

A. 59624 - T/IE

Decision No. 91833 MAY 20 1980**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE GRAY LINE, )  
 INC., for an order authorizing )  
 an emergency increase in certain )  
 sightseeing fares in its Local )  
 Passenger Tariff No. 23, Cal. )  
 P.U.C. No. 11, by fifty cents per )  
 Tour, as more fully outlined )  
 herein. )

Application No. 59624  
 (Filed April 30, 1980)

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 all tours it operates by \$0.50 for an overall increase in annual revenue of approximately 5 percent.

Applicant's passenger fares were last increased by authority of Decision No. 89603 dated October 31, 1978 in Application No. 58257.

Applicant alleges that its passenger traffic has dropped off considerably in the past several months and has not reached the level predicted in the results of operation study for Decision No. 89603, which had a rate year of 1979. Year to date expenses have also exceeded those expected in the 1979 rate year so that applicant now has a 97.1 percent operating ratio rather than the 92.9 percent authorized in Decision No. 89603.

During the year 1980 applicant will grant additional wage increases and experience other increases in business expenses. To offset these applicant is requesting the present \$0.50 increase at this time and proposes requesting an additional amount at a later date when it will submit comprehensive economic data supporting its application.

With the present application, applicant has submitted a financial report covering its operations for the 12 month period ending March 31, 1980 and for this same period showing the effect of the requested fare increase with expenses held constant with the exception of revenue expenses. The staff of the Transportation Division has made an economic analysis of the data furnished in the instant application and the following are the results of operation for the year ended March 31, 1980 at present and proposed fares:

<u>Item</u>	<u>12 Months Ended March 31, 1980</u>	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenue	\$5,390,963	\$5,618,117
Expenses	5,086,554	5,101,319
Operating Income	304,409	516,798
Income Taxes	148,825	256,266
Net Income	155,584	260,532
Operating Ratio - %	97.1	95.4

The analysis shows that applicant has exceeded its previously authorized operating ratio of 92.9 in Decision No. 89603 and with the present increase will experience an operating ratio of 95.4 percent which is closer to that authorized.

Notice of the filing of the application which appeared in the Commission's Daily Calendar on May 2, 1980, 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:

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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 1978.

3. Applicant is incurring increases in operating expenses and a decrease in traffic.

4. The requested fare increase would result in an annual revenue increase of \$260,532 after taxes.

5. An operating ratio of 95.4 percent at proposed fares is reasonably close to the previously authorized operating ratio.

6. This order should be effective the date it is signed since applicant is in immediate need of the fare increase.

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. 59624. 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.

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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.

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

Dated MAY 20 1920 at San Francisco, California.

John E. Byron  
President

Vernon L. Stinson

Richard H. Givelle

Clair T. DeWitt

Samuel W. Perkins  
Commissioners