

ORIGINAL

Decision No. 58928

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SAN DIEGO ECONOMY LINE, INC., for
authority to increase passenger
fares and make certain route changes.

} Application No. 39912

O P I N I O N

San Diego Economy Line, Inc. transports persons as a passenger stage corporation between the City of San Diego and Calavo Gardens (a community about 15 miles east of San Diego) and intermediate points. By this application it seeks authority to increase its fares and to establish an alternate route.

Applicant's fares were established at their present level November 21, 1955. Applicant states that its traffic has since declined and its costs of operation have increased to the point that it cannot continue its services without incurring substantial losses unless its fares are increased.

Applicant's fares are maintained on a zone basis. A cash fare of 15 cents applies per one-way ride within a single zone or between two contiguous zones. A charge of 5 cents applies for travel into or through each additional zone. Weekly passes for transportation to and from the City of San Diego are also provided at charges ranging from \$2.00 for a three-zone ride to \$3.00 for a six-zone ride. Applicant seeks to increase its base fare to 20 cents and to discontinue the weekly passes.

Applicant reports that its services for the year 1957 resulted in an operating loss of \$720 on gross revenues of \$27,766. It estimates that unless its fares are increased its loss during 1958 will be \$4,285 whereas under the sought fares it will earn during the coming year a profit of \$771. The estimates of 12 months' operating results under the sought fares are summarized in the following table:

Revenues	\$32,822
Expenses	<u>32,051</u> (a)
Net Operating Revenues	\$ 771
Income Taxes	<u>183</u>
Net Income	\$ 588
Rate Base	\$12,859
Operating Ratio	98.2%
Rate of Return	4.6%

(a) Exclusive of \$211 interest expense listed by applicant as a miscellaneous charge to income.

The change which applicant seeks to make in its route would apply in connection with a 2.8-mile segment over Federal Boulevard between Home Avenue in the City of San Diego and the interchange between Federal Boulevard and Highway 94 Freeway in the County of San Diego. As an alternative applicant seeks to operate over Highway 94 Freeway between said points on all schedules except one round trip in the morning and one round trip in the afternoon. Applicant states that a recent week's check of its operations disclosed that during that week 13 one-way rides originated at or terminated within the portion of its route which would be bypassed by the sought route change. Although applicant's services,

other than those of the morning and evening trips, would not be available to the affected riders if the alternate routing is approved, it appears that such riders would not be deprived of transportation for the reason that the same area is also served by buses of San Diego Transit System. Applicant states that the utilization of Highway 94 Freeway as an alternate route will enable it to avoid traffic delays on Federal Boulevard, thereby reducing its running time by about 5 minutes per trip, and will permit certain economies through lessened wear and tear on its equipment.

The Commission's staff has reviewed applicant's operations, including the proposed fare and route changes. The staff reports are part of the record in the matter as Exhibits Nos. 1 and 2. They show operating losses by applicant under present fares and earnings no greater than those estimated by applicant if the sought fares are established. The reports also show that establishment of the alternate route would not leave persons in the area involved without transportation and that the majority of applicant's patrons would be provided with improved service as a consequence.

There appears to be no need for a public hearing on 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. No protests to granting of the application have been received by the Commission.¹

Applicant's revenues under present fares clearly are not sufficient to support applicant's services. The revenues under the sought fares, even if realized to the full extent reflected in the estimates, would be only enough to provide a small margin of earnings. In the circumstances here presented, the Commission is of the opinion and finds that the proposed fare increases have been shown to be justified. With reference to the proposal to establish the alternate route, the Commission is of the opinion and finds that establishment of such alternate is required by public convenience and necessity. The application will be granted. Also will be granted applicant's request for authority to make the increased fares effective on five days' notice to the Commission and to the public. This action is justified by applicant's need to obtain increased revenues as soon as possible in order to minimize its losses.

¹ The City of San Diego, the Spring Valley Chamber of Commerce and the Lemon Grove Chamber of Commerce have informed the Commission either that they do not take a position with respect to applicant's proposals or that they do not oppose them. The State's Division of Highways has informed the Commission that it has no objection to authorization of the sought alternate route.

O R D E R

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

IT IS HEREBY ORDERED that:

1. San Diego Economy Line, Inc., be, and it hereby is, authorized to amend its Local Passenger Tariff No. 41-A, Cal. P.U.C. No. 3, on not less than five days' notice to the Commission and to the public, to cancel present weekly pass fares and to establish increased fares as follows:

Authorized One-way Fares (in cents)					
Between and	San Diego (1st and Broadway)	Euclid Avenue	Central Avenue	La Mesa* Junc- tion	Conrad Drive
Euclid Avenue	20				
Central Avenue	25	20			
La Mesa Junction*	30	20	20		
Conrad Drive	35	25	20	20	
Calavo Gardens**	40	30	25	20	20

* Palm and Imperial

** Challenge and Avocado

2. A certificate of public convenience and necessity be, and it hereby is, granted to San Diego Economy Line, Inc., a California corporation, authorizing the establishment and operation of a service as a "passenger stage corporation," as that term is defined in Section 226 of the Public Utilities Code, for the transportation of persons, baggage and express incidental to the transportation of passengers, along Highway 94 Freeway between Home Avenue in the City of San Diego and the interchange between Federal Boulevard and Highway 94 Freeway in the County of San Diego as an extension and enlargement of, and to be consolidated with the present operating rights of San Diego Economy Line, Inc.
3. The exercise of the fare increase authority herein granted be, and it is, subject to the conditions that in addition to making the tariff filings

required in connection with the establishment of the increased fares herein authorized, San Diego Economy Line, Inc., shall notify the public of said fare changes by posting a statement of said changes in its terminals and in each of its buses. Said notice shall be posted not less than five days before the date that the changes are made effective, and shall remain posted until not less than ten days after said date.

4. In providing service pursuant to the certificate herein granted, applicant San Diego Economy Line, Inc., shall comply with the following service regulations:
 - a. Within 30 days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted.
 - b. Within 60 days after the effective date hereof, and upon not less than ten days' notice to the Commission and to the public, applicant shall establish service over the route herein authorized, and shall file in triplicate and concurrently make effective time tables satisfactory to the Commission .
 - c. At least ten days prior to the establishment of service over the alternate route herein authorized, applicant shall post in its terminals and in its buses a diagram showing the alternate route and time schedules including the alternate service. Said diagram and time tables shall remain posted until not less than ten days after the alternate service is established.
 - d. Until otherwise authorized by the Commission applicant shall continue service over its present route over Federal Boulevard in the City and in the County of San Diego substantially as proposed in its above-numbered application.

5. The fare-increase authority herein granted shall expire unless exercised within 90 days after the effective date of this order.

This order shall become effective 20 days after the date hereof.

Dated at San Francisco, California,
this 1st day of July, 1958.

E. Lyn Fox
President
John E. Mitchell
Laurel L. Lerner
Michael J. Gale
Theodore J. J. J.
Commissioners