

ORIGINALDecision No. 54611

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 CHRIS BADENHOP and MABEL DOROTHY)
 BADENHOP to increase certain rates)
 and fares for the transportation of)
 passengers in the City of Santa Rosa)
 and areas adjacent thereto.)

Application No. 38730

O P I N I O N

Chris Badenhop and Mabel Dorothy Badenhop, copartners, render service as a passenger stage corporation within and in the vicinity of Santa Rosa.¹ By this application they seek authority to increase their commutation fare from the rate of nine rides for one dollar (11-1/9 cents per ride) to the rate of eight rides for one dollar (12-1/2 cents per ride). No changes are proposed in applicants' other fares, including the basic cash fare of 15 cents.

Applicants allege that the passenger stage service which they took over was not profitable when operated by their predecessors. Applicants are confident that certain items of expense will, during the year ahead, be substantially greater than in the past. They allege that an increase in revenue is necessary in order to maintain the service on a sound financial basis.

The record discloses that for the period January 1 to December 23, 1956, inclusive, the predecessor company received operating revenues amounting to \$50,302 and incurred operating expenses which totaled \$51,269, reflecting a deficit of \$967.

¹ By Decision No. 54305, dated December 20, 1956, the operative rights now held by applicants were transferred to them from Motor Street Car Service, Incorporated. Applicants assumed control of the service on December 24, 1956.

The Commission's staff made a detailed study of applicants' operations. The results of that study are set forth in a document which is hereby incorporated in the record herein as Exhibit No. 1. The operating results, under present and proposed fares, as estimated by the staff are summarized as follows:

Estimated Results of Operations
for 12-Month Period Ending February 28, 1958

	<u>Present Fares</u>	<u>Proposed Fares</u>
Total Operating Revenues	\$50,350	\$52,580
Operating Expenses (excluding Depreciation, Taxes and Rents)	\$49,990	\$49,990
Operating Taxes	4,380	4,380
Operating Rents	<u>120</u>	<u>120</u>
Total Operating Expenses	\$54,490	\$54,490
Net Operating Income	\$(4,140)	\$(1,910)
Operating Ratio	108.2%	103.6%

() Indicates loss.

The staff study discloses that the City of Santa Rosa purchased the utility property from the predecessor operator and then entered into an agreement with applicants for the operation of the service and ultimate purchase of the property by applicants. Since no firm purchase price for the purchase of the equipment has been established the staff was unable, for the purposes of its study, to make a determination of depreciation expense or of rate base. The average age of the seven coaches presently being operated, the study shows, is sixteen years.

Copies of the application were served upon officials of Sonoma County and of the City of Santa Rosa. Patrons were informed of the filing of the application by notices posted in all of applicants' buses and at their stations. No one has opposed the granting

of the sought increase. The City of Santa Rosa has taken official action recommending that the application be granted.

It is clear from the record that even under the proposed fare structure applicants' operations will be conducted at a loss, though not so severe as may be expected under the present basis. After consideration, the Commission is of the opinion and so finds that the proposed increased commutation fare has been justified. The application will be granted. A public hearing is not necessary.

In view of applicants' urgent need for increased revenues, the order which follows will be made effective ten days from the date of its issuance and applicants will be authorized to publish the proposed fare on less than statutory notice.

ORDER

Based upon the evidence of record and upon the conclusions and findings set forth in the preceding opinion,

IT IS ORDERED that Chris Badenhop and Mabel Dorothy Badenhop, copartners, are, and each of them is hereby authorized to establish, on not less than five days' notice to the Commission and to the public, the passenger fare as proposed in the application filed in this proceeding.

IT IS FURTHER ORDERED that, in addition to the required posting and filing of tariffs, applicants shall give notice to the public by posting in their buses and terminals a printed explanation of their fares. Such notice shall be posted not less than five days before the effective date of the fare changes, and shall be posted for a period of not less than thirty days.

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IT IS FURTHER ORDERED that the authority herein granted shall expire unless exercised within sixty days after the effective date of this order.

This order shall become effective ten days after the date hereof.

Dated at San Francisco, California, this 5th day of March, 1957.

[Signature]
President
[Signature]
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Commissioners