

ORIGINALDecision No. 51364

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 CHARLES F. HUSHBECK (WATSONVILLE BUS)
 LINES) for authority to establish or) Application No. 36776
 increase fares.)
 -----)

OPINION AND ORDER

Applicant is rendering a passenger stage service within the City of Watsonville and adjacent areas. The operation which is conducted over two principal routes is in the nature of an urban service. Applicant also operates over a third route for four days each year to the Santa Cruz County Fair Grounds.

By this application, as amended April 1, 1955, authority is requested to increase adult fares on the two principal routes from 15 cents to 20 cents. No increase is sought respecting the Fair Grounds operation. It is proposed that elementary school fares remain at 15 cents.

Applicant alleges that he is incurring a weekly loss of \$52.63. An exhibit attached to the application shows that applicant suffered a loss of \$2,803. on operations conducted during the period September 23, 1954, to December 31, 1954. Applicant estimates that under proposed fares operations will still be conducted at a loss. He anticipates that in the near future traffic will increase so that the proposed fares may produce a small return.

The Commission's staff made a detailed study of applicant's operations. The operating results as estimated by the Commission's staff under present and proposed fares for the rate year ending

March 31, 1956, are summarized as follows:

	<u>Present Fares</u>	<u>Proposed Fares</u>
Passenger Revenue	\$6,900	\$8,850
County Fair	350	350
Advertising	<u>400</u>	<u>400</u>
Total Revenue	\$7,650	\$9,600
Total Expenses	<u>15,200</u>	<u>15,200</u>
Income	\$(7,550)	\$(5,600)

(Red Figure)

The staff estimate is based upon the following conditions:

- (1) Passenger traffic will continue at the same level as experienced during the period October 1, 1954, to March 31, 1955.
- (2) There will be no diminution due to the proposed increase in fares, and
- (3) Elementary school passengers are estimated to be 15 per cent of total passengers.

Applicant served copies of the application, as amended, on officials of the City of Watsonville and the County of Santa Cruz. Notices of the proposed increase were posted in applicant's buses for six consecutive days. No one opposed the granting of the authority herein sought.

A careful analysis of the application and of the study made by the Commission's staff discloses that continuance of operations under present fares will result in substantial additional losses. It is highly probable that operations under proposed fares will be conducted at a loss. After consideration, the Commission is of the opinion and hereby finds that the increase sought is justified. A public hearing is not necessary. Because

of the losses being sustained daily by the applicant, authorization to establish the fares on less than statutory notice will be granted.


An application having been filed with the Commission for authority to increase fares, the matter having been considered and the Commission being of the opinion that the increase sought is justified,

IT IS ORDERED:

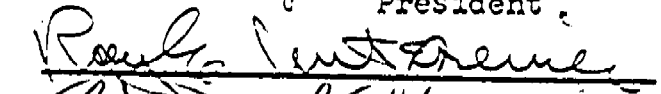
1. That Charles F. Hushbeck, doing business as Watsonville Bus Lines, be and is hereby authorized to establish on not less than one day's notice to the Commission and to the public, the passenger fares as proposed in the application filed in this proceeding.
2. That the authority herein granted shall expire unless exercised within sixty days after the effective date of this order.

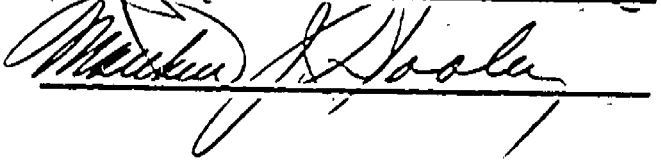
The effective date of this order shall be ten days after the date hereof.

Dated at San Francisco, California, this 19th day of April, 1955.



 President





COMMISSIONERS