

ORIGINAL

Decision No. 48898

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of JOHN W. CHAPMAN, doing business )  
under the name of Benton Bus Lines, )  
for an increase in rates. )

Application No. 34373

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 John W. Chapman, doing business as the Benton Bus Lines, a passenger stage corporation, seeks an increase in the fare structure so as (a) to increase the existing fares in and between the various zones 5 cents, and (b) to provide a 10-ride commutation school punch ticket. A copy of the proposed tariff is attached to the application as amended.

A public hearing was held on July 21, 1953, before Examiner Syphers at Los Angeles, 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 owner of the applicant company presented Exhibit 1, a statement of the revenue, number of passengers and bus miles for the year 1952 and for the first five months

of 1953, Exhibit 2, a statement of estimated passengers and revenues under present and proposed fares, and Exhibit 3, an estimate of the results of operations under present and proposed fares for the year ending June 30, 1954. The witness testified that the company presently is operating at a loss. The verified application alleges that the cost of fuel, repairs, parts and labor are increasing continuously and that in order to meet these increased costs an increase in fares is necessary.

An engineer of the Commission's staff presented Exhibit 4, the results of a study which he had made concerning the proposed operations.

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>Present Fares</u>	<u>Applicant</u>	<u>Commission Engineer</u>
Net loss	\$25,629.13	\$17,640.00
Operating ratio	135.49%	123.5%
<u>Proposed Fares</u>		
Net gain	\$ 2,055.55.	\$ 4,270.00
Operating ratio	97.96%	95.6%

The Commission engineer further estimated that the proposed fares would result in a rate of return of 9.2% on an adjusted rate base of \$40,000.

After consideration of all of the testimony presented in this matter, we conclude that applicant is presently 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.

ORDER

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 John W. Chapman, doing business as Benton Bus Lines, be and he hereby is authorized to establish on five days' notice to the Commission and the public the following fare structure:

- 15 cents for any one zone ride.
- 20 cents for any two zone ride.
- 25 cents for any three zone ride.
- 30 cents for any four zone ride.
- A 10-ride commutation school punch ticket will be sold for \$1.00 where the one-way fare is 15 cents; \$1.50 where the one-way fare is 20 cents; \$2.00 where the one-way fare is 25 cents.

IT IS FURTHER ORDERED that John W. Chapman, doing business as Benton Bus Lines, 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 28th day of July, 1953.

[Signature]  
PRESIDENT  
[Signature]  
[Signature]  
[Signature]

COMMISSIONERS

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