

ORIGINALDecision No. 48982

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of, the Application of)	
JUNE R. STEPHENS, dba Stephens)	
Transportation, to raise fares from)	Application No. 34467
ten cents (10¢) to fifteen cents (15¢))	
and children's fares from five cents)	
(5¢) to ten cents (10¢).)	

O P I N I O N

June R. Stephens, doing business as Stephens Transportation, now operates a passenger stage service in Laguna Beach and vicinity pursuant to operating rights created by Decision No. 38861, dated April 16, 1946, as revised by Decision No. 47208. Applicant acquired said rights by authority granted in Decision No. 41970, dated August 24, 1948.

Pursuant to her authority applicant has been operating a bus service in Laguna Beach and between Laguna Beach and Three Arch Bay. All adult fares are 10 cents. Children 5 years of age and under 12 years of age ride for half fare, as do children under 5 years of age when occupying seat to the exclusion of the other passengers. Children under 5 years of age not occupying a seat to the exclusion of other passengers ride free.

Applicant requests authority to increase the adult fare from 10 cents to 15 cents and the children's fare from 5 cents to 10 cents. This is applicant's first request for a fare increase.

Applicant states that she will not be able to continue to operate this service unless the relief sought is granted, as the cost of maintenance, materials and supplies, wages and insurance have appreciably increased.

Results of applicant's past operations, as analyzed by a Commission engineer from statements filed with the application, are as follows:

	Year Ended <u>12-31-52</u>	5 months ended 5-31-53 <u>Annualized</u>
Operating Revenue	\$17,795	\$15,414
Operating Expenses	<u>18,076</u>	<u>14,967</u>
Net Operating Income	\$ (<u>281</u>)	\$ 447
Rate Base (Depreciated Fixed Capital)	\$ 1,821	9,666 (1)

() Red Figure

A staff report of past and estimated results of operations is as follows:

ITEM	Year 1952	For 12-Month Period Ending 8-31-54	
		Under Present Fares	Under Pro- posed Fares
Operating Revenue	\$17,795	\$15,900	\$22,270
Operating Expenses	<u>18,201</u>	<u>21,640</u>	<u>\$21,640</u>
Net Before Income Taxes	\$ (<u>406</u>)	\$ (<u>5,740</u>)	\$ 630
Income Taxes	<u>-</u>	<u>-</u>	<u>150</u>
Net Operating Income	\$ (<u>406</u>)	\$ (<u>5,740</u>)	480
Operating Ratio - %	102.3	136.1	97.8
Rate Base		8,500	8,500
Rate of Return - %	-	-	5.6
Bus Miles Operated	76,218	60,000	60,000 (2)

() Red Figures

It is apparent 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 engineer fairly reflect the result that may be expected from the proposed fare increase which, we find, has been justified and will not produce an unreasonable rate of return.

- (1) Reflects purchase in May 1953 of used 1951 GMC Coach at a cost of \$8,429.52.
 (2) Present operation which is minimum requirement.

The City of Laguna Beach was served with a copy of the application and is not opposed to the proposed fare adjustment. The application will be granted. A public hearing is not deemed necessary.

O R D E R

Application having been made, the Commission being fully informed in the premises and having found that fares as hereinafter set forth are reasonable and justified,

IT IS ORDERED:

(1) That Juno R. Stephens, doing business as Stephens Transportation, be and she hereby is authorized to establish on not less than five days' notice to the Commission and to the public the following increased fares:

Adult Fares

15 cents cash.

Children's Fares

Children 5 years of age and under 12 years of age:

10 cents cash.

Children under 5 years of age occupying seat to the exclusion of other passengers:

10 cents cash.

Children under 5 years of age, when accompanied by adult passengers and not occupying a seat to the exclusion of other passengers:

Free.

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

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

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

Dated at San Francisco, California, this 18th day of August, 1953.

 PRESIDENT
James F. Casner
Harold S. Hule

John E. Mitchell

 COMMISSIONERS