

Decision No. 50342

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

| | | |
|--|---|-----------------------|
| In the Matter of the Application of EASTERN |) | |
| CITIES TRANSIT, INC., a corporation, to |) | |
| increase rates and fares for the transporta- |) | Application No. 35241 |
| tion of passengers in the vicinity of East |) | First Supplemental |
| Los Angeles, Los Angeles County, California. |) | |

O P I N I O N

By Decision No. 50323, dated July 27, 1954, on Application No. 35241, applicant was authorized to increase its adult fare from 10 cents to 15 cents. The school fare of 10 cents cash, good for one or more zones, was not changed.

By this supplemental application applicant proposes to issue a 30-ride school commutation ticket for three dollars, good for transportation over the entire line whether the students plan to travel within one zone or between zones. This would be in lieu of the present cash fare of 10 cents per ride. Actually it represents no increase in fares but it will require the purchase of the commutation ticket in order to get the benefit of the student fare. Applicant alleges that the commutation ticket is necessary for identification of students. Students not using tickets will be required to pay the regular adult fare.

The Commission's staff has estimated that six per cent of the student riders would pay a 15-cent cash fare instead of using the 10-cent ticket. On this basis the proposed ticket would increase the estimated revenue from school riders on applicant's Whittier Division from \$22,970 to \$23,660, an increase of \$690. The estimated operating results for the whittier division, as computed by the staff,

are as follows:

| | <u>Present Fares</u> | <u>Proposed Fares</u> |
|-------------------------|--------------------------|---------------------------|
| Total Revenues | \$ 119,620 | \$ 120,310 |
| Total Expenses | <u>115,650</u> | <u>115,650</u> |
| Net before Income Taxes | \$ 3,970 | \$ 4,660 |
| Income Taxes | <u>1,110</u> | <u>1,310</u> |
| Net Income | \$ 2,860 | \$ 3,350 |
| Operating Ratio (a) | 97.6% | 97.2% |
| Rate Base | \$ 53,230 | \$ 53,230 |
| Rate of Return (a) | 5.4% | 6.3% |

(a) After provision for income taxes.

The superintendents of the Whittier Elementary Schools and Whittier Union High School District have informed the Commission that they do not object to the proposed commutation ticket.

The Commission is of the opinion and finds that the applicant's request is justified and reasonable. The proposed change in school fares will be authorized. 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 fares to be justified and reasonable,

IT IS ORDERED:

(1) That Eastern Cities Transit, Inc., a corporation, be and it 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 appropriate notice to the public describing the fare changes herein authorized shall be posted in applicant's buses for at least five days before such fares become effective.

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

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

Dated at San Francisco, California, this 4th day of JANUARY, 1955.

Robert E. Mitchell
President

JUSTIN J. CALVERT

Paul J. Luter

Commissioners