

ORIGINAL

Decision No. 44509

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
STANLEY H. BENTON and PAUL R. BENTON )  
doing business under the name of )  
BENTON BUS LINES for authority to )  
increase rates. )

Application No. 31335

Appearances

Guy H. Benton, for applicant.

Glenn E. Newton, for Engineering  
Division, Transportation Depart-  
ment, Public Utilities Commission  
of California.

O P I N I O N

Stanley H. Benton and Paul R. Benton, doing business as Benton Bus Lines, conduct an intercity passenger stage operation in Los Angeles County, serving the communities of Downey, Norwalk, Santa Fe Springs and Whittier. By this application they seek authority to increase fares and revise fare zones.

Public hearing was had before Examiner Bryant at Whittier on June 21, 1950. The matter is ready for decision.

Evidence was offered by Guy H. Benton, former owner and present manager of Benton Bus Lines, and by an associate engineer of the Commission's transportation staff. No other parties attended the hearing or otherwise indicated interest in the proceeding. The customary notices were mailed in advance of the hearing to persons and organizations believed to be interested, publicity was given through newspaper advertisement, and the required notices were posted in the vehicles.

Benton Bus Lines operates three vehicles, one of which is used principally as standby equipment. The routes extend from Whittier a distance of about nine miles southwesterly to Downey, and a similar distance southerly from Whittier to Norwalk.<sup>1</sup> The character of the area served is largely farming and residential. Most of the riders are commuters who travel to and from Los Angeles via connecting lines, or shoppers who ride to and from local shopping centers. ✓

Operations of the Benton Bus Lines were inaugurated in 1941 with service between Whittier and Norwalk. The routes thereafter were revised and extended from time to time as population of the area increased. The company has not heretofore sought to establish any increase in fares. Present adult one-way fares range from 5 cents to 20 cents, based upon seven fare zones, with lower fares for round trips and for children. Authority is now sought to make a general revision of the zones, reducing the number from seven to five. The minimum fare, increased from 5 cents to 10 cents, would apply in some instances to larger zones; adult round-trip fares would be canceled; and the school fare would be increased from 5 cents to 10 cents, with a reduced round-trip school fare of 15 cents to apply in lieu of two 10-cent fares. ✓

The primary purpose of the proposed zone changes, as explained by applicant's general manager, is to accommodate ✓

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Other routes, south of Norwalk, were sold in 1949 (Decision No. 30046). These routes are not involved in this application, and figures therefor have been excluded.

patrons traveling to and from Whittier for shopping or other purposes. The existing zones, he said, have proved in some respects to be confusing, illogical, and generally unsatisfactory. Boundaries of the new zones, he explained, would meet at established shopping centers or other points where passengers customarily start or end their trips. Under applicant's proposal the 10-cent fare would apply within any one of the five zones, increasing by 5 cents for each additional zone. The school fare of 10 cents (or 15 cents round trip) would apply, however, between any two points on the line, regardless of the zones. The witness declared that he had discussed the proposed zone and fare changes with many of the patrons and other interested persons, and had found indications of general approval and no opposition.

The Commission engineer submitted a detailed study of the estimated results of operation under present and proposed fares for the year ending June 30, 1950. After making adjustments in the book figures necessary to credit members of the Benton family with reasonable wages and salaries for services performed,<sup>2</sup> and to reflect otherwise what he believed to be normal operating conditions, he estimated that present fares would result in a substantial loss and that the proposed fares would return a net operating income for ✓

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<sup>2</sup> Members of the Benton family assist in maintaining and driving the buses, and in keeping the records and accounts, but are not credited on the books of the company with any wages or salaries.

the year of less than \$400. His conclusions are indicated more specifically in the following table:

	Estimated Results, Year Ending June 30, 1951	
	Under Present Fares	Under Proposed Fares
<u>Revenue</u>		
Passenger	\$19,720	\$24,900
Other	560	560
	<u>\$20,280</u>	<u>\$25,460</u>
<u>Expenses</u>		
Maintenance	\$ 5,410	\$ 5,410
Transportation	10,610	10,610
Traffic, Tariff & Advertising	100	100
Insurance & Safety	1,260	1,260
Administration	1,930	1,930
Operating Rents	<u>1,200</u>	<u>1,200</u>
Total Operating & Maintenance	\$20,510	\$20,510
Depreciation	1,970	1,970
Taxes (Excl. Income Taxes)	<u>2,440</u>	<u>2,590</u>
Total Expenses	\$24,920	\$25,070
Operating Ratio	122.9%	98.5%
Net Operating Income	<u>\$(4,640)</u>	\$ 390
Estimated Rate Base	\$ 4,700	\$ 4,700
Rate of Return	-	8.3%
<u>(Loss)</u>		

The applicant company did not submit detailed revenue or expense figures on its own behalf. The general manager testified that in his opinion the figures submitted by the Commission engineer reflected properly the results to be expected for the ensuing year.

From the record in this proceeding it is clear that an adjustment in fares is necessary to sustain the operations of Benton Bus Lines. It is clear also that the proposed fares will not result in excessive revenues. The form of the fare adjustment, as sought by the company, appears to be reasonable and suitable under the circumstances herein developed.

Upon careful consideration of all of the facts and circumstances of record the Commission is of the opinion and finds that the fares and zone changes sought in this proceeding are justified. The general manager requested that, should the sought authority be granted, the company be permitted to make the changes effective on less than statutory notice. In view of the evident need for increased revenues, the necessary authority will be granted.

O R D E R

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 Stanley H. Benton and Paul R. Benton, doing business under the name of Benton Bus Lines, be and they are hereby authorized to establish, on not less than five (5) days' notice to the Commission and to the public, increased and revised fares and revised fare zones as specifically set forth in Paragraph VI of the above-entitled application.

IT IS HEREBY FURTHER ORDERED that the authority herein granted 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 11<sup>th</sup> day of July, 1950.

R. E. Anderson  
Justice F. Coakley  
Frank J. Farrell  
Harold P. Kild  
Kenneth P. Potter  
Commissioners