

Decision No. 77953**ORIGINAL**

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 ) Application No. 43664  
 of fare. ) Petition for Modification

SUPPLEMENTAL OPINION AND ORDER

Decision No. 62960 dated December 19, 1961, as amended by Decision No. 73836, dated March 12, 1968, Decision No. 75282 dated February 4, 1969 and Decision No. 76986, dated March 24, 1970, 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, 1971
5	January 1, 1972
5	January 1, 1973
4	January 1, 1974

Applicant requests that ordering paragraph 6 of Decision No. 62960, as amended be further amended 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, 1972
5	January 1, 1973
5	January 1, 1974
4	January 1, 1975

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 August 31, 1970, 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 \$96,304.99 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 the City of San Jose subsidized a labor wage increase of 25¢ per hour and operating losses for the first six months of 1970 of up to a maximum of \$50,000.00; that the subsidy from the city did not provide for the purchase of new equipment; that for the first eight months of 1970, applicant's operations have resulted in a loss of \$16,749.10 even with subsidies; and that applicant's existing fleet of buses is in good physical condition as a result of continuing comprehensive reconditioning and preventive maintenance program.

We find that applicant should not be required to purchase the next group of five new buses at this time and that the purchase schedule should be extended one year.

The petition was listed on the Commission's Daily Calendar of September 29, 1970. 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. 73236, 75222 and 76986 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, 1975, 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:

No. of Buses

Shall be Acquired Prior to:

5  
5  
5  
4

January 1, 1972  
January 1, 1973  
January 1, 1974  
January 1, 1975<sup>15</sup>

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

Dated at San Francisco, California, this 24<sup>th</sup> day of **NOVEMBER**, 1970.

[Signature]  
Chairman

[Signature]

William J. [Signature]

[Signature]

Verma L. Sturgeon  
Commissioner