

ORIGINAL

Decision No. 48880

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of CHARLES B. HOLBROOK, doing )  
business under the name of )  
Holbrook Transit Co., for an )  
increase in rates. )

Application No. 34335

Phil Jacobson, Attorney, for applicant; Glenn E. Newton, for the Transportation Division of the Public Utilities Commission.

O P I N I O N

In this application Charles B. Holbrook, doing business as Holbrook Transit Co., a passenger stage corporation, seeks an increase in the fare structure of the company so as to change the minimum fare from 10 cents to 15 cents for travel within one zone or any two adjoining zones, to change the 10-ride commutation school punch ticket from 75 cents for 10 rides to \$1.00 for 10 rides, and to eliminate the present 12-ride commutation fares in all zones.

Public hearing was held on July 21, 1953, in Los Angeles before Examiner Syphers, at which time evidence was adduced and the matter submitted.

At the hearing, although it was established that notice thereof had been published in local newspapers and in the buses of applicant, no protestants appeared.

The general manager of applicant company presented Exhibit 1, a statement of revenues, number of passengers

carried and bus miles for the year 1952 and the first five months of 1953, Exhibit 2, an estimate of future revenues under present and proposed fares, and Exhibit 3, an estimate of the results of operation under present and proposed fares for the year ending June 30, 1954. This witness further testified that the applicant company has been operating at a loss for the past three years. In the verified application it is alleged that the costs of fuel, repairs, parts and labor are increasing continuously and that additional revenue will be necessary in order to offset these increased losses. A statement of proposed fares is attached to the application.

An engineer of the Commission's staff presented the results of a study he had made in this connection which was received as Exhibit 4.

An analysis of this evidence discloses that under existing fares applicant's operations will be conducted at a loss and that under proposed fares applicant will receive a rate of return which is in no way excessive or unreasonable. The following table shows the results of the studies presented:

	<u>Applicant</u>	<u>Commission Engineer</u>
<u>Present Fares</u>		
Net loss	\$ 23,851.78	\$ 7,520.00
Operating ratio	115.46%	104.7%
<u>Proposed Fares</u>		
Net gain	\$ 167.33	\$ 8,170.00
Operating ratio	99.91%	97.4%

The engineer further estimated that under proposed fares the applicant would receive a rate of return of 6.9 per.

cent on an adjusted rate base of \$66,500.

After consideration of all of the testimony presented in this matter, we conclude that applicant presently is operating at a loss and is, therefore, entitled to an increase in its present fares. The fares as proposed appear to be reasonable and are in conformity with existing fares of similar operations. Applicant's request will be granted and the fares authorized in the following order are hereby found to be justified.

Inasmuch as the existing fares are not adequate and do not meet the operating expenses, applicant requested authority to put the proposed fares into effect as quickly as possible. In the light of this record there is no reason why this request should not be granted.

O R D E R

Application as above entitled having been filed, public hearing having been held thereon, the matter having been submitted, the Commission being fully advised in the premises and good cause appearing,

IT IS ORDERED that Charles B. Holbrook, doing business as Holbrook Transit Co., be and he hereby is authorized to establish on five days' notice to the Commission and the public the following changes in his fare structure:

- (a) Increase the present minimum fares from 10 cents to 15 cents for travel within one zone or between any two adjoining zones.

- (b) Increase the present 10-ride commutation school punch ticket from 75 cents for 10 rides to \$1.00 for 10 rides.
- (c) Eliminate the present 12-ride commutation fares in all zones.

IT IS FURTHER ORDERED that Charles B. Holbrook, doing business as Holbrook Transit Co., shall post notice of the above authorized fare changes in his buses and stations for at least five days before and ten days after the effective date of this order.

IT IS FURTHER ORDERED that the authority herein granted shall expire, except to the extent that the rates and charges published pursuant to this authority are filed and made effective, within sixty days after the effective date of this order.

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

Dated at San Francisco, California, this 28<sup>th</sup> day of July, 1953.

R. Z. Dunnington  
 PRESIDENT  
Justin F. Caswell  
Harold P. Kula  
Kenneth Patten

COMMISSIONERS

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