

Decision No. 46101**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 AZUSA MOTOR BUS COMPANY, a corporation,)
 (1) for authority to amend existing)
 route between Azusa, California, and)
 Baldwin Park, California, and (2)) Application No. 32451
 for extension of passenger stage)
 operations from Baldwin Park, Cali-)
 fornia, to Puente, California, by)
 way of West Covina, California, and)
 (3) for authority to revise existing)
 fare zones.)

O P I N I O N

Azusa Motor Bus Company, a California corporation, now operates a passenger stage service between the City of Azusa and Baldwin Park, a distance of approximately ten miles. The present fares are based on three zones, with a single-zone fare of 10 cents and an additional charge of five cents for each zone traversed, aggregating a 20-cent adult fare from Azusa to Baldwin Park.

By this application applicant seeks authority (1) to reroute its present line in order to better serve more persons and increase revenue, (2) extend its line to Puente from Baldwin Park, a distance of approximately ten miles, and (3) adjust its fares, between Azusa and Baldwin Park, by dividing its present second zone into two zones which will increase the fare from Azusa to Baldwin Park to 25 cents. Children's fares will be increased from five to 10 cents minimum and one-half adult fare for inter-zone travel increased to end in "0" or "5".

A public hearing was held in Los Angeles on August 2, 1951, before Examiner Chiesa. Oral and documentary evidence having been adduced, the matter was submitted for decision.

Five businessmen and property owners, one housewife, and the Superintendent of the Covina Intercommunity Hospital testified for the proposed route changes and extension. The witnesses represented chambers of commerce, a businessmen's association, and a nationally known service club. No one appeared in opposition to the proposals.

The evidence shows that the present service in Azusa and between Azusa and Baldwin Park will be improved by serving additional residential areas which have been developed since the service was inaugurated in 1949. Present patrons will not be materially inconvenienced as the new routes will not be more than one-quarter mile from the present service, except along that portion of the present route operated along Maine Street and Merced Avenue southerly of Baldwin Park. As to this proposed change, the record shows that the area is sparsely populated and that service from a competing carrier is available along Covina Boulevard, one block distant. The extension of service into Puente appears to be in the public interest, and we so find. This north-south route will provide public transportation to a large area which is not now served, enabling workers and housewives to reach factories, business establishments and shopping centers. Considerable residential development is anticipated in the area north of Puente, along Glendora Avenue, Fairgrove Avenue and Walnut Avenue.

A Commission engineer presented evidence of applicant's past, present and estimated future earnings. The report supports applicant's position that additional revenues are necessary to meet costs of operation.

Applicant is pioneering a new territory and, although his past operations have not been profitable, it appears that the continuation of the present service and the establishment of the proposed limited extension are justified. Monthly passenger revenue and revenue passengers have increased from \$485.87 and 1,615 passengers for the month of April, 1949, to \$790 and 6,850 passengers for the month of June, 1951.

The present fare zone along Bonita Avenue, between Bleeker Street and the intersection of Clydebank Avenue and Gladstone Avenue, will be divided into two zones by establishing a farebreak at the intersection of Irwindale Avenue and Bonita Avenue.

Applicant is now operating at an annual deficit of \$1,665, with an operating ratio of 116.2%. Under proposed fares the deficit would be reduced to approximately \$655, or an operating ratio of 105.8%.

The engineer's estimate of results is based on present certificated routes and present fares, and on proposed fares applied to the new zones within the limits of the present operation. As to the proposed extension of service into Puente, the report assumed that the operation will at least pay out-of-pocket expenses during the pioneering period. The nature of the new area is similar to that now served.

Traffic checks were conducted on July 14, 16 and 17, 1951, and estimates of revenue are based thereon and on the trend of revenues as reflected by applicant's records.

Estimated results of operation under present and proposed fares (present system) for the rate year ending August 31, 1952, and actual results of operation for the year 1950 are as follows:

ITEM	Actual 1950 (Adjusted)	CASE I Under Present Fares	CASE II Under Proposed Fares
Revenue	\$ 8,663	\$10,290	\$11,320
Expenses (Less Depreciation & Oper. Taxes)	11,150	11,930	11,950
Net Income (After State & Federal Taxes)	(2,512) *	(1,665)	(655)
Operating Ratio After Income Taxes	129.0%	116.2%	105.8%
Estimated Rate Base	3,100	1,400	1,400
Rate of Return	-	-	-

Applicant did not present an estimate of results of operation under present and proposed fares, but concurred with the data contained in the engineer's report (Exhibit No. 3).

Although a small deficit is indicated, it is believed that applicant can continue operating because the territory through which it is operating is continuously developing; passenger revenue is in an upward trend; the estimated loss is less than depreciation reserve requirement which is not necessarily a cash outlay; and compensation for owner's services has been included in expenses of operation.

Having carefully considered the evidence of record, we are of the opinion, and find, that public convenience and necessity require the proposed route changes and extensions;

*() red figures

that the estimate of the Commission's engineer reflects results that may be expected from the proposed change of fare structure; and that the proposed fares are justified.

Applicant will be authorized to operate a passenger stage service and charge fares as hereinafter set forth. For the purpose of clarification applicant will be granted an in lieu certificate.

ORDER

A public hearing having been held and the Commission having found, upon the evidence adduced, that public convenience and necessity so require, and that fares herein authorized are justified,

IT IS ORDERED:

(1) That Azusa Motor Bus Company, a California corporation be, and it hereby is, granted a certificate of public convenience and necessity authorizing the establishment and operation of a service as a passenger stage corporation, as defined in Section 2 $\frac{1}{2}$ of the Public Utilities Act, for the transportation of persons between the City of Azusa, Baldwin Park and Puente, and intermediate points.

(2) That, in providing service pursuant to the certificate herein granted, there shall be compliance with the following service regulations:

- (a) Within thirty (30) days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted.

- (b) Within sixty (60) days after the effective date hereof, and upon not less than five (5) days' notice to the Commission and the public, applicant shall establish the service herein authorized and comply with the provisions of General Order No. 79 and Part 19 of General Order No. 98, by filing in triplicate, and concurrently making effective, tariffs and time schedules satisfactory to the Commission.
- (c) Subject to the authority of this Commission to change or modify such at any time, Azusa Motor Bus Company shall conduct said passenger stage operation over and along the following-described route:

Commencing at the intersection of Santa Fe Avenue and Azusa Avenue, thence south on Azusa to Fourth Street; thence west on Fourth to Virginia Avenue, thence south on Virginia to Third Street; thence east on Third to Vernon Avenue; thence south on Vernon to Broadway (also called Gladstone Avenue); thence west on Broadway to Clydebank Avenue; thence south on Clydebank to Bonita Avenue (also called Arrow Highway); thence west on Bonita to Maine Avenue; thence south on Maine to Olive Street; thence west on Olive to Stewart Avenue; thence south on Stewart to Ohio Street; thence east on Ohio to Maine Avenue; thence south on Maine to Holt Avenue; thence southeast on Holt to Puente Avenue; thence northeast on Puente to Roote Avenue; thence east on Roote to Willow Avenue; thence south and southwest on Willow to McDevitt Street; thence northwest on McDevitt to Puente Avenue; thence southwest on Puente to Merced Avenue; thence southeast on Merced to Glendora Avenue; thence northeast on Glendora to Vine Avenue; thence east on Vine to Walnut Avenue; thence south on Walnut to Fairgrove Avenue; thence west on Fairgrove to Glendora Avenue; thence south on Glendora to First Street; thence south on First Street to Main Street; thence west on Main Street to Glendora Avenue; thence north on Glendora to the intersection of First Street and Glendora Avenue, and return via same route to the intersection of Azusa Avenue and Foothill Boulevard in Azusa;

thence east on Foothill to Cerritos Avenue;
 thence south on Cerritos to First Street;
 thence west on First Street to Lemon Avenue;
 thence south on Lemon to Paramount Street;
 thence east on Paramount to Azusa Avenue;
 thence north on Azusa Avenue to Santa Fe Avenue, at point of beginning.

Applicant is authorized to turn its motor vehicles at termini and intermediate points, in either direction, at intersections of streets, or by operating around a block contiguous to such intersections, or in accordance with local traffic rules.

(3) That Azusa Motor Bus Company be, and it hereby is, authorized to abolish its present fares and, on not less than five (5) days' notice to the Commission and the public, establish in place thereof adult and children's fares as follows:

(a) Adult Fares

Between:	Azusa Valley-dale	Irwin-dale	Baldwin Park	West Covina (North)	West Covina (South)	Puente
Azusa Valley-dale	\$.10	.15	.20	.25	.30	.40
Valley-dale	.15	.10	.15	.20	.25	.35
Irwin-dale	.20	.15	.10	.15	.20	.30
Baldwin Park	.25	.20	.15	.10	.15	.25
West Covina (North)	.30	.25	.20	.15	.10	.20
West Covina (South)	.35	.30	.25	.20	.15	.15
Puente	.40	.35	.30	.25	.20	.10

Azusa - Foothill Blvd. & Azusa Ave. to Clydebank Ave. & Broadway.
 Valleydale - Clydebank Ave. & Broadway to Bonita Ave. & Irwindale Ave.

Irwindale - Bonita Ave. & Irwindale Ave. to Bonita Ave. & Maine Ave.

Baldwin Park - Bonita Ave. & Maine Ave. to Puente Ave. & Merced Ave.
 West Covina (North) - Puente Ave. & Merced Ave. to Merced Ave. & Glendora Ave.

West Covina (South) - Merced Ave. & Glendora Ave. to Walnut Ave. & Fairgrove Ave.

Puente - Walnut Ave. & Fairgrove Ave. to Glendora Ave. & Main St.

(b) Children's Fares

Under 5 years of age - free.
5 to 12 years of age - minimum fare of 10 cents
with an inter-zone fare of one-half the adult
fare, increased to end in "0" or "5".

(4) That applicant shall give the public at least five (5) days' notice of the proposed route changes and fare increases by posting clearly visible and explanatory notices in all of its buses and at principal stops.

(5) That the passenger stage service hereinabove authorized is granted in lieu of that authorized by Decision No. 43169, dated August 2, 1949, and said decision is hereby revoked.

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

Dated at San Francisco, California, this 20th day of August, 1951.

R. I. [Signature]
Justus J. [Signature]
Harold P. [Signature]
John E. [Signature]
[Signature]
COMMISSIONERS