

ORIGINALDecision No. 48634

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 PAUL DILLINGHAM and JACK SCHIPP,)
 copartners dba CITRUS BELT LINES,)
 to increase rates and fares for the)
 transportation of passengers between)
 Pomona-Chino, Alta Loma-Cucamonga-)
 Guasti-Ontario-Chino, and Upland-)
 Ontario, California.)

Application No. 33894

O P I N I O N

Jack Schipp and Paul Dillingham, copartners doing business as Citrus Belt Lines, now operate a passenger stage service between Pomona, Chino and the California Institute for Men, situated south of Chino, and between Chino, Ontario, Upland and Alta Loma, and intermediate points. The Pomona-Chino-Institute route may be considered as an entirely separate service as there is no travel between Ontario and Pomona via applicants' lines.

By this application authority is sought to increase and change fares by raising the basic fare from 10 cents to 15 cents, eliminating all round-trip and commutation fares, eliminating transfers, establishing fares for children 5 to 11 years of age at one-half the adult fares with a 10-cent minimum fare, and establishing a maximum 10-cent one-way fare for school children of any age.

Applicant has outlined his proposal as follows:

10-cent fares	increased	to	15	cents	one-way.
15-	"	"	"	20	" "
20-	"	"	"	25	" "
25-	"	"	"	30	" "
30-	"	"	"	35	" "

35-cent fares to remain the same.

Free transfers discontinued.

Round-trip reductions discontinued.

School and commutation 30-ride tickets discontinued.

A public hearing was held in Ontario on April 22, 1953, before Examiner Chiesa. Oral and documentary evidence having been adduced, the matter was submitted for decision.

At said hearing applicant copartners testified in support of their request, and a Commission engineer presented and explained a report showing estimated results of operation under present and proposed fares (Exhibit No. 2). The general manager of the City of Ontario appeared as an interested party. The city offered no evidence.

Applicants testified that present fares were established in 1947 and that, because of the greater postwar use of private automobiles and increased cost of equipment, materials and supplies and wages, the system has experienced a loss in revenue passengers and profits, resulting in a noncompensatory operation.

Income statements filed with this Commission for the years 1946 to 1951, inclusive, show average annual results as follows:

	<u>Average 1946-1951</u>
Revenue:	
Passenger	\$46,459.00
Other *	<u>10,134.00</u>
	56,593.00
Expenses:	
Operating and Maintenance	\$50,655.00
Depreciation	3,053.00
Operating Taxes and Licenses	2,867.00
Operating Rents	<u>354.00</u>
	56,929.00
Operating Ratio %	100.6
Net Operating Income	<u>(336.00)</u>
Other Income (Net)	<u>(23.00)</u>
Net Income	<u>(359.00)</u>

(Red Figure)

* Part of this revenue is from sources not under Commission jurisdiction.

Annual statements for 1952 had not been filed at the time of hearing.

Applicant did not present an estimate of results of operation under the proposed fares. A Commission engineer's report shows estimated results of operation under present and proposed fares for the year ending April 30, 1954, to be as follows:

ITEM	Actual For Year of 1952 (Est.)	CASE I Under Present Fares	CASE II Under Proposed Fares
Total Revenue	\$48,230	\$44,900	\$54,200
Total Expense	49,810	50,540	50,690
Operating Ratio %	103.3	112.6	93.5
Net Income before Taxes	(1,580)	(5,640)	3,510
State and Federal Taxes	-	-	840
Net Income	(1,580)	(5,640)	2,670
Operating Ratio after Taxes %	103.3	112.6	95.1
Estimated Rate Base		\$ 5,380	\$ 5,380
Rate of Return		-	49.6
Adjusted Rate Base *			\$29,260
Rate of Return %			9.0

(Red Figure)

* Adjusted to include equipment at appropriate values. Present equipment consisting of seven used buses, fare boxes, service car and office equipment is approximately 81% depreciated.

The record clearly shows that applicant would continue to operate at a loss under the present fare structure. We are of the opinion that the estimates of the Commission's transportation engineer (Case II, page 7, of Exhibit No. 2) fairly reflect results that may be expected from a revised fare structure, as set forth in

Appendix "A" to this decision, which fares, we find, have been justified and will be authorized. The rate of return calculated on the adopted rate base of \$29,260 we hereby find to be reasonable.

O R D E R

A public hearing having been held in the above-entitled proceeding, the Commission being fully advised in the premises and having found that fares as hereinafter set forth are reasonable and justified,

IT IS ORDERED:

(1) That Paul Dillingham and Jack Schipp, doing business as Citrus Belt Lines, be, and they hereby are, authorized to amend their local passenger tariffs Cal. P.U.C. No. 4 and Cal. P.U.C. No. 5, on not less than five days' notice to the Commission and to the public, to establish the fares and related rules set forth in Appendix "A" attached hereto and by this reference made a part hereof.

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

(3) That the five days' notice to the public, provided for in ordering paragraph (1), shall be posted in applicants' buses and shall be a suitable explanatory notice describing the fare increases.

(4) That, except as herein authorized, Application No. 33894 be, and it hereby is, denied.

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

Dated at San Francisco, California, this 26th day of May, 1953.

J. E. Dillingham
President
James D. Callahan
Harold T. Kula
Thomas J. Patten
John E. Whitehill
Commissioners

APPENDIX "A"

Authorized Fares, Paul Dillingham and Jack Schipp
doing business as Citrus Belt Lines

Adult one-way fares (in cents)

and Zone	Between							
	Z O N E							
	1	2	3	4	5	6	7	8
1	15							
2	20	15						
3	25	20	15					
4	30	25	20	15				
5	35	30	25	20	15			
6						15		
7						20	15	
8						35*	30	15
						50*	20	15

* Round trip

Z O N E S

Zone 1	Alta Loma-Chino Line	Between Lomita Drive at Amethyst Street and Arrow Highway at Archibald Avenue.
Zone 2	Alta Loma-Chino Line	Between Arrow Highway at Archibald Avenue and Colton Avenue at Archibald Avenue.
Zone 3	Alta Loma-Chino Line	Between Colton Avenue at Archibald Avenue and "A" Street at Virginia Avenue.
Zone 4	Alta Loma-Chino Line	Between "A" Street at Virginia Avenue and Palmetto Avenue at Francis Avenue, in Ontario.
	Campus Avenue Line	Entire line.
	Euclid Avenue Line	Entire line.

APPENDIX "A"

(continued)

Z O N E S

Zone 5	Alta Loma-Chino Line	Between Palmetto Avenue at Francis Avenue in Ontario and "D" Street at 6th Street in Chino.
Zone 6	Pomona-Chino Line	Between 4th Street at Garey Avenue in Pomona and East End Avenue at Philadelphia Street.
Zone 7	Pomona-Chino Line	Between East End Avenue at Philadelphia Street and "D" Street at 6th Street, Chino.
Zone 8	Pomona-Chino Line	Between "D" Street at 6th Street, Chino, and the California Institute for Men.

Children's fares

Children under five years of age, when accompanied by a passenger paying an adult fare and when not occupying a seat to the exclusion of other passengers, will be carried free. Children under five years of age occupying seats to the exclusion of other passengers and children five years of age and older, but less than twelve years of age, will be charged one-half of adult fare, increased where necessary to make fare end in 0 or 5.

Student fares

Students traveling to or from school, Mondays through Fridays, between the hours of 6 a.m. and 5 p.m., will be charged a fare of 10 cents.

Transfers

Transfers will be issued only at time fare is paid and are good only for travel in same general direction away from line or district of issue on next passing coach at points where lines converge or intersect. Transfers will not be issued to or from points on the Pomona-Chino Line nor in connection with student fares, except where both point of origin and point of destination are within Zone 4.

End of Appendix