

ORIGINALDecision No. 48488

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 J. V. Fuzere, doing business as)
 Calaveras Transit Company, for author-)
 ity to increase rates and charges for) Application No. 34012
 the transportation of passengers and)
 express and to change rules and)
 regulations governing same.)

J. V. Fuzere, in propria persona.
J. C. Sommers, for Stockton Chamber of
 Commerce, in support of the application.
O. B. Liersch, for the Commission's staff.

O P I N I O N

J. V. Fuzere, an individual doing business as Calaveras Transit Company, operates as a passenger stage corporation. He is engaged in the transportation of passengers and shipments of express between Stockton and points generally east thereof as far as Murphy's, Calaveras County, via San Andreas and Angels Camp.¹ By this application, as amended, he seeks authority to increase his passenger fares and express rates on less than statutory notice.

A public hearing of the application was held at Stockton on March 20, 1953, before Examiner Jacopi.²

Applicant's present one-way fares are computed on the basis of four cents per mile with the round-trip fares being made on the

¹ The one-way distance between Stockton and Murphy's via applicant's route is 65 miles.

² The application was filed with the Commission on January 12, 1953. An amendment was filed on March 16, 1953.

basis of 160 per cent of the one-way fares. It is proposed to adjust the one-way fares to the level of five cents per mile and to construct the round-trip fares on the basis of 180 per cent of the increased one-way fares. On movements from Stockton, the fare increases would range from 10 cents for the shortest haul to 65 cents for the longest haul. The average increase amounts to 27.6 per cent. The present express rate of one cent per pound would be raised to the level of 2 cents per pound. The proposed adjustments are expected to produce additional revenue of \$3,605 per year.

It is alleged that applicant's fares and rates have not been increased since he commenced operations in December, 1942, and that by reason of steady advances in the operating expenses the revenues under the present fares and rates are insufficient to cover the cost of operation. Evidence relative to the financial results of operations under the present and proposed rates was introduced by applicant and by a transportation engineer of the Commission's staff. The applicant reported that for the year 1952 the revenues under the present rates amounted to \$9,137 and the expenses were \$6,704. It was pointed out, however, that no provision was made in the operating expenses for depreciation expense nor for the driving of the bus by applicant.

Applicant also introduced an exhibit showing the results of operation anticipated if the present rates were continued in effect for the future 12-month period ending April 30, 1954. The exhibit showed that the revenue would amount to \$8,631, the operating expenses would be \$14,324, and that a loss of \$5,693 would be incurred. The operating ratio would be 166.0 per cent. A similar estimate for the same 12-month period offered by the staff engineer showed that the operations under the present rates would result in a loss of \$5,317 and that the operating ratio would be 161.5 per cent. In these estimates provision was made in the expenses for the services of

applicant as a bus driver at prevailing wages for generally similar operations, for depreciation expense and for all known increases in the cost of operation.

Estimates of the operating results which reasonably might be expected if the proposed rates were in effect throughout the future 12-month period ending April 30, 1954, also were presented by applicant and the staff engineer. These calculations are summarized in the tabulation which follows:

Estimated Operating Results Under the Proposed Rates
for the 12-Month Period Ending April 30, 1954.

	<u>Applicant</u>	<u>Commission Engineer</u>
Revenue	\$12,107	\$12,249
Operating Expenses	14,594	14,220
Net Operating Revenue	<u>\$(2,487)</u>	<u>\$(1,971)</u>
Operating Ratio	120.5%	116.1%

() - Denotes loss.

The granting of the application was supported by the Stockton Chamber of Commerce. The manager of its Industrial-Transportation Department testified that applicant provided the only public passenger transportation service between Stockton and various important communities in San Joaquin and Calaveras Counties and that the continuance of the service was essential to the people in the areas served. The witness asserted that the Chamber's investigation of applicant's proposal had developed that the operating expenses had increased substantially in recent years, that the present fares and rates now were insufficient and that the additional revenue sought was needed to sustain the operations.³

No one appeared in opposition to the proposed increases in fares and rates. Notices of the hearing were posted in applicant's

³ The Stockton Chamber of Commerce adopted a resolution supporting the granting of the fare increases sought by applicant and directing the manager mentioned above to testify accordingly at the hearing. The record in this proceeding contains a copy of the resolution.

depots and vehicles and were published in a newspaper of general public circulation in the affected territory.

It is clear that the revenues earned under applicant's present rate structure are insufficient to cover the cost of performing the service and that continuance of the operations under the present fares and rates would result only in further losses. The record shows that the additional revenues that would be derived from the proposed adjustments would do no more than to assist in reducing the operating deficit now being experienced. The evidence is convincing that the proposed fares and rates are needed to assure the continuance of a necessary public service.

Upon consideration of all of the facts and circumstances of record, the Commission is of the opinion and hereby finds that the increases in passenger fares and express rates sought by applicant in this proceeding have been justified. They will be authorized. Applicant requested that he be authorized to establish the increased fares and rates on less than statutory notice. In view of the urgent need for additional revenue, the request will be granted and, in addition, the order herein will be made effective in ten days.

O R D E R

Based on the evidence of record and upon the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that J. V. Fuzere, an individual doing business as Calaveras Transit Company, be and he is hereby authorized to establish, on not less than five days' notice to the Commission and to the public, the increased passenger fares and express rates and changes in tariff rules as proposed in the application, as amended, filed in this proceeding and as set forth in Exhibits Nos. 2 and 3 herein.

IT IS HEREBY FURTHER ORDERED that applicant be and he is hereby directed to post and maintain in his vehicles and depots notices to the public of the increased fares and rates herein authorized. Such notices shall be posted not less than five days prior to the effective date of such fares and rates and shall remain posted until not less than ten days after the said effective date.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall expire unless exercised within sixty days after the effective date of this order.

This order shall become effective ten days after the date hereof.

Dated at San Francisco California, this 14th day of April, 1953.

R. J. [Signature] President
Justus J. [Signature]
Harold P. [Signature]
[Signature]
[Signature] Commissioners