

# ORIGINAL

Decision No. 506139

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of H. A. SHELLEY, doing business  
as Wilmington Bus Company, for  
authority to adjust rates.

Application No. 39744

## O P I N I O N

Applicant, H. A. Shelley, doing business as Wilmington Bus Company, operates local service in the section of the City of Los Angeles known as Wilmington and the unincorporated area immediately to the north of Wilmington. He is also engaged in charter business, and has contracts with both public and private schools. For some years the regular certificated service has been sustaining appreciable operational losses which have been offset by the profits from other operations.

Applicant's profit for 1957 was \$2,206 on its total operation. It is estimated that because of the loss of two school contracts, future operations will be conducted at an over-all loss. It is proposed to reduce the losses on its certificated service by increasing passenger fares as follows:

<u>Type of Fare</u>	<u>Present</u>	<u>Proposed</u>
Adult - 1 zone	\$.12	\$.15
" - 2 "	.15	.20
School- 1 "	.10	.10
" - 2 "	.10	.15 or 2 T/\$.25

The Commission's staff has 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 staff estimates that the over-all loss for the rate year ending March 31, 1959 would be \$3,870 under the present fares and \$390 under the

proposed fares. The revenue for the certificated service, for said rate year, under present and proposed fares, would be \$23,740 and \$27,220 respectively.

Estimated Results of Operation under present and proposed fares for the rate year ending March 31, 1959, are as follows (Staff Report, Table 3):

Item	Present Fares			Proposed Fares		
	Certifi- cated Service	Contract and Charter	Total Opera- tion	Certifi- cated Service	Contract and Charter	Total Opera- tion
Bus Miles Operated	125,400	67,000	192,400	125,400	67,000	192,400
Total Revenue	\$ 24,080	\$ 31,110	\$ 55,190	\$ 27,560	\$ 31,110	\$ 58,670
Total Expense	35,220	23,840	59,060	35,220	23,840	59,060
Net Before Income Tax	(11,140)	7,270	(3,870)	(7,660)	7,270	(390)
Income Taxes	-	*	-	-	*	-
Net Income	-	-	-	-	-	-
Operating Ratio	146.3%	76.6%	107.0%	127.8%	76.6%	100.7%
Rate Base			\$ 1,660			\$ 1,660
Rate of Return			-			-

\* No Income Tax Liability is calculated for Contract and Charter as the income is offset by losses on certificated service.

(Red Figure)

Company records show that the investment has been almost entirely depreciated. A rate base of \$1,660 has been calculated for the rate year (Staff Report, Table 2).

The public has been informed of the applicant's proposal to increase passenger fares. Local authorities were notified by copies of the application. Public notice was given by announcements posted in the buses. No protests have been received.

The Commission, having considered the matter, finds that the proposed fares are justified. Therefore, the application will be granted. 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 as hereinabove set forth,

IT IS ORDERED:

(1) That H. A. Shelley, doing business as Wilmington Bus Company, be, and he hereby is, authorized to establish, on not less than five days' notice to the Commission and to the public, fares as follows:

<u>Type of Fare</u>	<u>Fare</u>
Adult - 1 zone	\$.15
" - 2 zones	.20
School- 1 zone	.10
" - 2 zones	.15 or 2 tickets for 25 cents

(2) That, in addition to the required filing of amended tariffs, applicant shall give not less than five days' notice to the public by posting in its buses a suitable explanatory notice describing the fare increases.

(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 10th day of MAY, 1958.

President  
*Paul L. Interviewer*  
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*Michael J. ...*  
 \_\_\_\_\_  
*Theodore J. ...*  
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 Commissioners

Peter E. Mitchell  
Commissioner C. Lynn Fox, being necessarily absent, did not participate in the disposition of this proceeding.