

ORIGINAL

Decision No. 49322

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
E. A. SHELLEY, doing business as)
WILMINGTON BUS COMPANY, for an)
increase in rates, a change in)
routing, and a certificate to)
operate an on-call special bus to)
serve schools along his regular)
routes.)

Application No. 34607

O P I N I O N

Applicant operates a passenger stage service in the Los Angeles suburb of Wilmington and vicinity. In conjunction with said service he also operates a noncertificated auxiliary school bus service.

By this application authority is sought to raise single zone cash fares from 10 cents to 12 cents and to eliminate the present two-zone token fare of two rides for 25 cents. No change is proposed in the present 15-cent two-zone cash fare or in the present universal school fare of 10 cents.

Applicant also requests a minor rerouting and abandonment of a short segment along one of its routes and certification of a route to be used solely for school service. Neither of said route matters is controversial. The proposed rerouting along Grace Avenue will provide a more convenient service for residents of a new housing project without depriving present patrons of adequate service. The school route will primarily serve children attending the Fries Avenue and the Saint Peter and Paul Schools.

Applicant alleges that revenues have been declining and that the passenger stage operations are now being conducted at a

loss; that costs of fuel, repairs and materials and supplies have increased; that the proposed raise in fares is needed to continue the operation, and that the volume of traffic will not be seriously affected.

Applicant's financial condition as of March 31, 1953, was as follows: total tangible assets \$35,743.52, total liabilities of \$10,741.92. Net worth was \$25,001.60. In 1952 passenger stage operations resulted in a loss of \$6,124.77, whereas over-all result (includes contract revenue) was a profit of \$1,870.40. (Exhibits A, B and C.)

Data presented by the applicant in support of its fare increase, including common carrier and school bus operations, have been considered by the Commission staff, which has also prepared an independent study of applicant's business.

A comparison of applicant's and the staff's estimates of results of operations under present and proposed fares is shown in the following tabulation:

I. Under Present Fares

Item	Applicant (a)			P.U.C. Staff (b)		
	Schedule	Contract	Total	Schedule	Contract	Total
Revenue	\$21,632	\$29,998	\$51,630	\$25,140	\$34,200	\$59,340
Operating Exp.	27,757	22,604	50,361	28,220	30,970	59,190
Net before						
Inc. Taxes	(6,125)	7,394	1,269	(3,080)	3,230	150
Income Taxes	-	1,957	291	-	770	30
Net Income	\$(6,125)	\$ 5,437	\$ 978	\$(3,080)	\$ 2,460	\$ 120
Operating						
Ratio % (c)	128.3	81.9	98.1	112.3	92.8	99.8
Rate Base	\$ 6,000	\$27,000	\$33,000	\$ 5,830	\$26,490	\$32,320
Rate of Return %	-	20.1	3.0	-	9.3	0.4

(Red Figure)

- (a) For 12-month period ending 6-30-54
- (b) For 12-month period ending 10-31-54
- (c) After income taxes

NOTE: Income tax and rate base by P.U.C. staff

II. Under Proposed Fares

Item	Applicant (a)			P.U.C. Staff (b)		
	Schedule	Contract	Total	Schedule	Contract	Total
Revenue	\$23,611	\$29,998	\$53,609	\$26,720	\$34,200	\$60,920
Operating Exp.	27,832	22,604	50,436	28,260	30,970	59,230
Net before						
Inc. Taxes	(4,221)	7,394	3,173	(1,540)	3,230	1,690
Income Taxes	-	1,957	725	-	770	390
Net Income	\$(4,221)	\$ 5,437	\$ 2,448	\$(1,540)	\$ 2,460	\$ 1,300
Operating						
Ratio % (c)	117.9	81.9	95.4	105.8	92.8	97.9
Rate Base	\$ 6,000	\$27,000	\$33,000	\$ 5,830	\$26,490	\$32,320
Rate of Return %	-	20.1	7.4	-	9.3	4.0

(Red Figure)

- (a) For 12-month period ending 6-30-54
 (b) For 12-month period ending 10-31-54
 (c) After income taxes

NOTE: Income tax and rate base by P.U.C. staff

The variation in school contract estimates results from the acquisition of additional bus equipment subsequent to the date of the financial data submitted with the application. The basis of applicant's common carrier operation is the 1952 revenue adjusted to the proposed fare increase, whereas staff estimates are based on traffic trend and deflection resulting from increased fares. An operating loss for the common carrier operations is indicated in both estimates, which loss is offset by the operation of the school service.

It is apparent that final over-all results are not unreasonable. The Commission finds that the proposed fare increase has been justified and that public convenience and necessity require the route change and certification of the school operation.

Applicant now has a joint fare and transfer agreement with Ralph Carasco, a city carrier not under the jurisdiction of this Commission, which provides for free transfers although the latter carrier has a different fare; to wit, a single zone cash fare of 11 cents and a school fare of ten rides for 70 cents, as compared with applicant's proposed single zone fare of 12 cents cash and the

present school fare of 10 cents cash. This variance results in a different fare for the same ride, depending on point of origin. Applicant should adjust the existing joint fare and transfer agreement so as to eliminate any discrimination arising from the fare differential. This may be accomplished by proper transfer charge or the establishment of similar fares.

Applicant has notified the Commission in writing that notices of the request for a fare increase were posted in all of its buses and at terminals.

The application is not opposed and will be granted.
A public hearing is not deemed necessary.

O R D E R

Application having been made, the Commission being fully advised in the premises and having found the proposed fare to be justified and reasonable and that public convenience and necessity require the proposed route change and new school route,

IT IS ORDERED:

(1) That H. A. Shelley be, and he hereby is, authorized to establish, on not less than five days' notice to the Commission and to the public, the proposed fares as hereinabove set forth.

(2) That applicant shall post a suitable explanatory notice of said fare increases in its buses continuously for ten days prior to the time said increases become effective.

(3) That, upon cancellation of the token fares, the sale and acceptance of tokens shall be discontinued. For a period of thirty days thereafter, applicant's bus operators shall redeem for cash all tokens presented to them in numbers not exceeding ten, and thereafter for a period of an additional sixty days applicant shall redeem for cash all tokens presented at its offices. Tokens

presented in multiples of two shall be redeemed at the rate of 12½ cents each. Single tokens and tokens presented in excess of multiples of two shall be redeemed at the rate of 12 cents each.

(4) That any joint fare and transfer agreement entered into between applicant and any other carrier or carriers shall provide for a uniform fare and transfer privilege in accordance with the fares as authorized to be charged by this Commission.

(5) That the authority to increase fares as herein granted shall expire unless exercised within sixty days from the effective date hereof.

(6) That the route description appearing in paragraph (1) of the order in Decision No. 43324 on Application No. 30427 be and it hereby is amended to read as follows:

From Neptune Place along Pier A Street, Water Street, Avalon Boulevard, Sepulveda Boulevard, Panama Avenue, 231st Street, Anchor Avenue, 229th Street, Grace Avenue, 223rd Street, Avalon Boulevard, Carson Street, Main Street (Wilmington Boulevard), Sepulveda Boulevard to Avalon Boulevard; also, from Avalon Boulevard along Anaheim Boulevard, Figueroa Street, Papoete Street, Main Street (Wilmington Boulevard), "Q" Street, Neptune Avenue, Lemita Boulevard to Avalon Boulevard; also, from Avalon Boulevard along Denni Street, Neptune Avenue, "O" Street (Pacific Coast Highway) to Avalon Boulevard.

(7) That a certificate of public convenience and necessity be, and it hereby is, granted to H. L. Sholley, authorizing him to establish and operate a service as a "passenger stage corporation" as defined in Section 226 of the Public Utilities Code, for the transportation of school children, when en route to or from their respective schools, along a route as hereinafter described.

(8) That in providing service pursuant to the certificate herein granted, there shall be compliance with the following service regulations:

(a) Within thirty days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted.

- (b) Within sixty days after the effective date hereof, and upon not less than five days' notice to the Commission and the public, applicant shall establish the service herein authorized and file in triplicate, and concurrently make effective, tariffs and time schedules satisfactory to the Commission.
- (c) Subject to the authority of this Commission to change or modify such at any time, H. A. Sholley, doing business as Wilmington Bus Line, shall conduct said passenger stage operations over and along the following described route:

SCHOOL ROUTE

Commencing at the intersection of 237th Street and Catskill Avenue, thence along Catskill Avenue, 223rd Street, Grace Avenue, 229th Street, Anchor Avenue, 231st Street, Panama Avenue, Sepulveda Boulevard, Banning Boulevard, Deloras Street, Lackme Avenue, 246th Street, Soagrove Avenue, Lomita Boulevard, Avalon Boulevard, Pacific Coast Highway, Frios Avenue, "I" Street, Neptuno Avenue, "G" Street to its intersection with McDonald Avenue.

Applicant is authorized to turn its motor vehicles at termini and intermediate points, in either direction, at intersections of streets or by operating around a block contiguous to such intersections, or in accordance with local traffic rules.

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

Dated at San Francisco, California, this 10th day of November, 1953.

A. J. [Signature]
President

Julius J. [Signature]

[Signature]

[Signature]

[Signature]
Commissioners