

ORIGINAL

Decision No. 42740

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 JOHN C. ALWARD, doing business as)
 Redding City Lines, a passenger stage) Application No. 30822
 corporation, to raise and increase)
 rates, fares and tariffs.)

Appearances

Carr and Kennedy by Laurence W. Carr,
 for applicant.

Norman H. Robotham in propria persona,
 an interested party.

O P I N I O N

Applicant is engaged in the transportation of passengers within and in the vicinity of Redding. He seeks authority to establish increased fares.

Public hearing was had before Examiner Lake at Redding on January 6, 1950.

Applicant's present fares are based upon a single fare zone. Authority is sought to establish fares based upon two fare zones. The present and proposed fares and a description of the zones within and between which the proposed fares would apply are set forth in the following tabulation:

	Present Fares	Proposed Fares	
		Within Zone 1	Within Zone 2 and between Zone 1 and Zone 2
Adult	10 cents	13 cents or 9 rides for \$1.00	15 cents
Students going to and from school	5 cents	10 cents or 15 rides for \$1.00	
Children under 12 years of age.	5 cents	10 cents or 15 rides for \$1.00	

Zone 1 -
 All points on route north of underpass on U.S. Highway 99 (Oak Grove run), west of Sacramento River Bridge (Enterprise run), and south of the intersection of Benton Road and U.S. Highway 99 (Benton run).

Zone 2 -
 All other points.

Applicant, his bookkeeper and a transportation engineer from the Commission's staff submitted testimony and exhibits relating to the carrier's operations. These witnesses developed analyses of traffic trends, financial results of present operations, and estimates of future revenues and expenses.

According to the record, operations were conducted during 1949 at a loss of \$19.59 as contrasted with a profit of \$1,483.01 for 1948. The losses were attributed principally to a decline in the volume of traffic. For the first six months of 1949, it was stated that the number of passengers transported was similar to that carried during the same period in 1948. During the last six months, however, a decline of about 15 per cent under the 1948 volume was experienced, although the monthly trend was similar to that which obtained in 1948.

Applicant estimated that under existing fares based on present conditions and estimated expenses the losses for 1950 would exceed \$4,800. The Commission engineer estimated that the losses under this basis would be approximately \$4,200. Estimated operating results for 1950 under the proposed fares, as developed by applicant and the Commission witness, are as follows:

	<u>Applicant</u>	<u>Commission Engineer</u>
Operating Revenue	\$26,574.00	\$27,045.00
Operating Expenses	26,628.00	26,899.00
Net Income	(54.00)	146.00
Operating Ratio	100.2%	99.46%

() Indicates Loss

Timely notice of the hearing was sent by the Commission to persons believed to be interested. Announcements were made in local newspapers. Notices were posted in applicant's vehicles. No one opposed the granting of the application. The Director of the Redding Chamber of Commerce testified that the carrier performed service

essential to the needs of the community and that his organization favored such increases in fares as are found necessary to serve public needs.

The record is clear that applicant's revenues from its present fares are not sufficient. Applicant and the Commission witness differed somewhat in their estimates of operating results under the sought fares because of differences in forecasts of traffic and anticipated expenses. Even the more favorable estimate, however, shows that the proposed fares would do no more than barely return cost.

Upon careful consideration of all of the facts and circumstances of record, the Commission concludes and finds as a fact that the sought fare increases and the establishment of the proposed fare zones have been justified. The amended application will be granted. At the hearing applicant requested authority to establish the sought adjustments on less than statutory notice. Because of the evident need for additional revenue, he will be authorized to establish the increased fares and fare zones on not less than five (5) days' notice.

O R D E R

Application having been made in the above-entitled proceeding and based upon evidence received and conclusions and findings in the preceding opinion,

IT IS HEREBY ORDERED that applicant be, and he is, hereby authorized to amend his Local Passenger Tariff, Cal.P.U.C. No. 2, on not less than five (5) days' notice to the Commission and to the public as follows:

- Q. 22*
1. To establish a fare of 13 cents per adult one-way ride or ~~9~~ rides for \$1.00 between points in Zone 1.
 2. To establish a fare of 15 cents per adult one-way ride between points within Zone 2 and between points in Zone 1 and points in Zone 2.

3. To establish a fare for students going to and from school and for children under 12 years of age of 10 cents per ride or 15 rides for \$1.00 within or between points in Zone 1 and Zone 2.

IT IS HEREBY FURTHER ORDERED that, concurrently with the establishment of the increased fares hereinabove authorized, applicant shall establish fare zones as follows:

Zone 1 -
 All points on route north of underpass on U.S. Highway 99 (Oak Grove run), west of Sacramento River Bridge (Enterprise run), and south of the intersection of Benton Road and U.S. Highway 99 (Benton run).

Zone 2 -
 All other points.

IT IS HEREBY FURTHER ORDERED that the authority herein granted to establish the increased fares and the fare zones shall expire ninety (90) days after the effective date of this order.

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

Dated at San Francisco, California, this 24th day of January, 1950.

R. F. Johnson
James J. Collier

Herbert H. Pettit
 Commissioners