

ORIGINALDecision No. 61194

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 THE PULLMAN COMPANY for authority,)
 under Sections 454 and 491 of the)
 Public Utilities Code, to increase)
 rates.)

Application No. 42747

OPINION AND ORDER

The Pullman Company is a common carrier engaged in the operation of sleeping cars over various railroad lines in California. By this application, filed October 13, 1960, it seeks authority to increase its California intrastate rates for room accommodations (except on roomettes) by \$1.00 per person per night.¹ The rates for berths, sections, duplex-roomettes and roomettes are not proposed to be increased.

Applicant's California intrastate fares were last adjusted effective June 18, 1959, when they were increased five percent pursuant to authority granted by Decision No. 58538 in Application No. 40913.

An exhibit filed with the application shows that during the year 1959, in its nationwide operations, applicant incurred a deficit of \$14,026,261, with a corresponding operating ratio of 124.8 percent. Another exhibit shows that annual operating costs for the system have increased by \$2,140,000 since February 1, 1959. The

The proposed upward adjustment is the same as that established by applicant on interstate traffic, effective November 6, 1960.

In effect about the only California intrastate traffic involved will be that between San Francisco, Oakland and Sacramento, on the one hand, and Los Angeles, on the other hand. The proposed increase on that traffic will range from 5 to 8½ percent.

application also shows applicant's California intrastate operating results for 1959, and an estimate under the proposed fares. These are shown in the table below.

	<u>Year 1959</u>	<u>Proposed Fares</u>
Operating Revenue	\$ 826,007	\$ 868,728
Operating Expense	<u>1,007,611</u>	<u>1,035,627</u>
Net Operating Revenue	\$ <u>(181,604)</u>	\$ <u>(166,899)</u>
Operating Ratio	122.0%	119.2%

() - Indicates loss.

The operating results set forth above do not include revenue of approximately \$93,896 obtained from intrastate special movements, nor expenses for these special movements.

It is apparent that the revenue reasonably to be expected from applicant's California intrastate operations under its present fare structure will fail to cover the costs of operation by a considerable amount. The effect of the sought fare increases, if granted, would be only to reduce the annual operating deficit to a small extent.

The application contains no information relative to the establishment of a rate base. However, since it is clear that the carrier's California intrastate operations will continue to result in substantial losses, the failure to produce such data will not prevent the granting of the relief herein sought.

Applicant has informed parties believed to be interested in the sought fare increases. No objection to the granting of the application has been received. A public hearing does not appear to be necessary.

Upon consideration of all the facts and circumstances of record, the Commission is of the opinion and hereby finds that the fare increases sought by applicant in this proceeding are justified. The application will be granted. Applicant has requested that it be permitted to establish the proposed fares on less than statutory notice and to depart from the terms of the Commission's Tariff Circular No. 2 to the extent necessary to publish the fares in master-table supplements to its tariffs. These requests appear to be reasonable and will be granted. Also, in view of applicant's urgent need for additional revenues, the order which follows will be made effective ten days after the date hereof. Applicant will be required to make specific publication of the authorized increased fares in its tariffs not later than one year after the effective date or dates of the fares under the master-table supplements.

Therefore, good cause appearing,

IT IS ORDERED:

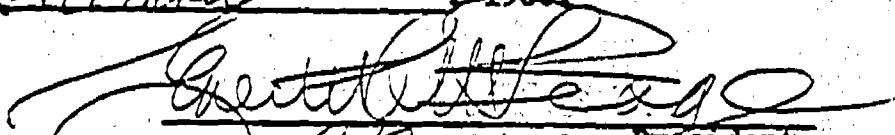
1. That The Pullman Company be and it is hereby authorized to establish, on not less than five days' notice to the Commission and to the public, the increased fares for sleeping car accommodations as proposed in the application filed in this proceeding.

2. That The Pullman Company be and it is hereby authorized to publish the increased fares authorized herein in master-table supplements to its tariffs. To the extent that departure from the terms and rules of Tariff Circular No. 2 of this Commission is required to accomplish such publication, authority for such departure is hereby granted. Applicant thereafter shall publish in its tariffs the specific increased fares authorized herein not later than one year after the effective date or dates of the fares.

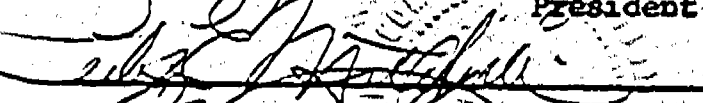
3. That the authority herein granted shall expire unless exercised within sixty days after the effective date of this order.

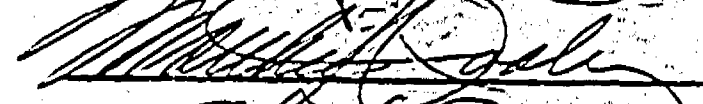
This order shall become effective ten days after the date hereof.

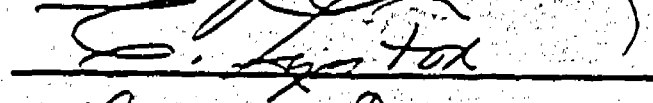
Dated at San Francisco, California,
this 13th day of December, 1960.

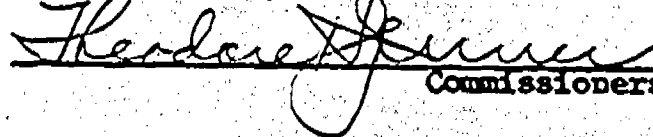


President









Commissioners