

Decision No. 92902 APR 7 1981**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 sightseeing)
 fares in its Local Passenger)
 Tariff No. 23, Cal. P.U.C. No. 11)
 for Tours 1, 1W, 2, 3, 3D, 5, 6,)
 8, 9B, 12, 12W, 14, 16, 23, MGA)
 and 30.)

Application No. 60336
 (Filed March 9, 1981)

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 fourteen of its sightseeing tours for an overall annual revenue increase of approximately 30 percent.

The staff of the Transportation Division has made a results of operations analysis of applicant's operations using the financial data furnished in applicant's verified application, based on the future year ending April 30, 1982, under present and proposed fares. It is summarized as follows:

<u>Item</u>	<u>Test Year Ended April 30, 1982</u>	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenue	\$4,941,300	\$6,505,400
Expenses	5,815,000	6,015,000
Operating Income	(873,700)	490,400
Income Taxes	200	231,800
Net Income	(873,900)	258,600
Operating Ratio	117.7%	96.0%
	(Red Figure)	

The analysis shows that since the present fares were authorized in Decision No. 91833 dated May 20, 1980 there have been substantial increases in labor, fuel and maintenance costs resulting in an estimated \$873,900 loss at present fares during the rate year for an operating ratio of 117.7 percent. At proposed fares there would be a profit of \$258,600 after income taxes for an operating ratio of 96.0 percent. 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 March 12, 1981 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.

Findings of Fact

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 1980.
3. Applicant has recently incurred increases in labor and other costs.
4. The requested fare increase would result in an annual net income increase of \$258,600 after taxes.
5. An operating ratio of 96.0 percent at proposed fares is reasonably close to the previously authorized operating ratios.

Conclusions of Law

1. A public hearing is not necessary.
2. The requested fare increase is justified and should be authorized.
3. The effective date of this order should be the date it is signed since applicant is experiencing operating losses.

O R D E R

IT IS ORDERED that:

1. Gray Line, Inc. is authorized to establish the increased fares proposed in Application No. 60336. 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.

The effective date of this order is the date hereof.

Dated APR 7 1981, at San Francisco, California.

John E. Bayne
President
Richard W. Givelle
Thomas W. Sanje
Antoine Calvo
Presulla C. Yess
Commissioners