applicant served 123 theaters pursuant to city carrier and contract carrier authority, and 22 theaters as a highway common carrier. The rate in dollars per week for former service has been \$7.00 since July 1, 1953, whereas the rates for theater service under common carrier authority were \$5.00 per week for 13 theaters situated in West Hollywood and Beverly Hills, and \$6.38 per week for 9 theaters situated in Santa Monica, Ocean Park, Culver City, Inglewood, Hawthorne, and Hyde Park.

In addition to the proposed increases applicant is establishing a new charge of \$5.00 for expedited services requiring a special trip. It also proposes to eliminate C.O.D. collections as this service has not been used in the past.

Having considered the evidence of record, the Commission is of the opinion and finds that the proposed rates and charges are justified and will result in the elimination of certain inequalities. The application will be granted as hereinafter set forth. Applicant's request to establish the proposed increase on less than statutory notice appears to be reasonable and will also be granted.

In granting the proposed increase in rates the Commission does not make a finding of fact as to the reasonableness of any particular rate or charge.

ORDER

A public hearing having been held, the Commission being fully advised in the premises, and basing its findings of fact and conclusions as hereinabove set forth upon the evidence of record, makes its order as follows:

(1) That Thomas W. Gilboy, Thomas E. Gilboy, Patricia Gilboy Shortall, and Edward Hunter, a co-partnership doing business as Gilboy Company of Los Angeles, be and they hereby are authorized to establish, on not less than five days' notice to the Commission and to the public, an increase in the rates and charges published in their Local Freight Tariff No. 2, Cal. P.U.C. No. 2, and Local Freight Tariff No. 3, Cal. P.U.C. No. 3, and make other changes in said tariffs as proposed in the application, as amended, filed in this proceeding.

(2) That the authority herein granted is subject to the express condition that applicants will never urge before this Commission in any proceeding under Section 734 of the Public Utilities Code, or in any other proceeding, that the opinion and order herein constitute a finding of fact of the reasonableness of any particular rate or charge, and that the filing of rates and charges pursuant to the authority herein granted will be construed as consent to this condition.

(3) That the authority herein granted shall expire unless exercised within sixty days after the effective date of this order.

This order shall become effective twenty days after the date hereof.

Dated at San Francisco, California, this 31st day of August, 1954.

[Signature]
President
[Signature]
[Signature]

Commissioners

JUSTUS F. CRAEMER
Commissioner....., being
necessarily absent, did not participate
in the disposition of this proceeding.