

ORIGINAL

Decision No. 41178

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
NORMAN H. ROBOTEAM, doing business	)	
as Twin Cities Transit Company, for	)	Application No. 28681
an order of the Commission authorizing	)	
an increase in passenger fares.	)	

In the Matter of the Application of	)	
NORMAN H. ROBOTEAM (Twin Cities Trans-	)	
it Company) for certificate to ex-	)	Application No. 28946
tend its passenger line into East	)	
Marysville and Northwest Marysville	)	
and to operate an alternate route in	)	
Yuba City.	)	

Appearances

William P. Rich and Harold D. Hadley,  
for Applicant.  
F. E. Carlin, for the City of Marysville.  
Warren N. Shingle, for Marysville  
Chamber of Commerce.

O P I N I O N

Norman H. Robotham, doing business as Twin Cities Transit Company, operates a passenger stage corporation in the City of Marysville and Yuba City and between these cities.

By Application No. 28681, as amended, he seeks authority to establish increased fares. By Application No. 28946, as amended, a certificate of public convenience and necessity is sought to extend his passenger line into East Marysville and Northwest Marysville. Authority is also sought to operate an alternate route in Yuba City.

The antecedents of Application No. 28681 are contained in Decision No. 40806, dated October 10, 1947. In that proceeding

applicant sought authority to establish increased fares of 8 cents cash or three tokens for 20 cents. The Commission authorized application to establish a cash fare of 6 cents. By its order dated November 12, 1947, the Commission granted the carrier's request for a rehearing.

The rehearing of Application No. 28681 and the original hearing of Application No. 28946 were had on a common record at Marysville before Examiner Edwin Lake.

The present one-way adult fare from and to any point served is 5 cents. Applicant now seeks authority to increase the adult fare to 8 cents cash or two tokens for 15 cents.

At the first hearing applicant presented testimony showing that expenses exceeded revenues by \$761.98 for the period May 6, 1947 to July 31, 1947. He estimated that the number of passengers would decrease from 712,846, handled in 1946, to 614,444 in 1947 and to 525,000 in 1948. A Commission engineer submitted testimony showing estimated operating expenses and revenues that would obtain under various fare structures for a 12-month period, ending September 30, 1948. This witness estimated the number of passengers which would be transported for the 12-month period to be 84.5 per cent of the traffic enjoyed in 1946, or 602,310 passengers.

At the rehearing both the applicant and the Commission engineer presented revised estimates of revenues and expenses and of the number of passengers to be carried. The applicant submitted a statement showing estimated expenses of \$35,157 based upon January, 1948 prices and expanded to include an anticipated 15 cents per hour wage increase for operators. He contended that the expense estimates were conservative and that they did not include all expenses incurred. For example, no allowance was made for salary for himself, the placing and maintenance of roadside benches, nor the full cost of insurance.<sup>1</sup>

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The applicant alleged that he devoted approximately 40 per cent of his time in the management of this business. He estimated that \$300 per month was a reasonable charge for his services.

The witness also submitted exhibits showing that for a 12-month period ending September 30, 1948 under the present 5 cents fare, a \$4,908 deficit would accrue and under a 6 cents fare the deficit would be \$907. He estimated that under the proposed fares, the gross operating revenue derived from his present and proposed extension would be \$41,270 for 1948.<sup>2</sup> The estimated revenue was based upon the handling of 540,000 passengers, or approximately 24 per cent less than had been carried in 1946. It included 31,500 passengers anticipated from the new line. After adjustment for owner's salary of \$3,600 per year, the developed operating ratio before income taxes is 93.9.

The Commission's engineer estimated that, for the same period, gross operating expenses and revenues under the proposed fare for the existing and proposed service would be approximately \$36,800 and \$43,730, respectively. The expense items did not include allowances for salary for applicant, the actual insurance costs experienced and other items not included in applicant's figures. The revenues were based upon an anticipated passenger expectancy of 556,500, after adjustment for a 10 per cent diminution at the higher fares and a 50 per cent token-use factor. The engineer included an estimated 76,500 passengers for the proposed extension.<sup>3</sup> The operating ratio developed from these figures after giving consideration for adjustment in expenses for owner's salary is 92.4.

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This amount includes \$500 revenue derived from nonutility operations and is based upon 90 per cent token-use factor.

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The revenue also included \$500 derived from nonutility operations.

The principal departures between the applicant's and engineer's figures lie in the estimated number of passengers to be gained from the proposed extension. The applicant's estimates were supported by other witnesses. A representative of the Marysville District Chamber of Commerce testified that, based upon his experience in the transportation business and from surveys of the trend of the population in the Yuba City and Marysville area made for the Federal Government, the estimates of both applicant and the Commission's witness were optimistic and that the number of passengers will not reach these witnesses' estimates. Applicant's superintendent testified that in his opinion the passenger expectancy from the proposed extension would range from 75 to 85 per day.<sup>4</sup>

In connection with his request for a certificate of public convenience and necessity, applicant proposes to extend his present Marysville line from:

1 - The intersection of 12th and B Streets, east on 12th Street to Swezy Street, north on Swezy Street, to 14th Street, east on 14th Street to Sampson Street north on Sampson Street to 17th Street, east on 17th Street to Covillaud Street, south on Covillaud Street to 15th Street, west on 15th Street to Sampson Street, then south from the intersection of Sampson and 15th Streets to the intersection of 12th and B Streets.

2 - The intersection of 5th and E Streets, north on E Street to 10th Street, west on 10th Street to H Street, north on H Street to 14th Street, east on 14th Street to G Street, south on G Street to 13th Street, west on 13th Street to H Street, south on H Street to 10th Street, east on 10th Street to E Street, south on E Street to 6th Street, east on 6th Street to D Street and south on D Street to the intersection of 5th and D Streets.

In addition, applicant seeks authority to operate an alternate route in Yuba City commencing at the intersection of Cooper and B Streets, west on B Street to Clark Street, south on Clark Street to Franklin Avenue, east on Franklin Avenue to Percy Avenue and north on Percy Avenue to D Street.

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<sup>4</sup> Converted to an annual basis, these figures produce approximately 22,950 and 26,010 passengers, respectively.

According to applicant, numerous requests have been received for an extension of service into the proposed area from various civic groups as well as persons residing in the areas involved. The proposed extension was strongly supported by the City of Marysville. A petition was submitted containing the signatures of approximately 300 interested persons. In addition, a representative of the Marysville District Chamber of Commerce and several public witnesses testified as to the need of common carrier service into the proposed territory. The carrier testified that the service to the new area would not seriously affect the frequency of his present service. The proposed alternate route in Yuba City was designed, according to the witness, for the convenience of the patrons residing in the affected zone.

No one opposed the sought fares, the extension of service nor the alternate route. The evidence clearly demonstrates that the existing fare is not sufficient to meet the carrier's revenue requirements in the face of higher operating costs and other changed conditions. The record is also convincing that the fares sought are reasonable and necessary to the maintenance of the transportation service. It likewise demonstrates the need for service in the territory involved.

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 fare to 8 cents cash or two tokens for 15 cents is justified and that public convenience and necessity require the proposed extension of service. The applications will be granted.

O R D E R

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

IT IS HEREBY ORDERED that Norman H. Robotham be and he is hereby authorized to increase his one-way adult fare to 8 cents cash or two tokens for 15 cents and that the changes in fares herein authorized may be established on not less than one day's notice to the Commission and to the public.

IT IS HEREBY FURTHER ORDERED

1 - That a certificate of public convenience and necessity be and it is hereby granted to Norman H. Robotham authorizing the establishment and operation of a service as a passenger stage corporation, as defined in Section 2 $\frac{1}{2}$  of the Public Utilities Act, as an extension and enlargement of and to be consolidated with applicant's present operative rights, for the transportation of passengers between points and over the routes described as follows:

East Marysville Extension

(a) From the intersection of 12th and B Streets, east on 12th Street to Swezy Street, north on Swezy Street to 14th Street, east on 14th Street to Sampson Street, north on Sampson Street to 17th Street, east on 17th Street to Covillaud Street, south on Covillaud Street to 15th Street, west on 15th street to Sampson Street, then south from the intersection of Sampson and 15th Streets to the intersection of 12th and B Streets.

Northwest Marysville Extension

(b) From the intersection of 5th and E Streets, north on E Street to 10th Street, west on 10th Street to H Street, north on H Street to 14th Street, east on 14th Street to G Street, south on G Street to 13th Street, west on 13th Street to H Street, south on H Street to 10th Street, east on 10th Street to E Street, south on E Street to 6th Street, east on 6th Street to D Street, and south on D Street to the intersection of 5th and D Streets.

2 - That in providing service pursuant to the certificate herein granted, the following service regulations shall be complied with:

(a) Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed thirty (30) days from the effective date hereof.

(b) Applicant shall, within sixty (60) days from the effective date hereof and upon not less than one day's notice to the Commission and to the public establish the service herein authorized and comply with the provisions of General Order 79 and Part IV of General Order 93-A by filing, in triplicate, and concurrently making effective tariffs and time schedules satisfactory to the Commission.

IT IS HEREBY FURTHER ORDERED that applicant is authorized to operate an alternate route in Yuba City commencing at the intersection of Cooper and B Streets, west on B Street to Clark Street, south on Clark to Franklin Avenue, east on Franklin Avenue to Percy Avenue and north on Percy Avenue to B Street.

The effective date of this order shall be February 1, 1948.

Dated at San Francisco, California this 28th day of January, 1948.

R. T. Murray  
Walter Russell  
Harold P. Sula  
Wm. H. Tatter  
Commissioners