

**ORIGINAL**Decision No. 51601

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of LEONARD H. GUEST )  
 and RUSSELL T. SMITH, doing ) Application No. 36859  
 business as SALINAS TRANSIT CO., )  
 for permission to increase rates.)

O P I N I O N

Applicants are providing a passenger stage service within the City of Salinas and adjacent areas. A year around operation is conducted over two routes and a seasonal service is offered for three months each year over a third route. Route 1 extends from Main Street, Salinas eastward into the Alisal District. Route 2 is wholly within the City of Salinas and in general serves Main Street and South Main Street in that city. Route 3, the seasonal route, extends from Salinas to Spreckles Mill which is just south of the city. Applicants are presently charging a flat fare of 15 cents for transportation over any of the routes.

By this application, filed April 2, 1955, authority is requested to increase the adult fare to 20 cents for transportation on Route 1 and between a point on Route 1 and a point on Route 2. Applicants propose to reduce the fare on Route 2 from 15 cents to 10 cents. The application does not indicate any change in fares on Route 3. By amendment to the application filed May 26, 1955, applicants request modification of the descriptions of Routes 1 and 2 set forth in the Commission's Decisions Nos. 50302 and 50399.<sup>1</sup>

<sup>1</sup>

Decision No. 50302 dated July 20, 1954 in Application No. 35271;  
 Decision No. 50399 dated August 10, 1954 in Application No. 35602.

Applicants state that the operation has been conducted at a loss. Financial statements filed with the Commission reveal that for the period February 15, 1954 to December 31, 1954, applicants incurred a loss of \$1,259 with no provision for the value of the services of the applicants, one of whom devotes his full time to the operation of the business. Applicants are of the opinion that the proposed increase in fares on Route 1 will not diminish the number of revenue passengers. They are also of the opinion that the proposed reduction in fares on Route 2 will stimulate a demand for service on that line.

The Commission's staff made a detailed study of applicants' operations. The operating results as estimated by the staff under present and proposed fares for the rate year ending May 31, 1956 are summarized as follows:

	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenue	\$12,610	\$16,040
Expenses	<u>16,376</u>	<u>16,476</u>
Net Operating Income	(3,766)	(456)
(Red Figure)		

The revenue estimates are based upon the present level of traffic. The expense estimates are based upon present mileage operated and the current unit prices for gasoline, wages, insurance and other items of expense. Included in the estimate of expense is a reasonable allowance for the time the one partner devotes to the operation.

Applicants served copies of the application upon officials of the City of Salinas and the Salinas Chamber of Commerce. Notice of the proposed changes in fares were posted in applicants' buses for six consecutive days. No one has opposed the granting of the authority 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 the proposed fares would be conducted at a loss. After consideration, the Commission is of the opinion and hereby finds that the increase sought is justified and that the proposed fares are reasonable. A public hearing is not necessary. Because of the losses being sustained daily by applicants, authorization to establish the fares on less than statutory notice will be granted.

By the amendment to the application it has been pointed out that the descriptions of Route 1 and Route 2 contained in Decisions Nos. 50302 and 50399 are not clear in the following respects: Route 1 is described as, "Beginning at the corner of Salinas, also known as Main Street, ....". Salinas and Main Streets are two separate and parallel streets. Route 2 is described as, "Beginning at the intersection of East Alisal and Main Street thence along Main Street, Clay Street, South Main Street ....". South Main Street is a continuation of Main Street and is at right angles to Clay Street. It is apparent that it is impossible to physically operate the routes as so described. The routings will be modified to correct the apparent errors. Because the operative rights of applicants are contained in a number of Commission decisions, we are of the opinion and hereby find that public convenience and necessity require the granting of a new certificate which will clearly set forth the operations authorized and the routes to be traversed. Concurrently with the issuance of the new certificate the operative rights in the prior decisions will be revoked.

O R D E R

An amended application having been filed with the Commission for authority to increase and adjust fares and for modification in description of routes, the matters having been considered and the Commission being of the opinion that the increase is justified, that the fare adjustments are reasonable and that public convenience and necessity require the granting of a new certificate in lieu of operative rights presently held by applicants,

IT IS ORDERED:

(1) That Leonard H. Guest and Russell T. Smith, doing business as Salinas Transit Co., be and they are hereby authorized to establish on not less than five days' notice to the Commission and to the public the passenger fares as proposed in the application filed in this proceeding.

(2) That the authority granted in paragraph 1 hereof shall expire unless exercised within sixty days after the effective date of this order.

(3) That a certificate of public convenience and necessity be and it is hereby granted to Leonard H. Guest and Russell T. Smith authorizing the establishment and operation of service as a passenger stage corporation, as defined in Section 226 of the Public Utilities Code, for the transportation of passengers;

- a. Within the City of Salinas and between Salinas and East Salinas (Alisal District) and intermediate points.
- b. Between Salinas and Spreckels Mill on Spreckels Avenue south of the City of Salinas and intermediate points, to be operated each year only during the period commencing August first and ending approximately November first.

(4) That in providing service pursuant to the authorities herein granted Leonard H. Guest and Russell T. Smith shall comply with and observe the following service regulations:

- a. Within thirty days after the effective date hereof they shall file a written acceptance of the certificate granted herein.
- b. Operations shall be conducted pursuant to the certificate herein granted over and along the following routes:

Route 1:

Beginning at the intersection of Main Street and Alisal (E. & W.), thence along East Alisal to Towt Street, along Towt Street to East Market Street, easterly along East Market Street to Quilla Street, along Quilla Street to Paloma Avenue, along Paloma Avenue to Miami Street, northerly along Miami Street to Toro Avenue, easterly along Toro Avenue to Bardin Road, northerly along Bardin Road to Williams Road, easterly along Williams Road to Del Monte Avenue, along Del Monte Avenue to Sanborn Road, along Sanborn Road to Garner Avenue, southerly along Garner Avenue to Williams Road, westerly along Williams Road to Juanita Boulevard, along Juanita Boulevard to Sanborn Road, westerly along Sanborn Road to Oregon Street, along Oregon Street to Linden Street, along Linden Street to Kentucky Avenue, along Kentucky Avenue to Towt Street, along Towt Street to East Market Street, westerly along East Market Street to Madera Avenue, southerly along Madera Avenue to East Alisal, thence westerly along East Alisal to Main Street, the point of beginning.

Route 2:

Beginning at the intersection of Main Street and Alisal Street (E. & W.), thence along Main Street and South Main Street to West Romie Lane, thence return to point of beginning via South Main Street, Clay Street, Lincoln, West Alisal to Main Street.

Route 3:

Beginning at the intersection of Romie Lane (E. & W.) and South Main Street, east on East Romie Lane to U. S. Highway 101, south on U. S. Highway 101 to Harkins Road, southwest on Harkins Road to Spreckels Avenue, southeast and northwest on Spreckels Avenue between Railroad Avenue and the Spreckels Sugar Co. Mill.

(5) That applicants are authorized to turn their motor vehicles at termini and intermediate points, in either direction, at intersections of streets or by operating around a block contiguous to such intersection or in accordance with local traffic rules.

(6) That concurrently with the establishment and operation of service under the certificate granted herein, the operative rights or privileges created by the following decisions shall stand revoked and annulled:

<u>Decision Numbers</u>	<u>Application Numbers</u>
49574	35027
50302	35271
50399	35602

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

Dated at San Francisco, California, this 2<sup>nd</sup> day of June, 1955.

John E. Mitchell  
 President  
Maxwell J. C. ...  
...  
...  
 Commissioners