

ORIGINAL

Decision No. ~~46806~~

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of NORMAN H. ROBOTHAM, doing busi-)	
ness as Twin Cities Transit Company,)	Application No. 28681
for an Order of the Commission)	
authorizing an increase in passenger)	
fares.)	

Appearances

Wm. P. Rich and R. H. Fuidge, for appli-
cant.
Warren Shingle and E. C. Johnson, in-
terested parties.

OPINION AND ORDER

By this application, as amended, Norman H. Robotham, doing business as Twin Cities Transit Company, a passenger stage corporation, operating in the cities of Marysville and Yuba City, and between these cities, seeks authority to establish increased fares.

Public hearing was had in Marysville on October 2, 1947, before Examiner Lake. The matter is ready for decision.

The present one-way adult fare from and to any point served is 5 cents. There is also in effect a fare for school children of 3-3/4 cents or 20-ride coupons for 75 cents. Applicant seeks to increase the adult fare to 8 cents cash or 3 tokens for 20 cents. No change is sought in the fare for school children.

Evidence was submitted by applicant and by a transportation engineer from the Commission's staff. Applicant alleged that the revenue from this operation is not sufficient to meet the cost of providing the service. He showed that for the period May 6, 1947

to July 31, 1947 gross operating revenue was less than the operating expenses by \$761.98. He attributed the revenue deficiency to increased costs and to a decreasing trend in passenger travel.

Applicant testified that the increased operating costs were the result of increases in labor, insurance, fuel, lubricants and repairs to equipment. The decreasing passenger trend, he asserted, was occasioned by changed conditions resulting from the inactivation of Camp Beale, a nearby Army installation, and the decrease resulting thereby in the population in the Marysville-Yuba City area. The witness introduced an exhibit showing traffic volume by months from January, 1946 through August, 1947 and an estimate of the traffic expected for the balance of 1947 and the year 1948. The exhibit shows a decrease in actual and estimated number of passengers of from 712,846 in 1946 to 614,444 in 1947 and 540,000 in 1948. The latter figures gave consideration to a proposed extension of service.¹ No estimate of future expenses or revenue under the proposed fares was offered by applicant.

The Commission engineer introduced a study dealing with the estimated results that would obtain under various fare structures for a 12-month period ending September 30, 1948. The

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Applicant stated that numerous requests had been made for an extension of service to additional points in both Marysville and Yuba City. Such requests, he asserted, could not be granted under his present fare structure. He stated that if and when the Commission approved the increase herein requested, authority would be sought for the extended service. The estimated number of passengers to be gained from this service was said to be 125,000.

following tabulation is taken from this study:

Item	Under Present Fare of 5¢ Cash	Under Proposed Fare: 8¢ Cash, or Tokens 3/20¢	Under Fare of 7¢ Cash, or Tokens 5/30¢	Under Fare of 6¢ Cash
Number of Passengers	602,310	602,310	602,310	602,310
Estimated Diminution	—	10%	5%	4%
Estimated Passengers under Proposed Fare	602,310	542,080	572,195	578,220
<u>Revenue</u>				
Passenger:				
Cash Fare	\$ 30,115	(1)\$ 17,345	(2)\$ 14,020	\$ 34,695
Tokens	—	21,685	22,315	—
Total Net Revenue	\$ 30,115	\$ 39,030	\$ 36,335	\$ 34,695
Other	500	500	500	500
Total Revenue	\$ 30,615	\$ 39,530	\$ 36,835	\$ 35,195
Operating Expenses	31,733	31,733	31,733	31,733
*Operating Ratio	103.65	80.28	86.15	90.16
*Operating Income	(1,118)	7,797	5,102	3,462
(Red Figure)		* Before Income Taxes		
		(1) Estimated token use 60%		
		(2) Estimated token use 65%		

The witness testified that in reaching the conclusions set forth in the table, he had estimated the number of passengers to be transported for the 12-month period to be 84.5 per cent of the traffic enjoyed in 1946. The result, he stated, would be a decrease from 712,705 passengers carried in 1946 to an estimated 602,310 passengers to be handled for the period covered by the study.

No one opposed the fares sought. Representatives of the cities of Marysville and Yuba City, the Marysville District

Chamber of Commerce, the Marysville Merchants Association, and the Yuba City Commercial Association urged the authorization of the sought fares or such fare increases as the Commission might find necessary to maintain applicant's services.

It is apparent from the record that the present fares are insufficient. It likewise appears that the fares sought would be greater than may be necessary or reasonable.

Upon careful consideration of all of the facts and circumstances of record, we conclude and find as a fact that an increase in applicant's present one-way adult fare to 6 cents is justified. It will be authorized.

O R D E R

A public hearing having been had in the above entitled application, and based upon the evidence received and upon the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that Norman Robotham be and he is hereby authorized to increase his one-way adult fares to 6 cents, and that the changes in fares herein authorized may be established on not less than five (5) days' notice to the Commission and to the public.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall be void unless changes in fares authorized in this order are published, filed and made effective within sixty (60) days from the effective date hereof.

The effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 10th day of October, 1947.

Harold J. Kille
Justin J. Casper
Robert Powell
R. E. [unclear]

Commissioners