

Decision No. 89603-1 OCT 31 1978

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE GRAY LINE, )  
 INC., for an order authorizing an )  
 increase in sightseeing fares for )  
 Tour Nos. 1F, 3G, 5A and 12A. )

Application No. 58257  
 (Filed July 27, 1978)

O P I N I O N

Applicant operates as a Passenger Stage Corporation (PSC-524) pursuant to a Certificate of Public Convenience and Necessity, as amended, authorizing it to conduct a sightseeing service in the San Francisco Bay area and to various other locations in the State. By this application it seeks authority to increase its presently authorized fares on four tours for an overall annual revenue increase of approximately 17 percent. The four tours involved, and the present and proposed fares, are as follows:

<u>Tour No.</u>	<u>Tour Name</u>	<u>Present Fare</u>	<u>Proposed Fare</u>
1F	Seeing San Francisco Tour Tour	\$6.40	\$7.75
3G	Chinatown With Guide	3.80	5.25
5A	Oakland-Berkeley	5.55	7.75
12A	Muir Woods	5.80	7.25

The staff of the Transportation Division has made an analysis of applicant's operations and submitted a report on the estimated results of operations based on the future year ending December 31, 1979 under present and proposed fares which is summarized as follows:

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Item	1977 Historical Year	Rate Year 1979	
		Present Fares	Proposed Fares
Revenue	\$4,363,941	\$4,569,495	\$5,364,075
Expenses	4,394,519	4,759,560	4,797,775
Operating Income	-30,578	-190,065	566,300
Income Taxes	200	200	187,015
Net Income	-30,778	-190,265	379,285
Operating Ratio-%	100.71	104.16	92.93

The analysis shows that since the present fares were authorized in Decision No. 87560 dated July 6, 1977 there have been substantial increases in labor, fuel, maintenance cost and station rents resulting in a \$30,778 loss during the historical year 1977 and an estimated \$190,265 loss at present fares during the rate year 1979 for an operating ratio of 100.71 and 104.16 percent, respectively. Decision No. 85633 dated March 30, 1976 authorized an operating ratio of 94.95 percent and Decision No. 87560 dated July 6, 1977 an operating ratio of 95.25 percent.

Notice of the filing of the application which appeared in the Commission's Daily Calendar on August 1, 1978, was mailed in accordance with Rule 24 of the Commission's Rules of Practice and Procedure. No protests or request for public hearing have been received.

Applicant provides a specialized sightseeing service which we find not to be included within Sections 730.3 and 730.5 of the Public Utilities Code; therefore, notification and findings pursuant to those sections are not required. After consideration the Commission finds that:

1. Applicant is a passenger stage corporation performing a sightseeing service in the San Francisco Bay Area and to various other locations in the State.

2. Applicant's fares were last increased in 1977.

3. Applicant has recently incurred increases in labor and other costs.

4. The requested fare increase would result in an annual revenue increase of \$379,285 after taxes.

5. An operating ratio of 92.93 percent at proposed fares is reasonably close to the previously authorized operating ratios.

The Commission concludes that:

1. A public hearing is not necessary.

2. The requested fare increase is justified and should be authorized.

O R D E R

IT IS ORDERED that:

1. Gray Line, Inc. is authorized to establish the increased fares proposed in Application No. 58257. Tariff publications authorized to be made as a result of this order may be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and to the public.

2. The authority 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.

A. 58257 - FS

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

Dated at San Francisco, California, this 31st day of OCTOBER, 1978.

Robert Bateman  
President  
William Lyons - Jr.  
Vernon L. Sturgeon  
Arthur D. Wood  
Clare L. DeMille  
Commissioners