

ORIGINAL

Decision No. 46632

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
DELANO BUS LINE)

(a) For authority to raise the fare)
from the City of Delano to Headquarters,)
Sierra Vista Ranch, Camps #2, #1, #3,)
Sierra Vista Ranch and from Headquarters,)
Sierra Vista Ranch, Camps #2, #1, #3,)
Sierra Vista Ranch to the City of Delano.)

(b) For authority to raise the fare)
from the City of Delano to Lanza Camp,)
California Vineyards Inc. and from Lanza)
Camp, California Vineyards, Inc. to the)
City of Delano.)

Application No.
32716 as amended.

(c) For authority to raise the fare)
from the City of Delano to Marlin Camp)
and from Marlin Camp to the City of)
Delano.)

(d) For authority to raise the fare)
from City of Delano to Schenley H. Ranch,)
Schenley Industries Inc. and from Schenley)
H Ranch, Schenley Industries Inc. to the)
City of Delano.)

Gustave W. Metz for applicant

O P I N I O N

Applicant Gustave W. Metz, doing business as Delano
Bus Line, has been operating a passenger stage service between
Delano and certain ranches in the surrounding area by author-
ity of this Commission ⁽¹⁾ since April 1951. He seeks by the

(1) Decision No. 45425, dated March 6, 1951, in Application
No. 32123.

present application to increase his fares. The amended application seeks no increase of fare for transportation within the city limits of Delano, but the present 20-cent fares from Delano to Wallace Camp, to Headquarters, and to Camps Nos. 1, 2 and 3, are proposed to be increased to 25 cents. The present 25-cent fare from Delano to Lanza Camp is sought to be increased to 35 cents. No fare changes are proposed between Delano and Marlin Camp and Schenley H. Ranch.

As justification for the relief requested, the application alleges that the fares have not been increased since the operation was established by applicant's predecessor in 1946, but that the cost of operation has increased "to wit: tires, gasoline, oil, mechanical repairs including parts and labor, insurance and the possible need of replacing the present bus."

Public hearing was held before Examiner Rowe in Delano, California, on December 18, 1951. Oral and documentary evidence was adduced and the matter was duly submitted for decision.

Notice of the hearing and of the proposed fare increase was published in a newspaper of general circulation printed and published in Delano on December 3, 1951. Like notices were posted December 2, 1951, at the terminals and bus stops and in the equipment of applicant.

An associate transportation engineer on the Commission staff testified that he had made a study of applicant's service and facilities and of his operating expenses and revenues. According to his undisputed testimony, during the

seven-month period ending October 31, 1951, applicant's operation has resulted in a net operating loss of \$199.82. The rate base is \$600.00. The operating ratio for this operation is 112.2 per cent. This result was reached after adjusting applicant's records by allowing for depreciation and owner's salary of \$100.00 per month.

This expert estimated that with the proposed fares and with the same allowance for depreciation and salary an operating ratio of 105.2 per cent would result. At the present fares this witness stated that he expects an operating ratio of 130.1 per cent and a net loss of \$557.00 during 1952.

The probability of an increase of patronage is extremely doubtful in this operation. Applicant's only customers are Mexican nationals, Filipinos and Japanese field workers. They use this transportation service only in the evening to go to and return from Delano to the labor camps on the different ranches for recreation and to attend church and for other purposes during the day on Saturdays and Sundays. In its very nature this operation is necessarily seasonal and very unstable. The presence of taxicabs which cruise over the various ranches furnishes a substantial competition. This competition prevents applicant from asking a greater fare increase, but also materially reduces his bus revenue. In the opinion of this witness the proposed fares may result in some improvement in financial position should traffic increase. However, under no foreseeable increase in traffic could these fares produce an unreasonably high rate of return. Considering the entire

record herein, the Commission finds that the fares as proposed in the application, as amended, are justified and reasonable, and consequently the application will be granted.

O R D E R

A 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 ORDERED:

(1) That Gustave W. Metz, doing business as Delano Bus Line, be and he hereby is authorized, on not less than five (5) days' notice to the Commission and the public, to increase

fares as follows:

- (a) Raise the present one-way 20-cent fare between Delano and each of the points of Wallace Camp, Headquarters and Camps Nos. 1, 2 and 3, to a one-way fare of 25 cents.
- (b) Raise the present one-way 25-cent fare between Delano and Lanza Camp to a one-way fare of 35 cents.

(2) That the five (5) days' notice to the public, provided for in the preceding paragraph, shall be given by posting in applicant's buses and at all bus stops a suitable notice describing how the fare increases will affect the public.

(3) That the authority to increase fares as herein granted shall lapse unless the changes authorized in this order are

published, filed and made effective within sixty (60) 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 San Francisco, California, this 8th day of January, 1952

R. J. [Signature]
President

Harold P. [Signature]

[Signature]

[Signature]

Commissioners

Commissioner Justus E. Craomer, being necessarily absent, did not participate in the disposition of this proceeding.