

Decision 93623 OCT 6 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, 28, MGA and 30. }

Application 60876
(Filed September 2, 1981)

O P I N I O N

The Gray Line, Inc. (applicant) operates as a passenger stage corporation (PSC-524) by 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 approximately 25%.

Applicant's passenger fares were last increased by authority of Decision (D.) 92902, dated April 7, 1981, in Application (A.) 60336. This decision authorized an operating ratio of 96.0% as being reasonable for the test year ending April 30, 1982. The results of operation in that decision was predicated on an increase in sightseeing passenger traffic of approximately 15% over that in 1980. Applicant's traffic for the first half of this year is below that of 1980. It is expected that it will continue to drop off by approximately 10% for 1981, paralleling the drop in traffic at San Francisco International Airport where most of its sightseeing traffic is derived from tourists visiting the Bay Area. The requested 25% fare increase is expected to offset this loss in traffic and bring applicant's operating ratio back to the authorized 96%. The following results of operations is based on the results of operations adopted in D.92902 and shows the effect of the diminished

traffic and requested fare increase for the test year ended April 30, 1982:

Test Year Ended April 30, 1982

<u>Item</u>	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenue	\$4,879,100	\$6,505,400
Expenses	6,015,000	6,015,000
Operating Income	(1,136,000)	490,400
Income Taxes	200	231,800
Net Income	(1,136,200)	258,600
Operating Ratio	123.3%	96.0%

(Red Figure)

The analysis shows that applicant has exceeded its previously authorized operating ratio of 96.0% in D. 92902, and the proposed fare increase will bring it back to the authorized operating ratio.

Notice of the filing of the application which appeared in the Commission's Daily Calendar on September 14, 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 under those sections are not required.

Findings of Facts

1. Applicant is a passenger stage corporation performing a sightseeing passenger service in the San Francisco Bay Area.
2. Applicant's fares were last increased in April 1981.
3. Applicant's expected increase in passenger traffic has failed to materialize.
4. The requested fare increase is justified and will result in an annual income increase of \$1,394,800 after taxes.

Conclusions of Law

1. A public hearing is not necessary.
2. The requested fare increase is just and reasonable 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. The Gray Line, Inc. is authorized to establish the increased fares proposed in A.60876. Tariffs shall be filed not earlier than the effective date of this order. They may go into effect five days or more 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 90 days after the effective date of this order.
3. In addition to posting and filing tariffs, applicant shall post a printed explanation of its fares in its buses and terminals. The notice shall be posted at least five days before

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the effective date of the fare changes and shall remain posted for at least 30 days.

This order is effective today.

Dated OCT 6 1981, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. GRIMES, JR.
VICTOR CALVO
PRISCILLA C. GREW
Commissioners

I certify that this decision was approved by the above Commissioners today.

John E. Bryson
