

ORIGINAL

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Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of THE GRAY LINE, INC., to increase
rates and fares for services to
Pacific Turf Club, California
Memorial Stadium, Tanforan Race
Track and Bay Meadows Race Track.

Application No. 45690
(Filed August 20, 1963)

OPINION AND ORDER

By this application, The Gray Line, Inc., seeks authority to increase its passenger fares between Oakland, Alameda and San Francisco, on the one hand, and the Pacific Turf Club (Albany), Tanforan Race Track (San Bruno), Bay Meadows Race Track (San Mateo), and California Memorial Stadium (Berkeley), on the other hand.

Applicant is a passenger stage corporation operating under certificates of public convenience and necessity from this Commission. It operates various sight-seeing tours in and around the San Francisco Bay Area and, in addition, provides service to race tracks and to California Memorial Stadium. The services to the race tracks and Memorial Stadium are seasonal in nature, and are operated during the racing periods assigned to the tracks and during football season at Memorial Stadium. Examples of the present and proposed fares are set forth in the following table:

TABLE I

The Gray Line, Inc.
Present and Proposed Fares

<u>Between San Francisco And:</u>	<u>Kind of Ticket</u>	<u>Present</u>	<u>Proposed</u>
Pacific Turf Club, Albany	One Way	\$1.00	\$1.15
	Round Trip	1.75	1.85
California Memorial Stadium, Berkeley	One Way	1.00	1.15
	Round Trip	1.75	1.85
Tanforan Race Track, San Mateo County	One Way	.75	.85
	Round Trip	1.30	1.50
Bay Meadows Race Track, San Mateo County	One Way	1.00	1.15
	Round Trip	1.75	1.85

Attached to the application are income statements of applicant for the month of June 1963 and for the ten-month period ending June 30, 1963. These statements reflect revenues and expenses recorded in applicant's books. A net operating loss of \$257,479 is indicated for the ten-month period. Applicant alleges that this period is its most profitable operating period of the year.

In Decision No. 64485, dated October 30, 1962 (60 Cal. P.U.C. 303), applicant was authorized to increase its sight-seeing fares. In that proceeding, we determined that applicant would experience the operating results set forth in Table II, below, under the fare levels authorized therein:

TABLE II

The Gray Line, Inc.
Forecast of Results of Motor Coach
Operations under Proposed Fares for
a Test Year

<u>Revenue</u>	
Sight-seeing	\$1,194,200
Race Track	143,300
Charter	270,800
Other	65,100
Total	<u>\$1,673,400</u>

(Continued)

TABLE II
(Continued)

<u>Expenses</u>	
Maintenance	\$ 241,600
Transportation	809,300
Station	230,100
Traffic	135,000
Insurance	73,300
Administrative	189,000
Depreciation	99,200
Operating Taxes	100,300
Operating Rents	61,100
Total	<u>\$1,938,900</u>
 Out-of-Pocket Cost of Stevedoring Charter	 <u>256,000</u>
Adjusted Expenses	\$1,682,900
Net Revenue (Loss)	\$ (9,500)
Operating Ratio*	100.6%

*Before provision for Income Taxes.

Applicant alleges that the prediction in Table II will fall short of the loss the company will actually experience in 1963.

Under the forecast set forth in Table II, applicant's anticipated revenue for its race-track service for the test year would amount to \$143,300. (This amount includes revenue from Memorial Stadium service.) Applying the highest percentage increase in fares sought in this application (20 percent, Bay Meadows Race Track - Oakland) to the estimated race-track revenue for the test year would result in a maximum increase in gross revenue of \$28,660 annually, resulting in net revenue before income taxes of \$19,160. The operating ratio as shown in Table II would be changed from 100.6 percent to 98.9 percent before income taxes.

We find that the proposed increases sought in Application No. 45690 are justified and that the operating results shown in Table II, adjusted to reflect the revenue from the increased fares

herein authorized, will reasonably reflect the revenues and expenses of applicant for a test year.

The Commission's Transportation Division staff has reviewed the application and recommends that it be granted ex parte. No protests to the granting of the application have been received. A public hearing is not necessary. The application indicates that seasonal service to Memorial Stadium at Berkeley and Pacific Turf Club, Albany, began on November 2, 1963. Applicant requested that it be permitted to make the sought increased fares effective on or before that date. The order herein will be made effective ten days after the date thereof, and tariff publications will be authorized to be made on five days' notice to the Commission and the public.

IT IS ORDERED that:

1. The Gray Line, Inc., is authorized to establish the increased fares as proposed in Application No. 45690. Tariff publications authorized to be made as a result of the order herein may be made effective not earlier than the effective date hereof on not less than five days' notice to the Commission and the public.

2. The authority granted herein shall expire unless exercised within ninety days after the effective date of this order.

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

Dated at San Francisco, California, this 30th day of OCTOBER, 1963.

Stallan W. Bennett
President

John C. [unclear]

Everett [unclear]

George [unclear]

Franklin B. Holshoff
Commissioners