

ORIGINAL

Decision No. 63995

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
EMERY L. DENNIS, an individual, doing)
business as UNITED BUS SERVICE, for)
authority to increase and adjust its)
rates and fares for the transportation)
of passengers between points in Contra)
Costa County.)

Application No. 44161
(Filed February 5, 1962)

Marquam George, for applicant.
John a Nejedly, for Contra Costa
County, interested party.
H. D. White, for Alameda Contra Costa
Transit District, interested party.
Albert C. Porter, for the Commission staff.

O P I N I O N

Emery L. Dennis, doing business as United Bus Service, and presently rendering service as a passenger stage corporation between points in Contra Costa County, requests authority to increase rates.

Hearings in the matter were held before Examiner Thomas E. Daly at Richmond on April 12 and on May 25, 1962, at which date it was submitted.

By Decision No. 62253 in Application No. 43357, applicant was authorized to provide service between Richmond High School, Helms Junior High School, De Anza High School and 23rd and Market Streets in the City of Richmond, on the one hand, and within a defined area in Contra Costa County, on the other hand. Service is primarily confined to the transportation of school children and use by adults is negligible. Applicant operates over nine routes and presently charges a one-way fare of 15 cents and a 20-ride school

commutation fare of \$2.50. By his application, applicant proposes to adjust and increase his fares as follows:

<u>Route No.</u>	<u>Adult Fare</u>	<u>Child Fare</u>	<u>20-Ride School Commute</u>
1 Between Pinole Valley and De Anza School	\$.45	\$.30	\$5.00
1A Between Pinole and Hercules and Helms and Richmond Schools	.45	.30	5.00
2 Between Ramona and De Anza School	.45	.30	5.00
2A Between Tennet Avenue and Helms School	.45	.30	5.00
2B Between Fairmede and Helms School	.25	.15	2.50
3 Between El Sobrante and De Anza School	.25	.15	2.50
3A Between Park Street (Pinole and U. S. 40) and Helms School and Richmond School	.45	.30	5.00
4 Between Tara Hills and Helms and Richmond Schools	.40	.25	4.00
4A Between Montalvin and Helms and Richmond Schools	.40	.25	4.00

According to Exhibit A attached to the application, applicant suffered a loss of \$5,711.70 for the first ten months of 1961. Since acquiring the operation from Beninger Transportation Service, Inc., two years ago, applicant has continuously operated at a loss. Although applicant and his wife work many hours a week in the supervision of the operation, no compensation for either of them has been charged to expenses. In an attempt to support the operation, applicant has made personal contributions in the amount of \$1,200.

The proposed fare increases are substantial, and if they are authorized applicant expects a significant diminution in both commute traffic and in cash fare traffic, resulting in an estimated

monthly revenue of \$3,212. Compared to the actual revenue of \$2,601 for the month of October 1961, this would represent an estimated monthly gain of only \$611.

The public demonstrated a great deal of interest in the proceeding. A public meeting was held, a committee was formed and a poll was taken of parents whose children were either patrons or potential patrons of applicant's service. According to the chairman of the committee the result of the poll indicated that less than 50 percent of those polled would permit their children to use said service in the event the proposed rates were authorized. It was his opinion that an increase in rates would only result in a further loss for applicant.

The poll also included complaints which, for the most part, were directed toward the crowded condition of the buses, smoking on the buses, and an excessive afternoon waiting period for the children attending the Helms School. A staff engineer testified that on May 17, 1962, three members of the Commission's staff rode applicant's buses in the morning and the afternoon. According to the witness some of the schedules carried standees, but nothing was observed that constituted a violation of the Commission's safety rules and regulations. Applicant's wife testified that smoking on the buses presented a problem, because the driver could not as a practical matter concentrate on driving and still enforce the prohibition against smoking. She testified that if the identity of those who smoked were brought to her attention by the other children or parents of the other children, she would temporarily suspend the offenders from use of the service and permanently suspend second offenders. The waiting period at the Helms School, she stated, is the result of one bus serving two schools which have the same afternoon release time.

Several public witnesses testified, including the Vice Mayor of Richmond, who appeared not in a representative capacity, but as the parent of a child who uses applicant's service. They were of the opinion that attempts should be made by management to stimulate greater use of the service and thus offset present losses.

It is conceded that applicant, although operating at near capacity, is operating at a loss and it may very well be that the proposed increases through diminution will result in further losses. That, however, is a calculated risk on the part of applicant. Applicant cannot be expected to continue to provide service at a loss.

On the record in this proceeding the Commission finds and concludes that operations in the future under present fares would be conducted at a loss, that the requested increases have been justified, and that the proposed fares are just and reasonable.

O R D E R

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

IT IS ORDERED that:

1. Emery L. Dennis is authorized to establish the rates hereinbefore set forth.
2. The tariff publications authorized to be made as a result of the order herein may be made effective not earlier than the tenth day after the effective date hereof, and may be made effective on not less than ten days' notice to the Commission and to the public.
3. The authority herein granted shall expire unless exercised within one hundred twenty days after the effective date hereof.

4. 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 change and shall remain posted for a period of not less than thirty days.

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

Dated at San Francisco, California, this 24th day of JULY, 1962.

George A. Grover
President
Arthur E. Phillips
F. L. Taylor
Arnold H. Meyer
Commissioners

Commissioner Frederick B. Holoboff, being necessarily absent, did not participate in the disposition of this proceeding.