

ORIGINALDecision No. 72457

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of }
 THE GRAY LINE SCENIC TOURS, INC., a }
 corporation, for authority pursuant }
 to Section 454 of the Public }
 Utilities Code to increase fares }
 and charges. }

Application No. 48566
 (Filed June 20, 1966)

O P I N I O N

Applicant is a passenger stage corporation conducting operations in the area of Lake Tahoe and in Reno, Nevada. It seeks authority to increase fares for the transportation of passengers between the Tahoe Valley Airport, on the one hand, and points and places in California around Lake Tahoe, on the other hand.

Applicant commenced its airport transportation service in 1960 and has operated since then under the present fares. During that period applicant has incurred increases in expenses of doing business. It has increased the rates and fares applicable to its interstate operations and its intrastate service in Nevada. The California intrastate operations are a small portion of its passenger transportation business.

The proposed fare increases range from about 40 percent for distances of 10 miles or less, to 25 percent for the longer distances. The proposed fare to Stateline, a distance of 7 miles, is \$1.20 or 17 cents per mile. The proposed fares for a number of points on California Highway 89 north of Camp Richardson exceed 17 cents per mile.^{1/}

^{1/} For example: Fallen Leaf Lodge, 10 miles, \$2.10; Emerald Bay, 12 miles, \$2.15; Tahoma, 21 miles, \$3.75.

The Commission's staff submitted a report on applicant's Tahoe Airport operations. The report, dated April 12, 1967, is made a part of the record as Exhibit 1. The exhibit states:

"It is recommended that the fares requested by Application No. 48566 with respect to service between the airport and stateline, Camp Richardson and intermediate points be authorized, ex parte, but that the proposed fares to points beyond Camp Richardson be denied. The applicant has been informed of this recommendation and concurs with it."

Applicant has had very little traffic at present fares to or from points beyond Camp Richardson. The high level of the present fares together with the very low volume of traffic are the circumstances which prompted the recommendation by the staff that the proposed increases in fares to these points should not be authorized.

Exhibit 1 sets forth estimates of the results of the Tahoe Valley Airport operations under present fares and under the proposed fares as follows:

ESTIMATED RESULTS OF OPERATION
RATE YEAR ENDING APRIL 30, 1968

<u>Item</u>	<u>Amount</u>	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Passengers	7,000	6,300
Bus Miles	19,000	19,500
Revenues	\$ 6,100	7,700
Expenses	7,200	7,400
Operating Income	(1,100)	300
Income Taxes	-	-
Net Income	(1,100)	300
Operating Ratio, %	118.0	96.1

(Red Figure)

Applicant did not submit estimates of the results of the Tahoe Valley Airport operation, stating that it is not practical to do so because it does not use specific vehicles dedicated solely to this service since it performs taxicab operations and airport limousine service in interstate commerce and various other passenger services not subject to the jurisdiction of the Public Utilities Commission.

We find that:

1. Except for the proposed fares for transportation between Tahoe Valley Airport and points on and along California Highways 89 and 28 north of Camp Richardson, the increases in fares proposed by applicant are justified.

2. The proposed increases in fares for transportation between Tahoe Valley Airport and points on and along California Highways 89 and 28 north of Camp Richardson have not been shown to be justified.

3. A public hearing is not necessary.

We conclude that except as to the proposed fares to and from points north of Camp Richardson, the application should be granted, and in all other respects should be denied.

O R D E R

IT IS ORDERED that:

1. The Gray Line Scenic Tours, Inc., a corporation, is authorized to establish the increased fares proposed in Application No. 48566 for the transportation of passengers between Tahoe Valley Airport, on the one hand, and Tahoe Valley, Al Tahoe, Bijou, Stateline and Camp Richardson and intermediate points, on the other hand. Tariff publications authorized to be made as a result of the order herein may be made effective not earlier than ten days after the effective date hereof on not less than ten days' notice to the Commission and to the public.

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

3. 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 its fares. Such notice shall be posted not less than five days before the effective date of the fare changes and shall remain posted for a period of not less than thirty days.

4. In all other respects Application No. 48566 is denied.

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

Dated at San Francisco, California, this 23rd day of MAY, 1967.

[Signature]
President

[Signature]

[Signature]

[Signature]
Commissioners