

ORIGINAL

Decision No. 41954

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
ORANGE BELT STAGES, a copartnership,) Application No. 29379
for authority to increase passenger)
fares and express rates.)

Douglas Frookman and John G. Lyons, for applicant

O P I N I O N

By this application, Orange Belt Stages, a copartnership, consisting of Thoburn S. Haworth, Ruth Healy Haworth, Bryan W. Haworth, Margaret Haworth and Emilie E. Haworth, seeks authority to increase its passenger fares and express rates. A public hearing was held before Examiner Bradshaw at Visalia. No protests against the granting of the application have been presented.

Applicant operates as a "passenger stage corporation" between various points in the southern portion of the San Joaquin Valley. It also maintains two east-and-west lines extending from Hanford to King City and from Bakersfield to Paso Robles. The present passenger fares between points on the east-and-west lines are constructed on a basis of 1-3/4 cents per mile. Between other points the present fares are the equivalent of 1 1/2 cents per mile. They were established on these levels by Decision No. 37126, dated June 13, 1944, in Case No. 4719 (45 C.R.C. 373). The fares previously in effect were 2 and 2 1/2 cents per mile on the east-and-west lines and from 1 1/2 to 2 cents per mile on the balance of applicant's system. The reductions were required by reason of unusually heavy wartime traffic. It is now proposed to increase the fares to 2 1/2 cents per mile on the east-and-west lines and to 2 cents per mile

between other points. Increases in express rates, designed to produce an increase in express revenue of approximately 20 per cent, are also proposed.

Applicant is in competition with Santa Fe Transportation Company between Hanford and Porterville. Inasmuch as, according to applicant, there is some uncertainty whether the Santa Fe will seek an increase in fares, it desires to withhold the publication of any increases on the line between these points until such time as increases are published by the Santa Fe. It is stated that the proposed express rates are the same as recently proposed by Pacific Greyhound Lines, but which have not yet become effective. For these reasons, applicant desires that any order authorizing increases in this proceeding permit it to defer the establishment of increases in the fares on the Hanford-Porterville line and in express rates for a period of 120 days.

A consulting engineer retained by applicant presented evidence designed to show its revenue requirements. An associate engineer in the employ of the Commission's transportation department also introduced a report concerning applicant's operations, revenues and expenses. The conclusions of these witnesses are summarized in the following tabulation:

Estimated Results of Operation, Year Ending July 31, 1949.

	<u>Based on Present Fares and Rates</u>		<u>Based on Proposed Fares and Rates</u>	
	<u>Appli- cant's Witness</u>	<u>Commis- sion's Witness</u>	<u>Appli- cant's Witness</u>	<u>Commis- sion's Witness</u>
(Assuming no increase in Hanford-Porterville fares.)				
Revenues	\$165,349	\$175,840	\$183,288	\$193,410
Expenses	193,400	193,900	193,400	194,240
Net Operating Income	(28,051)	(18,060)	(10,112)	(830)
Operating Ratio	117.0%	110.3%	105.5%	100.4%
() Denotes loss.				

In the event that fares are increased on the Hanford-Porterville line, applicant's witness estimated that an additional increase in revenue of \$9,040 per annum would be realized. The Commission's engineer expressed the view that increases in such fares would enable applicant to earn \$7,515, the equivalent of an operating ratio of 96.3 per cent. He further stated that, should applicant also be successful in securing increases in its "guaranteed" revenue — representing operations performed in connection with other common carriers — to reflect present operating costs, applicant's earnings would amount to about \$9,000 a year, with an operating ratio of 94.2 per cent.

In view of the conclusions reached by the two witnesses, a discussion of the details wherein they used different methods in forecasting applicant's prospective revenues and probable expenses is unnecessary. A careful examination of the record indicates that applicant should be authorized to increase its passenger fares and express rates, as proposed in the application. The increases in fares and rates herein authorized are hereby found to be justified.

O R D E R

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

IT IS ORDERED:

1. That Thoburn S. Haworth, Ruth Healy Haworth, Bryan W. Haworth, Margaret Haworth and Emilie E. Haworth, copartners, doing business as Orange Belt Stages, be and they are hereby authorized to increase their passenger fares and express rates, as proposed

in the application on file herein and set forth in detail in Exhibits Nos. 1 to 4, inclusive, of record in this proceeding.

2. That applicants be and they are hereby authorized to establish said increases in fares and rates by filing appropriate tariffs, in triplicate, on not less than 5 days' notice to the Commission and the public.

3. That applicants be and they are hereby directed to post a notice in a conspicuous place in each bus and ticket office for not less than 5 days before the increases in fares and rates herein authorized become effective, stating the date on which said increases will become effective and that information concerning the amount of such increased fares and rates between specific points may be obtained upon inquiry of applicants' drivers and agents.

4. That the authority herein granted shall become void, unless the increased fares and rates are published, filed and become effective within 120 days from the effective date of this order.

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

Dated at San Francisco, California, this 17th day of August, 1948.

R. F. Indurana
Justice F. Quinn
Grant Powell
Harold Hule
Herwith Patten
COMMISSIONERS