

Decision No. 45399

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
ELMER L. TODD, an individual doing )  
business under the firm name and )  
style of "ANTIOCH COACH LINES," for )  
an Order Granting Permission to )  
Increase His Passenger Rates of Fare )  
and for an Emergency Order Granting )  
Increased Fares Immediately. )

Application No. 32042

**ORIGINAL**

Appearance

Richard Arensen, for applicant.

O P I N I O N

Applicant is engaged in the transportation of passengers within and in the vicinity of Antioch.<sup>1</sup> He seeks authority to establish increased fares.<sup>2</sup> Public hearing was had before Examiner Lake at Antioch on February 7, 1951.

Applicant testified that his earnings for 1950 were insufficient to permit continued operations. According to a profit and loss statement submitted by the applicant, the net profit for the period March 1, 1950 to December 31, 1950, was \$1,517.95.<sup>3</sup> He asserted that in computing his earnings no provisions had been made for the services he performed driving, servicing and repairing the

---

<sup>1</sup> In addition to services performed within the City of Antioch, applicant also conducts morning and evening operations between Antioch and (a) the Dow Chemical Plant and the Columbia Steel Plant located at the eastern city limits of Pittsburg and (b) Sweeney's Beach and the Pacific Gas and Electric Plant east of the City of Antioch.

<sup>2</sup> The present and proposed fares are set forth in the appendix attached hereto.

<sup>3</sup> Applicant acquired this operation in March of 1950 and stated that records were not available to show the results of operation prior to that time.

equipment, nor for his duties as manager. Had a reasonable charge been assessed for such services, losses would have been reported for his 1950 operations. He stated that he could no longer perform all of his present duties and that it would be necessary to employ someone to assist him. He attributed his losses to a substantial decline in the volume of traffic during the last nine months and to increased costs of conducting operations. He contended that the proposed fares would not return a profit; nevertheless, he expressed the hope that conditions would improve to such a point that he would be able, under the proposed fares, to continue operations.

A transportation engineer of the Commission's staff submitted and explained in considerable detail an exhibit which consisted in general of passenger revenues for the period April, 1950 to January, 1951, inclusive, estimates of passengers and the passenger revenues, operating expenses, depreciation, rate base statements and forecasts of the estimated results of operations for a 12-month period ending February 29, 1952. According to the exhibit, the passenger revenue has shown a decline from \$967 for April to \$648 for January.<sup>4</sup>

This witness estimated that the existing fares based upon present conditions and anticipated expenses would result, for the period covered by his study, in a loss of slightly in excess of \$2,300. The estimated operating ratio would be 121 percent. Operating results under present and proposed fares as developed by the engineer are as follows:

---

<sup>4</sup> The exhibit shows that, except for the month of December, the decline in revenues has been constant. December revenues amounted to \$860, which were slightly higher than the revenues received during each of the preceding five months.

Estimates of Results of Operation  
For 12-Month Period Ending February 29, 1952  
Under Present and Proposed Fares

	<u>Under Present Fares</u>	<u>Under Proposed Fares</u>
Passenger Revenue	\$ 8,520	\$10,810
Charter Revenue	150	150
Advertising Revenue	350	350
Total Operating Revenues	\$ 9,020	\$11,310
Operating Expenses	\$13,680	\$13,680
Net Income	(4,660)	(2,370)
Operating Ratio	151.7%	121.0%
Rate Base	\$ 2,840	\$ 2,840
Rate of Return	--	--

( ) - Indicates Loss

No one opposed the granting of the application. Several public witnesses testified that applicant furnishes a safe and reliable transportation service. They urged that the increased fares be granted.

The proposed fare for children under five years of age remains to be discussed. Applicant contended that children had utilized the bus service to the exclusion of other passengers, and for this reason he believed the fare sought is justified. The Commission engineer stated that the revenue estimated to be received from children under five years of age would be approximately \$235 per year. He was of the opinion that the economic advantage of charging for such passengers would not prove favorable. He asserted that the revenue derived from this traffic might not offset the loss of revenue from adults traveling with children. He pointed out that the present round-trip fare for travel within the City of Antioch for a parent and a child under five years of age is 20 cents, whereas, under the proposal of the applicant, the fare would be 30 cents for the parent and 10 cents for the child. The amount of the proposed fare, he stated, would discourage many parents with children from using applicant's service.

The record leaves no question that applicant's present fares are insufficient to return the operating costs. We are convinced that unless applicant is able to develop additional revenues, his ability to continue operations will be seriously jeopardized. Applicant did not furnish forecasts of future revenues or expenses.<sup>5</sup> It is clear from the evidence submitted by the Commission engineer, however, that the proposed revenue, if received, will only operate to reduce the estimated loss under the present fares. The evidence submitted with respect to the 5-cent fare for children under 5 years of age is not sufficient to justify a departure, in this instance, from the general practice of permitting children under five years of age when accompanied by an adult to be transported free.

Upon careful consideration of all of the facts and circumstances of record, the Commission concludes and finds as a fact that the increased fares as sought in Application No. 32042, except insofar as fares are proposed for children under five years of age, are justified. The application, with the modification indicated, will be granted. In view of the evident need for increased revenues, applicant will be authorized to make the changes effective on less than statutory notice.

O R D E R

Public hearing having been had in the above-entitled application and full consideration of the matters involved having been had, the Commission being fully advised,

IT IS HEREBY ORDERED that Elmer L. Todd, doing business as Antioch Coach Lines, be and he is hereby authorized to establish on not less than five (5) days' notice to the Commission and to the

---

<sup>5</sup>He testified, however, that the proposed increases would increase his revenues approximately \$12 per day over the revenues he had received in September, 1950, and approximately \$8 per day over the revenues he received for the month of January, 1951.

APPENDIX TO DECISION NO. 45399

IN APPLICATION NO. 32042

	<u>Present Fares in Cents</u>	<u>Proposed Fares in Cents</u>
<u>Points in City of Antioch - One-Way Fare</u>		
(a) Adult	10	15
(b) Children 5-12 years	5	10
(c) Children under 5 years	-	5
<u>Antioch to Points East of Pittsburg City Limits</u>		
(a) One-Way Fare	15	20
(b) Round-Trip Fare	-	35
<u>Antioch-Pacific Gas &amp; Electric Plant</u>		
(a) One-Way Fare	15	20
(b) Round-Trip Fare	-	35
<u>Antioch-Sweeney's Beach</u>		
(a) One-Way Fare	10	20
(b) Round-Trip Fare	-	35
<u>Antioch-Camp Stoneman</u>		
(a) One-Way Fare	25	(See Note)

NOTE: No change is proposed for this service.

End of Appendix

public increased fares as set forth below:

	<u>Fares In Cents</u>
<u>Points in City of Antioch - One-Way Fare</u>	
(a) Adult	15
(b) Children 5-12 years	10
<u>Antioch to Points East of Pittsburg City Limits</u>	
(a) One-Way Fare	20
(b) Round-Trip Fare	35
<u>Antioch-Pacific Gas &amp; Electric Plant</u>	
(a) One-Way Fare	20
(b) Round-Trip Fare	35
<u>Antioch-Sweeney's Beach</u>	
(a) One-Way Fare	20
(b) Round-Trip Fare	35

IT IS HEREBY FURTHER ORDERED that applicant be and he is hereby directed to post and maintain in his vehicles a notice of the fares herein authorized. Such notice shall be made not less than five (5) days prior to the effective date of such fares and shall be maintained for a period of not less than thirty (30) days.

IT IS HEREBY FURTHER ORDERED that in all other respects Application No. 32042 be and it is hereby denied.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall expire ninety (90) days after the effective date of this order.

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

Dated at Los Angeles, California, this 27th day of February, 1951.

Justus F. Green  
Harold P. Kula  
John E. Atchell

Commissioners