

ORIGINAL

Decision No. 56450

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 GLENDALE CITY LINES, INC. for an
 ex parte order for authority to
 increase rates of fare.

Application No. 39885

C. H. Hasbrouck, for applicant.
Henry McClernan, City Attorney, by John H. Lauten,
 Assistant City Attorney, for the City of Glendale;
Jack C. Sanders, for the Department of Public
 Utilities and Transportation of the City of
 Los Angeles; interested parties.
Donald Warth, for the Public Utilities Commission.

INTERIM OPINION

Glendale City Lines, Inc., requests authority to increase its single-zone cash fare from 17 cents to 20 cents, and its single-zone token fare from 7 for \$1.00 to 6 for \$1.00.

A public hearing was held in Los Angeles on March 28, 1958, before Examiner Grant E. Syphers, at which time evidence was adduced and the matter submitted.

The testimony of the applicant discloses that applicant presently is conducting operations at a loss. This condition has been aggravated due to a strike which extended from December 2, 1957, to February 12, 1958. Applicant also estimates that if the increases are granted the operations will still be conducted at a loss. For a one-year period ending April 30, 1959, applicant's estimates are as follows:

Forecast of Operations for a One-
Year Period Ending April 30, 1959

	<u>Present Fare Basis</u>	<u>17c Cash Or 6 Tokens For \$1.00</u>	<u>20c Cash Or 6 Tokens For \$1.00</u>
<u>OPERATING REVENUE</u>			
Passenger Revenue	\$223,500	\$223,150	\$243,600
Special Bus Revenue	3,000	3,000	3,000
Advertising Revenue	<u>4,500</u>	<u>4,500</u>	<u>4,500</u>
Total	\$231,000	\$245,650	\$254,100
<u>EXPENSES</u>			
Operating and Maintenance Expenses	\$243,210	\$243,210	\$243,210
Depreciation	2,296	2,296	2,296
Oper. Taxes & Licenses	<u>23,280</u>	<u>23,200</u>	<u>23,200</u>
Total Oper. Expenses, Depreciation, Taxes & Licenses	\$268,786	\$268,786	\$268,786
Estimated Net Income from Operations	<u>(37,786)</u>	<u>(23,136)</u>	<u>(14,686)</u>
Other Income	\$ <u>11,630</u>	\$ <u>11,630</u>	\$ <u>11,630</u>
Estimated Net Income bef. State & Federal Income Tax	<u>(26,156)</u>	<u>(11,506)</u>	<u>(3,056)</u>
Provision for State & Federal Income Taxes	<u>-</u>	<u>-</u>	<u>-</u>
Estimated Net Income	\$ <u>(26,156)</u>	\$ <u>(11,506)</u>	\$ <u>(3,056)</u>
Estimated Mileage	590,000	590,000	590,000
Operating Ratio	110.73%	104.47%	101.15%

(Red Figure)

Testimony presented by an engineer of the Commission's staff discloses the following estimates, based upon a base fare of 17 cents cash or 6 tokens for \$1.00:

RESULTS OF OPERATIONS FOR
12 MONTHS ENDING NOVEMBER 30, 1957, AND
RESULTS FOR THE RATE YEAR ENDING APRIL 30, 1959

<u>Item</u>	<u>12 Months To November 30, 1957 As Recorded</u>	<u>Rate Year Ending April 30, 1959</u>
<u>Bus Miles</u>	-	-
<u>Operating Revenue</u>		
Passenger	\$ 248,900	\$ 264,905
Special Bus	3,083	3,033
Advertising	5,642	5,642
Miscellaneous	<u>12,096</u>	<u>12,096</u>
Total	\$ 269,721	\$ 285,726
<u>Operating Expenses</u>		
Operating & Maintenance	\$ 234,260	\$ 245,500
Depreciation	4,550	4,550
Operating Taxes	23,670	23,670
Operating Rents-Net	<u>(4,330)</u>	<u>(4,330)</u>
Miscellaneous	-	-
Total	\$ 258,160	\$ 269,340
Operating Income	<u>\$ 11,621</u>	<u>\$ 16,386</u>
Income Taxes	\$ 3,812	\$ 5,374
Net Income	\$ 7,309	\$ 11,012
Operating Ratio	97.1%	96.1%

(Red Figure)

The study of the staff engineer was based solely upon an increase in the token fare and did not consider the effects of the proposed increase to a 20-cent cash fare.

The testimony also disclosed that the Metropolitan Transit Authority has recently increased its token fare to 6 for \$1.00. The suggested increase in this respect would eliminate difficulties

in interchange passengers between applicant's system and that of the Transit Authority. However, the Transit Authority still has a cash fare of 17 cents. If applicant's cash fare were raised to 20 cents, the testimony discloses that there would be some disparity in rates in that an interchange passenger between the two systems might pay a lower fare going from Los Angeles to Glendale than he would in the reverse direction.

In the light of this record we now find that the request of Glendale City Lines, Inc., for an increase in its token fare is justified and reasonable. This request will be granted. As to the request for an increase in a cash fare to 20 cents, action thereon will be deferred in order to permit a more complete study by the staff. The ensuing order will be interim in nature.

INTERIM ORDER

Application as above entitled having been filed, public hearing having been held thereon, the Commission being fully advised in the premises and hereby finding it to be not adverse to the public interest,

IT IS ORDERED:

(1) That Glendale City Lines, Inc., be and it hereby is authorized to increase its token fares to 5 for \$1.00 on not less than five days' notice to the Commission and to the public.

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

(3) That this order shall be interim in nature, and further hearings will be held thereon at such time and place as the Commission may designate.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California,
this 1st day of APRIL, 1958.

[Signature]
President
[Signature]
[Signature]
[Signature]
Commissioners