

ORIGINAL

Decision No. 76986

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SAN JOSE CITY LINES, INC., for authority to increase certain rates of fare.	}	Application No. 43664 Petition for Modification
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SUPPLEMENTAL OPINION AND ORDER

Decision No. 62960 dated December 19, 1961, as modified by Decision No. 73836, dated March 12, 1968, and Decision No. 75282, dated February 4, 1969, required San Jose City Lines, Inc., to acquire new buses as follows:

<u>No. of Buses</u>	<u>Shall be Acquired Prior to:</u>
5	January 1, 1970
5	January 1, 1971
5	January 1, 1972
4	January 1, 1973

Applicant requests that ordering paragraph 6 of Decision No. 62960 as modified by Decisions Nos. 73836 and 75282 be further modified by extending the dates of acquisition of new buses one year forward as follows:

<u>No. of Buses</u>	<u>Shall be Acquired Prior to:</u>
5	January 1, 1971
5	January 1, 1972
5	January 1, 1973
4	January 1, 1974

Pursuant to the directive contained in Decision No. 62960, as modified, applicant has acquired 18 new buses since June 1, 1962. The more recent of the acquisitions was the purchase of five new buses which were received and placed in service in August and October of 1967. As of November 30, 1969, applicant is indebted, under contracts for the purchase of said coaches as well as eight buses acquired new in December 1964, in the sum of \$119,143.46

representing the unpaid principal balance of the purchase price. Applicant is required to make monthly cash expenditures in the sum of \$3,187.00 in servicing the foregoing equipment contract.

Applicant alleges it does not presently have available the cash necessary to purchase additional motor coaches in compliance with existing requirements of the aforementioned order as modified; that it had not operated its transportation system recently for a period of six weeks, as it was unable to negotiate a labor contract with its motor coach operators; that operations were resumed only when the City of San Jose offered to subsidize a labor wage increase of 25¢ per hour and operating losses for a period of six months up to a maximum of \$50,000.00; that no funds were offered by the city for the purchase of new equipment; that for the year 1969, through November 30, applicant's operations have resulted in a loss of \$19,031.33; and that applicant's existing fleet of buses is in very good physical condition as a result of continuing comprehensive reconditioning and preventive maintenance program.

We find that under present circumstances applicant should not be required to purchase five new buses at this time. No one has opposed the granting of the petition. We conclude that the petition should be granted and that a public hearing is not necessary.

O R D E R

IT IS ORDERED that the requirements of Ordering Paragraph 6 of Decision No. 62960, as amended by Decisions Nos. 63336 and 75282 are modified as follows:

- "6. San Jose City Lines, Inc., shall acquire 19
new motor buses in replacement of older buses

prior to January 1, 1974, and the number of buses acquired and the dates of acquisition shall not be less in number nor subsequent in time of acquisition than specified in the following schedule:

<u>No. of Buses</u>	<u>Shall be Acquired Prior to:</u>
5	January 1, 1971
5	January 1, 1972
5	January 1, 1973
4	January 1, 1974"

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

Dated at San Francisco, California, this 24th day of 7 MARCH, 1970.

William Seymour D.
President

J. R. ...

A. W. Gatov

James L. ...
Commissioners

Commissioner A. W. Gatov, being necessarily absent, did not participate in the disposition of this proceeding.