

Decision No. 91150 DEC 18 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE GRAY LINE )  
 TOURS COMPANY for an order author- )  
 izing application of a 2.7 percent )  
 surcharge to offset increases in )  
 the cost of diesel fuel. )

Application No. 59101  
 (Filed August 27, 1979)

O R D E R

The Gray Line Tours Company (Gray Line) is a passenger stage corporation providing extensive sightseeing and special-event services in Southern California, with operations in Los Angeles, Orange County, San Diego, and Palm Springs. Gray Line provides these service pursuant to Commission certificate PSC-522; additionally, Gray Line offers general charter service under authority of Commission certificate TCP-58-A.

By this application, Gray Line seeks authority to increase its passenger stage fares by an average of 2.7%, to be implemented in the form of a 45 cent increase in fares for all-day sightseeing and special event tours, and a 25 cent increase for half-day tours.

In support of this application, Gray Line alleges that its fares were last adjusted effective January 1, 1976, that its fuel cost then was 39.5 cents per gallon, that the cost of its fuel had increased to 69.4 cents per gallon as of August 15, 1979, a 76 percent increase; ~~also~~, that during the fiscal year ending June 30, 1979, Gray Line consumed 667,350 gallons of fuel in conducting its passenger stage services <sup>and</sup> that this resulted in a fuel-cost increase of \$199,538, representing 2.5% of applicant's gross sightseeing revenues for the same 12-month period. By contrast, applicant estimates that the requested fare increase, if in effect during that period, would have generated an additional net revenue of \$219,076 (after deductions for commissions and association dues it pays based on its gross revenues). Based on these data, approximately \$20,000 of Gray

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Line's fare increase request was not adequately substantiated in the application. In response to a Commission staff request for clarification and additional data, applicant's counsel, by letter dated November 19, 1979, advised that Gray Line's cost of fuel has continued to escalate, reaching 72.8 cents per gallon as of that date. This additional data supports the full fare increase as requested.

This application was listed on the Commission's Daily Calendar on August 29, 1979. Additionally, the Commission staff notified public transit operators and planning agencies of the filing of this application pursuant to California Public Utilities Code Sections 730.3 and 730.5. No responses in opposition to this application were received. The Transportation Division recommends that this application be granted by ex parte order in the absence of protest. No protests have been received.

After consideration, the Commission finds that the increase in fares/authorized by this decision are justified and reasonable, <sup>and</sup> also, that the proposed fares are justifiable in light of the President's Guidelines for Wage and Price Increases as necessary to ensure the continued viability of this passenger transportation service. A public hearing is not necessary. The application should be granted.

O R D E R

IT IS ORDERED that:

1. The Gray Line Tours Company (Gray Line) is hereby authorized to establish the increased fares as proposed by Application No. 59101, consisting of a 45 cent increase in fares for all-day sightseeing and special event tours and a 25 cent increase in fares for half-day tours. 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.

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2. This 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 operating vehicles 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.

The effective date of this order is thirty days from the date hereof.

Dated DEC 18 1979, at San Francisco, California.

John E. Boyer  
President  
Vernon L. Sturgeon  
Arthur D. Howell  
Alvin J. Smith  
Samuel J. Smith  
Commissioners