

Decision No. 45452**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 ISABEL HOWARD and BEN E. NORDMAN,  
 partners doing business under the  
 style and business name of HARBOR  
 TRANSIT, for permission to increase  
 the passenger fares within the City  
 of Oxnard.

Application No. 31895

Ben E. Nordman, for applicant. Glenn E. Newton,  
 Associate Engineer for Public Utilities Com-  
 mission.

O P I N I O N

Applicant operates a passenger stage service in the City of Oxnard and vicinity, and between Oxnard, on the one hand, and Hollywood Beach, Port Hueneme, and Point Mugu, on the other hand.

By this application it seeks authority to increase its passenger fares in the City of Oxnard from five cents to 10 cents to meet alleged increased cost of operation. No other change in fares is contemplated. The other fares now in effect are 15 cents to Hollywood Beach or Port Hueneme, and 20 cents to Point Mugu. There are also reduced fare punch-card tickets available for adults and school children in Oxnard, and for adults to Hollywood Beach and Port Hueneme <sup>(1)</sup>. Applicant issues free transfers.

(1) Present punch-card ticket fares:

Adult, city fare - 12 rides for \$1.00.

" beach and Port Hueneme - 12 rides for \$1.50.

Student, city fare - 12 rides for 60%.

A public hearing was held on February 21, 1951, at Oxnard, before Examiner Chiesa. Oral and documentary evidence having been adduced, the matter was submitted for decision.

Applicant operates seven routes, four of which are in the City of Oxnard.

As justification for the proposed increase in the city fare, applicant has filed an exhibit, as a part of its application, showing its financial condition, as of September 30, 1950, to be as follows:

#### Assets

Cash		\$8,147.76
Accounts Receivable		1,382.29
Material & Parts		960.18
Carrier Oper. Prop.	\$49,285.36	
Less Depreciation	<u>44,501.44</u>	4,783.92
Organization-Franchise		466.10
Deferred Debits-Insurance		<u>448.12</u>
Total Assets		<u>\$16,188.37</u>

#### Liabilities

Accounts Payable	\$ 1,455.46	
Accrued Taxes	<u>903.44</u>	2,358.90
Net Worth Represented by		\$13,829.47
Partnership Capital	\$19,398.19	
Losses to Sept. 30	<u>5,568.72</u>	<u>\$13,829.47</u>

For the period of January 1, 1950, to September 30, 1950, applicant shows operating revenue and expenses as follows:

#### Operating Revenue

\$39,046.43

Operating and Maintenance Expenses	\$38,349.94
Depreciation Expenses	2,177.90
Taxes and Licenses	2,737.31
Rents	<u>1,350.00</u>
	<u>\$44,615.15</u>
Loss	\$ 5,568.72

Applicant did not present an estimate of operation under present and proposed fares, but concurred in presentation of such a report, made by a Commission transportation engineer.

The study of applicant's operations, conducted by the Engineering Division of the Transportation Department of this Commission, shows that the estimated monthly average number of revenue passengers for the 12-month period ending February 29, 1952, is 38,500; estimated monthly average of bus miles is 20,000; and estimated number of passengers per bus mile is 1.9.

It is estimated that the proposed fares will result in a passenger revenue of \$58,660.00 for the period indicated. The rate base, as estimated, is as follows (Exhibit No. 3, pages 9 and 10):

Average Depreciated Investment	\$15,800.00
Materials and Supplies	2,500.00
Franchise Value	<u>250.00</u>
Rate Base	\$18,550.00

Results of Operation for the Year 1950 and  
Estimated Results of Operation for the Rate Year  
Ending February 29, 1952

Item	Actual for Year of 1950 (Adjusted)	Under Proposed Fare 12 Months Ending 2-29-52
Total Revenue	\$56,425	\$68,360
Total Expenses (including depreciation and oper- ating taxes)	61,292	68,740
Operating Ratio	108.6%	100.6%
Net Operating Income	\$ <u>(4,867)</u>	\$ (380)
Estimated Rate Base	\$12,700	\$18,550 ✓
Rate of Return	\$ -	\$ -

(red figure)

The customary notices of hearing were displayed prominently in applicant's vehicles, and notice was also published locally. The city and organizations believed to be interested were also notified. No one appeared in opposition to applicant's proposal.

Upon careful consideration of all the evidence of record, we conclude and find that the fares proposed in this application, and other existing fares, are justified. The application will be granted.

O R D E R

A public hearing having been held in the above-entitled proceeding, the matter having been submitted, and the Commission being fully advised in the premises and having found that the proposed increase in fares is reasonable and justified,

IT IS ORDERED:

(1) That Harbor Transit, a copartnership, be, and it hereby is, authorized to establish, on not less than five (5) days' notice to the Commission and to the public, the following fares:

<u>Fares in Cents</u>			
<u>Between</u> <u>And</u>	<u>Oxnard</u>	<u>Port Hueneme</u>	<u>Hollywood Beach</u>
Oxnard	10	15	15
Port Hueneme	15	10	*
Hollywood Beach	15	*	10
Point Mugu	20	*	*

Reduced Fares

(1) Punch-card tickets at 12/1.00 in lieu of \$.10 cash fare within the City of Oxnard.

(2) Punch-card tickets at 12/1.60 in lieu of \$.10 cash fare for school children within the City of Oxnard.

(3) Punch-card tickets at 12/1.50 in lieu of \$.15 cash fare between Oxnard, on the one hand, and Hollywood Beach and Port Hueneme, on the other hand.

No charge for transfers.

\* No direct service between these points.

(2) The authority herein granted shall expire unless exercised within sixty (60) days from the effective date hereof.

IT IS HEREBY FURTHER ORDERED that the five (5) days' notice to the public, provided for in the preceding ordering

paragraphs, shall be posted in applicant's buses, and shall be a suitable explanatory notice describing the fare increase.

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

Dated at San Francisco, California, this 13<sup>th</sup> day of March, 1951.

R. J. Anderson  
Justus F. Casner  
Harold P. Kula

Lawrence P. Potter  
John E. R. Hill  
COMMISSIONERS