

Decision no. 61345**ORIGINAL**

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. 42849

OPINION AND ORDER

Glendale City Lines, Inc., is a passenger stage corporation engaged in operations in the Cities of Glendale and Burbank. By application filed November 10, 1960, it seeks authority to increase fares by discontinuing the present tokens presently selling six for \$1.00 and the student ride tickets for traveling within one zone selling 40 for \$3.60. With such discontinuance of tokens and school tickets for one zone, the fares for adults will be twenty cents in cash and the present school fares for travel between zones of 40 rides for \$4.80 which will be honored between any points on applicant's system.

By amendment to its application filed December 23, 1960, applicant seeks authority to increase its joint fares by five cents.

Applicant's present rates of fare became effective October 19, 1958, pursuant to authority granted in Decision No. 57403 dated September 29, 1958, in Applications Nos. 39885 and 40233. In said proceedings both the applicant and the Commission's staff estimated that the fares would provide revenues at about the level of the break even point.

The application discloses that a loss of \$15,051 was incurred for the year 1958, a net profit of \$355 was realized for the year 1959 and a loss of \$12,353 has been suffered for the first nine months of 1960. Applicant states that its costs of operation

have been substantially increased by reason of a new labor agreement between applicant and the union representing its motor coach operators for a two-year period effective November 1, 1960, which provides for an immediate increase of ten cents per hour in the basic hourly rate of pay and, effective November 1, 1961, an additional five cents per hour in the basic rate of pay plus fringe benefits equivalent to approximately five and one-half cents per hour.

Applicant estimates that the proposed increases in local fares will provide \$17,620 in additional revenues. It was estimated that for a rate year commencing November 1, 1960, that applicant will suffer a loss of \$17,970 under present fares and a loss of \$350 under the proposed local fares. Applicant estimates that the increases in joint fares will provide it with additional gross revenue of approximately \$3,730. It was estimated that the increases in local fares and joint fares would provide a profit of \$2,295 after income taxes.

The Transportation Division of the Commission made a study of the operations of applicant. Its report will be placed in the file and marked Exhibit No. 1. The report contains estimates of the results of operations for a rate year ending December 31, 1961 under present fares and under the proposed fares. A loss of \$6,910 was estimated under present fares and a net profit of \$9,090 was estimated under the proposed fares for an operating ratio of 96.5 percent after income taxes.

There is a joint fare arrangement between applicant and the Los Angeles Metropolitan Transit Authority whereby passengers traveling from a point on one line to a point on the other pay a through fare less in amount than the combined total of the local fares. On December 6, 1960, the Los Angeles Metropolitan Transit Authority

determined to increase all of its fares by five cents, including fares from transportation from a point on its system to a point on applicant's lines. Unless applicant is authorized to publish the increased joint fares, passengers boarding applicant's buses will pay the fare prescribed in the tariff of joint rates and upon transferring to the lines of the Los Angeles Metropolitan Transit Authority will be obliged to pay the differential between the joint fare maintained by applicant and the fare approved by the Authority.

Copies of the application and the amendment thereto were served upon the Cities of Glendale, Burbank and Los Angeles as well as the Los Angeles Metropolitan Transit Authority. The Commission has not been made aware of any opposition to the granting of the authority sought. Upon consideration of all of the facts and circumstances, we are of the opinion and find that the proposed increases in fares are justified and that a public hearing is not necessary. In view of the losses being incurred by applicant, it will be authorized to publish the increased fares on less than thirty days' notice; therefore,

IT IS ORDERED:

1. That Glendale City Lines, Inc., is authorized to establish, on not less than five days' notice to the Commission and to the public, the increased local and joint fares proposed in the application and the amendment thereto filed in this proceeding.

2. That in addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in its buses and terminals a printed explanation of the increases in fares. Such notice shall be posted not less than five days before the effective date of the fare changes and shall remain posted until not less than ten days after said effective date.

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

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

Dated at San Francisco, California, this 17th day of JANUARY, 1961.

Cecil A. Page
President

W. H. Mitchell

E. J. Fox

Commissioners