

Decision No. 60329

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
JOSEPH B. SPENCE, an individual)
doing business as NEVADA CITY-)
GRASS VALLEY BUS LINE, for an Order)
authorizing a change in fares.)

Application No. 42246

O P I N I O N

Joseph B. Spence, an individual doing business as Nevada City-Grass Valley Bus Line, operates as a passenger stage corporation between Nevada City and Grass Valley. By this application he seeks authority to increase his fares. He also proposes to revise his station names to conform to changes which have occurred in city limits and street names along his operating route.

Applicant's present one-way fares range from five cents to 20 cents, depending on the distance involved. The proposed one-way fares range from 10 cents to 25 cents. The only round-trip fares presently in effect are so-called weekly round-trip fares between Nevada City and Grass Valley. Two tickets of this type are sold, namely, one good five days per week and the other good six days per week. These fares are \$1.50 and \$1.80, respectively. Under the proposal herein these round-trip fares, which the record indicates are not currently used, would be canceled. The present basis of half-fares for children would remain in effect, applied to the proposed adult fares.

Applicant's fares have remained unchanged during the past ten years. During this period, the application states, operating

expenses have greatly increased. According to the application, applicant's revenues for the year 1959 totaled \$10,767, while operating expenses amounted to \$10,562, reflecting net revenue of \$205 for the year. However, the operating expenses included no compensation for the services of applicant and his wife, which were substantial.

The Commission's staff has made an independent study of the carrier's operations. The results of that study are set forth in a document which is hereby incorporated in the record herein as Exhibit No. 1.

In the table below are summarized operating results under present and proposed fares, as estimated by applicant and the staff, respectively, for a projected 12-month period:

	<u>Present Fares</u>		<u>Proposed Fares</u>	
	<u>Applicant</u>	<u>Staff</u>	<u>Applicant</u>	<u>Staff</u>
Revenue	\$10,770	\$10,770	\$13,300	\$13,550
Expenses	<u>14,760</u>	<u>14,050</u>	<u>14,760</u>	<u>14,050</u>
Net Income	\$ <u>(3,990)</u>	\$ <u>(3,280)</u>	\$ <u>(1,460)</u>	\$ <u>(500)</u>
Operating Ratio	137.0%	130.5%	111.0%	103.7%

 - Indicates red figure.

The estimates of both applicant and staff, summarized in the foregoing table, are based in general on applicant's experience for the year 1959 as to volume of traffic and operating expenses. However, the expense estimates of applicant and staff include a reasonable allowance for the services of applicant in driving the buses and maintaining them. These expense items, as hereinbefore stated, are not included in applicant's book records.

The public has been adequately informed of the proposed fare increases. Copies of the application were served on local authorities and public notice was given by announcements posted in applicant's vehicles. No one has opposed the granting of the application.

The record shows that even under the proposed fares applicant's operations will be conducted at a loss. After consideration, the Commission is of the opinion, and so finds, that the proposed fare increases have been justified. The application will be granted. A public hearing is not necessary.

In view of applicant's urgent need for increased revenues, the order which follows will be made effective ten days from the date of its issuance and applicant will be authorized to establish the increased fares and changes in station names on less than statutory notice.

O R D E R

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

IT IS ORDERED that:

1. Joseph E. Spence be and he is hereby authorized to establish, on not less than five days' notice to the Commission and to the public, the increased passenger fares and changes in station names proposed in the application filed in this proceeding.
2. In addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in his buses and terminals a printed explanation of his 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.

3. The authority herein granted shall expire unless exercised within sixty days after the effective date of this order.

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

Dated at San Francisco, California, this 28th day of June, 1960.

 President
Victor L. Stutzman

W. H. ...

E. ...

Theodore ...
 Commissioners