

ORIGINAL

Decision No. 50617

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of }  
FOSTER TRANSPORTATION, INC., a }  
California corporation, for author- }  
ity to increase fares and charges }  
pursuant to Sections 454 and 491 of }  
the Public Utilities Code of the }  
State of California. }

Application No. 39806

O P I N I O N

Foster Transportation, Inc., is engaged in the transportation of persons as a passenger stage corporation within and between the cities of Alhambra, Monterey Park, San Gabriel and adjacent communities. It also transports persons under contracts with schools, lodges, churches and other groups or organizations. By this application it seeks authority to establish increased fares for its public utility services on less than statutory notice.

Applicant's fares for the services involved herein are maintained on a zone basis. Its present fares and the fares which it seeks to establish are as follows:

<u>For transportation within the same fare zone</u>	<u>Present fare per ride</u>	<u>Proposed fare per ride</u>
Adult		
Cash	.20	.25
Multiple-ride ticket	.1875	.2308
	(16 ride ticket \$3)	(13 ride ticket \$3)
Student		
Multiple-ride ticket	.125	.125
	(10 ride ticket \$1.25)	(10 ride ticket \$1.25)
<u>For transportation between fare zones</u>		
Adult		
Cash	.25	.30
Multiple-ride ticket	.2308	.2727
	(13 ride ticket \$3)	(11 ride ticket \$3)
Student		
Multiple-ride ticket	.15	.15
	(10 ride ticket \$1.50)	(10 ride ticket \$1.50)

Applicant's fares were established at their present level on December 7, 1956. Applicant states that since then it has experienced substantial increases in operating costs and that as a consequence it is incurring losses from its services. It reported operating results for the 10 months January 1, 1957, through October 31, 1957, as follows:

Revenues	\$162,090
Expenses	<u>168,371</u>
Net Operating Loss	\$ 6,281

Applicant also submitted estimates of operating results for the future as follows:

Estimated Operating Results  
Year Ending January 31, 1959

	<u>Under Present Fares</u>	<u>Under Proposed Fares</u> (a)
Revenues (b)	\$ 193,084	\$ 209,744
Expenses	<u>209,734</u>	<u>209,734</u>
Net Operating Income	\$ <u>(16,650)</u>	\$ 10

(Indicates Loss)

- (a) Assumes proposed fares in effect throughout year.  
 (b) Applicant's expense estimates also list an item of interest expense in the amount of \$3,074. Allowance being made for this non-operating expense item, applicant's estimates of losses for the year are \$19,724 and \$3,064 under present and proposed fares, respectively.

The foregoing revenue and expense estimates are based on applicant's public utility and other transportation services combined. Applicant did not submit figures covering its public utility services only.

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

	<u>Estimated Results of Operation For</u> <u>The Year Ending January 31, 1959</u>	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenue	\$ 187,722	\$ 205,072
Expenses	200,755	201,192
Net Operating Income	<u>(13,033)</u>	3,880
Operating Ratio - %	106.9	98.1

(Indicates Loss)

The above estimates are based on the total operation. The staff analysis includes a segregation between the public utility and other portions of the operation and shows that the earning

position of the public utility portion is less favorable than the other portion.

There appears to be no need for a public hearing of this matter. Notices of the proposals were posted in applicant's terminals and buses, and copies of the application were furnished to various civic and other organizations in the area which applicant serves. Opposition to the sought increases was registered by one of applicant's patrons. On the other hand, the City of Alhambra informed the Commission that it does not oppose establishment of the sought fares. The South San Gabriel Chamber of Commerce has informed the Commission that it favors the increases as a measure to preserve applicant's services. Statements in support of the proposals were also filed with the Commission by the Amalgamated Association of Street, Electric and Motor Coach Employees and by two of applicant's suppliers.

Applicant's revenues under present fares clearly are not sufficient to support the services to which they apply. It is evident that if these services are to be maintained for the public, fare increases to return revenues more commensurate with the costs of the services must be authorized. The additional revenues which would be realized from the proposed fares would be only enough to enable applicant to meet its operating costs. In the circumstances the Commission finds and concludes that the sought fare increases have been shown to be justified. Establishment of the increased fares on less than statutory notice also appears justified. The application will be granted.

ORDER

Based on the evidence and on the conclusions and findings contained in the preceding opinion,

IT IS HEREBY ORDERED THAT:

1. Foster Transportation, Inc., be, and it hereby is, authorized to amend its Local Passenger Tariff, Cal. P.U.C. No. 14, to establish on not less than five days' notice to the Commission and to the public, the following fares:

For transportation within one zone

Adult - cash	25 cents
Adult - ticket	13 rides, \$3.00

For transportation between zones

Adult - cash	30 cents
Adult - ticket	11 rides, \$3.00

2. In addition to the required filing of tariffs, Foster Transportation, Inc., shall give notice to the public by posting in its vehicles a statement of the fare changes. Such notice shall be posted on not less than five days before the effective date of the fare changes, and shall remain posted until not less than ten days after said effective date.
3. The authority herein granted shall expire unless exercised within ninety 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 29<sup>th</sup> day of April, 1958.

[Signature]  
President

[Signature]

[Signature]

[Signature]  
Commissioners