

Decision No. 63515**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of Dennis Pettas, dba, PETTAS
TRANSPORTATION SERVICE, requests
authority to increase his rates of
Sections 454 and 491 of the Public
Utilities Code of the State of
California.

Application No. 43769

In the Matter of the Application
of Dennis Pettas, dba, PETTAS
TRANSPORTATION SERVICE, for
authority to establish special
school fares, to revise certifi-
cated passenger stage routes.

Application No. 44155

O P I N I O N

Dennis Pettas, an individual doing business as Pettas Transportation Service, operates as a passenger stage corporation in Pittsburg and vicinity. By Application No. 43769, filed on September 18, 1961, he seeks to increase the fare between certain points which he serves. By Application No. 44155, filed on February 5, 1962, he seeks the establishment of a school fare and the revision of his common carrier certificate by the establishment of a special school service area and by certain changes in his authorized operating routes. All tariff changes proposed in the applications are sought to be established on less than statutory notice.

Applicant's present adult fares are as follows: 15 cents between Pittsburg, on the one hand, and Columbia Park, Pittsburg Heights, and intermediate points, on the other; and 20 cents between Pittsburg and West Pittsburg. By Application No. 43769 it is proposed to increase the above-mentioned fare of 15 cents to 20 cents. No change is proposed in the present children's fare of 10 cents.

The school fare proposed in Application No. 44155 is 10 cents. It would apply between St. Peter the Martyr Parochial School, on the one hand, and all points within the City of Pittsburg and in the community of West Pittsburg, the proposed special school service area, on the other hand, as well as between all points presently covered by applicant's common carrier certificate.

According to Application No. 43769, applicant's fares have remained unchanged for at least eight years last past. The application further states that during the intervening period substantial increases in applicant's operating costs have been experienced.

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 into the record herein as Exhibit No. 1. This exhibit shows that the primary business of applicant is that of a contract and charter carrier of persons and that the revenues, for the 12-month period ended August 31, 1961, generated by his certificated common carrier operations comprised only 11.6 percent of his total revenues.

The exhibit further shows that applicant's book record figures are for expenses of the entire operation, and that no separate expense records are kept for the certificated service. In the exhibit are set forth the results of applicant's total operations for the above-mentioned 12-month period and the staff's estimate of operating results, under present and proposed fares, of applicant's certificated services for the calendar year 1962. Said operating results are summarized in the following table:

TABLE

| | Book Record Year Ended August 31, 1961 <u>Total Operations</u> | Staff Estimate for Year 1962 <u>Certificated Service</u> | |
|---|---|---|---------------------------------|
| | | <u>Under Present Fares</u> | <u>Under Proposed Fares</u> |
| Revenue | \$52,421 | \$ 7,510 | \$ 8,660 |
| Expenses | <u>42,128</u> | <u>13,280</u> | <u>13,280</u> |
| Net Income (Before Income Taxes) | \$10,293 | \$ <u>(5,770)</u> | \$ <u>(4,620)</u> |
| Operating Ratio (Before Income Taxes) | 80.4% | 176.8% | 153.3% |

 - Indicates red figure.

In developing its estimate of 1962 operating expenses of the certificated service the staff was able to obtain directly from book records the figures for drivers' wages, insurance, depreciation and operating taxes and licenses. Other expenses were allocated on various bases which appear to be reasonable.

The revision in certificated operating routes, as proposed in Application No. 44155, is sought to conform to changes in actual practice which have been made as a result of local regulations designed to improve traffic conditions, of needs to meet public demand, and of the necessity to reduce operating expenses. None of the changes proposed in applicant's common carrier certificates involve extensions of service beyond the area in which applicant now operates.

The public has been adequately informed of the proposed fare increase. Copies of Application No. 43769 were served on local authorities and public notice was given by announcements posted in the carrier's vehicles. Also copies of Application No. 44155 were served on local authorities. No one has opposed the granting of the applications.

Upon consideration, we find as follows:

1. Under a continuation of applicant's present fare structure, his certificated operations would result in substantial losses.
2. Under the proposed increased fare said operations will still be conducted at a loss.
3. Public convenience and necessity require the revision of applicant's common carrier certificates as proposed in Application No. 44155.

In the light of the foregoing findings we conclude that the fare increase sought by applicant in Application No. 43769 has been justified and that the changes in applicant's certificated operations as proposed in Application No. 44155 should be authorized. The applications will be granted. A public hearing is not necessary.

Dennis Pettas is hereby placed on notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. Aside from their purely permissive aspect, such rights extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be modified or canceled at any time by the State, which is not in any respect limited as to the number of rights which may be given.

As hereinbefore stated, applicant requests authority to make the tariff changes involved in the proposals herein on less than statutory notice. The request appears reasonable. The order which follows will so provide.

O R D E R

Good cause appearing,

IT IS ORDERED that:

1. Dennis Pettas is hereby authorized to establish, in his Local Passenger Tariff Cal. P.U.C. No. 2, (Series of Pittsburg Bus Service, Inc.) between 3rd & Railroad (Pittsburg), on the one hand, and Columbia Park and Pittsburg Heights, on the other hand, a fare of 20 cents in lieu of the present fare of 15 cents; and between all points which he serves, including those authorized by paragraph 3 of this order, a student fare of 10 cents, said fare to be subject to the conditions set forth in Exhibit B of Application No. 44155.

Concurrently with the establishment of the increased fares authorized herein, applicant shall cancel his Tariff Cal. P.U.C. No. 1, and shall incorporate in said Tariff Cal. P.U.C. No. 2 the fares between Pittsburg and West Pittsburg. The tariff publications herein authorized to be made shall be subject to the rules and regulations set forth in said Tariff No. Cal. P.U.C. No. 2 and may be filed not earlier than the effective date hereof to become effective on not less than ten days' notice to the Commission and to the public.

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. A certificate of public convenience and necessity be and it is hereby granted to Dennis Pettas, an individual, authorizing him to operate as a passenger stage corporation, as defined in Section 226 of the Public Utilities Code, between the points and over the routes more specifically set forth in Appendix A attached hereto and hereby made a part hereof.

4. In providing service pursuant to the certificate herein granted, applicant shall comply with and observe the following service regulations:

- (a) Within thirty days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted. By accepting the certificate of public convenience and necessity herein granted, applicant is placed on notice that he will be required, among other things, to file annual reports of his operations and to comply with and observe the safety rules and other regulations of the Commission's General Order No. 98 and insurance requirements of the Commission's General Order No. 101-A. Failure to file such reports, in such form and at such time as the Commission may direct, or to comply with and observe the provisions of General Orders Nos. 98 and 101-A, may result in a cancellation of the operating authority granted by this decision.
- (b) Within one hundred twenty days after the effective date hereof, applicant shall establish the service herein authorized and file in the Commission's office in triplicate tariffs and timetables satisfactory to the Commission, which tariff and timetable filings shall be made effective concurrently with the establishment of the service and on not less than ten days' notice to the Commission and the public. The tariff and timetable filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs and timetables set forth in the Commission's General Orders Nos. 79 and 98.

5. The certificate of public convenience and necessity granted in paragraph 3 of this order supersedes the certificates of public convenience and necessity acquired by Dennis Pettas by Decision No. 51461 dated May 13, 1955, in Application No. 36910, and Decision No. 60183 dated May 24, 1960, in Application No. 42131, which certificates are hereby revoked, said revocation to become effective concurrently with the effective date of the tariff filings required by paragraph 4(b) hereof.

6. The authority granted by paragraph 1 herein shall expire unless exercised within one hundred twenty days after the effective date of this order.

The effective date of this order shall be the date
hereof. ✓

Dated at San Francisco, California, this 3rd
day of April, 1962.

Charles W. Rye
President

E. J. Taylor

George L. Brown

Frederick B. Haddock

Commissioners

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

DENNIS PETTAS
dba
PETTAS TRANSPORTATION
SERVICE

Dennis Pettas, doing business as Pettas Transportation Service, by certificate of public convenience and necessity granted in the decision noted in the margin is authorized to transport passengers in the City of Pittsburg and certain areas adjacent thereto over the following routes:

1. Commencing at Second Street and Railroad Avenue in the City of Pittsburg, thence along Railroad Avenue, Tenth Street, Harbor Street, School Street, Ronnie Street, Carpino Avenue, Treatro, El Pueblo Avenue, Diane Avenue, California Avenue, Railroad Avenue, West Boulevard, Randolph, Tiffany Drive, Seeno Street, Marks Boulevard, Railroad Avenue, Pueblo Drive, Brookside Drive, El Camino Drive and Railroad Avenue to the point of beginning.
2. Commencing at Second Street and Railroad Avenue in the City of Pittsburg, thence along Second Street, Black Diamond, Tenth Street, Willow Pass Road, Loftus Road, Hanlon Way, Bella Vista Avenue, Willow Pass Road, Bella Monte Avenue, Jefferson, Cleveland Avenue, South Street, Madison Avenue, Canal Road, Alves Lane, Water Street, Marys Avenue, Willow Pass Road, Via Roma, Pacifica Avenue to Inlet Drive, returning along Pacifica Avenue, Via Roma, Willow Pass Road, Tenth Street, Black Diamond, and Second Street to the point of beginning.
3. School Children attending the St. Peter The Martyr Parochial School.
Between St. Peter The Martyr Parochial School, on the one hand, and any points within the city limits of Pittsburg and in the community of West Pittsburg, on the other hand.

Issued by the California Public Utilities Commission.

Decision No. 63516, Application No. 44155.