

Decision No. 40500**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 JACK SCHIPP and PAUL DILLINGHAM to increase) Application No. 27778
 fares on the Ontario-Upland Route of the)
 Citrus Belt Lines.)

In the Matter of the Application of)
 JACK SCHIPP and PAUL DILLINGHAM to increase) Application No. 27779
 fares on the Pomona-Chino Route of the)
 Citrus Belt Lines.)

C. E. CROWLEY, for applicants.

HENRY M. BUSCH, for the cities of Ontario and Upland.

O P I N I O N

Jack Schipp and Paul Dillingham, copartners doing business under the name of Citrus Belt Lines, are engaged in transporting passengers by motorbus as a common carrier within and between the cities of Ontario and Upland, and passengers and express within and between the cities of Pomona and Chino.⁽¹⁾ By these applications they seek authority to establish increased passenger fares.

Public hearing of both applications was had upon a consolidated record before Examiner Bryant at Ontario on April 8, 1947, and the matters are ready for decision.

Between Ontario and Upland applicants operate over two routes. On the Campus Avenue route the adult one-way cash fare is 10 cents, in which no change is proposed. Over the Euclid Avenue route the adult one-way cash fare is 8 cents, except that a 6-cent fare is applicable to and from a college located about midway on the line. Transfers are issued from the Euclid Avenue route to the Campus Avenue route on the payment of a 10-cent fare.

Applicants seek to increase the Euclid Avenue line cash fare to 10 cents, and also to increase the 30-ride commute fare from \$1.80 to \$2.40, and the 30-ride school fare from \$1.20 to \$1.80 and to abolish the present round-trip fare of 15 cents. The fares thus sought on the Euclid Avenue line are the same as those now applied on the Campus Avenue line, and if granted, will establish uniform fares throughout the Ontario-Upland area.

(1) Applicants also provide a Sunday passenger service from and to the state prison near Chino.

On the Pomona-Chino line, applicants do not propose to increase the existing 10-cent cash fare applicable within these cities, but seek to increase the 30-ride commute rate from \$3.00 to \$4.50, and the 30-ride school rate from \$2.30 to \$3.00. They also ask to increase the one-way interurban fare between these cities from 15 cents to 20 cents, and the round-trip fare from 25 cents to 35 cents. A 5-cent increase is also sought in the one-way and round-trip fares between Pomona and the prison located to the south of Chino.

No one opposed the higher fares sought herein. A representative of the cities of Ontario and Upland urged the authorization of such fare increases as the Commission might find necessary to maintain applicants' services.

Evidence was presented through exhibits and testimony of witnesses for applicants, and of a Transportation Engineer of the Commission's staff. The witnesses agreed that revenues from present fares are insufficient to meet operating expenses. They attributed the anticipated revenue deficit to increased operating costs and also to lessened passenger travel. In most respects, the revenue and expense estimates of applicants' witnesses and of the Commission's engineer were in substantial accord. The engineer's estimates of both revenues and expenses for a twelve-month period beginning March 1, 1947, were somewhat less than applicants' estimates. The difference in expense estimates was due mainly to the reduced depreciation expense deemed reasonable by the Commission's engineer. State and federal income taxes were not included by either, for the reason that the tax liability of the partners will be dependent largely upon the amount of their personal tax exemptions. The results of operation under both present and proposed rates as estimated by the applicants and the Commission's engineer are summarized in the table following:

	<u>Applicant's Exhibit</u>		<u>Comm. Engineer's Exhibit</u>	
	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Present Rates</u>	<u>Proposed Rates</u>
Passenger Revenue	\$ 36,773	\$ 46,170	\$ 35,870	\$ 45,080
Other Revenue	<u>3,000</u>	<u>3,000</u>	<u>2,650</u>	<u>2,650</u>
Total Revenue	39,773	49,170	38,520	47,730
Operating Expenses	41,532	41,532	40,210	40,210
Depreciation	4,501	4,501	3,315	3,315
Taxes*	<u>1,633</u>	<u>1,633</u>	<u>1,285</u>	<u>1,900</u>
Total Expense	\$ 47,666	\$ 47,666	\$ 45,310	\$ 45,425
Net Revenue	(7,893)	1,504	(6,790)	2,305
Operating Ratio				95.2%

* Income taxes were not calculated.

The evidence indicates that applicants will suffer a substantial operating deficit unless rate increases are granted, and that the net revenue which the applicants may expect to receive under the increased fares is reasonable and necessary to permit the continuation of adequate transportation service.

With the establishment of the proposed increased fares on the Euclid Avenue line within and between Upland and Ontario, all the passenger fares in those communities will be on a uniform basis and will afford transfers between the Euclid Avenue line and the Campus Avenue line. The Campus Avenue line fares were established upon the inauguration of that service under authority granted by the Commission in its Decision No. 39622 issued November 15, 1946. Although the addition of the Campus Avenue route considerably increased the total costs of operation, and it would appear that the revenues derived from that line have not yet become sufficient to bear the full costs of service, it is evident that the fare structure on the two lines should be the same.

On consideration of all the evidence presented, we conclude and find as a fact that the increased fares requested by the applicants are justified and should be established.

ORDER

Public hearing having been had in the above entitled application, full consideration of the matters and things involved having been had, and the

Commission being fully advised,

IT IS HEREBY ORDERED that

1. Applicants be and they are hereby authorized to establish, within ninety (90) days from the effective date of this order and on not less than ten (10) days' notice to the Commission and to the public, the following fares in lieu of adult and student fares now being assessed on the lines involved:

Between points on Euclid Avenue line which extends from Depot Street and Euclid Avenue in Ontario, along Euclid Avenue, Ninth Street and Third Avenue to the Pacific Electric Railway Company Depot in Upland.

Adult fares:

One-way cash fare \$.10

Student fares:

30-ride school tickets 1.80

Between points on Pomona-Chino line

Between Pomona and Ely Street or
between Chino and Ely Street

Adult one-way cash fare10

Between Pomona and Chino

Adult one-way cash fare20

Adult round-trip ticket35

Adult 30-ride commutation ticket 4.50

Student 30-ride commutation ticket 3.00

Between Pomona and the California
Institution for Men

Adult one-way cash fare30

Adult round-trip ticket50

Between Chino and the California
Institution for Men

Adult one-way cash fare10

2. Applicants shall maintain existing rules relating to childrens' fares.
3. Free transfers shall be issued between the Euclid Avenue and Campus Avenue routes on payments of any fare herein authorized.
4. Not less than ten (10) days before the effective date of the fares established under this order applicant shall post prominently in its buses, and shall thereafter maintain in legible condition, a notice setting forth clearly all of the adult and student fares available on the respective routes over which the buses are operated, including a statement of transfer privileges.

5: Applicants shall keep their drivers adequately supplied with round-trip tickets and commutation tickets so that patrons may readily purchase such tickets as desired.

This order shall become effective twenty (20) days from the date hereof.

Dated at San Francisco, California, this 8th day of July, 1947.

Harold P. Hule

Justus F. Craven
W. H. Russell

A. J. Anderson

Samuel D. Datta

COMMISSIONERS