

Decision No. 65918**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

APPLICATION OF EUNICE M. CLAYTON )  
doing business as Santa Ana-  
Garden Grove Bus Lines )(1) for an increase  
in fares,(2) for the termination  
of a portion of its route, and

(3) for a change in route.

Application No. 45406  
(Filed May 6, 1963)O P I N I O N

Applicant, Eunice M. Clayton, dba Santa Ana-Garden Grove Bus Lines, seeks authority to increase fares, abandon and reroute a portion of the route.

Applicant's present operating authority is contained in Decisions Nos. 44162, dated May 9, 1950, 46832, dated March 11, 1952, 54106, dated November 19, 1956, issued to John W. Clayton, doing business as Santa Ana-Garden Grove Bus Lines. By Decision No. 58370, dated May 5, 1959, the operating rights were transferred from the estate of John W. Clayton, deceased, to applicant.

The operating equipment of the Santa Ana-Garden Grove Bus Line consists of one dieselized Marmon-Herrington 32-passenger bus which was purchased used in January, 1963, from the Crown Coach Co. at a cost of \$9,000. When necessary, a bus from Santa Ana City Bus Service can be used on applicant's operation.

Applicant requests authority (1) to increase fares, (2) to discontinue service over that portion of her route referred to as Zone 4, and (3) to make changes in the remaining route. Applicant estimated that for the rate year, under present service 74,970 miles will be operated and under proposed service, 66,190 miles.

It is proposed to make a general rate increase of five cents per ride, per zone.

Set forth in the table below are the present and proposed fares of applicant.

	<u>Cash Fares</u>	
	<u>Present</u>	<u>Proposed</u>
<u>One Zone</u>		
Adult	\$ .15	\$ .20
Child	.10	.15
<u>Two Zone</u>		
Adult	.20	.25
Child	.10	.15
<u>Three Zone</u>		
Adult	.25	.30
Child	.15	.20
<u>Four Zone</u>		
Adult	.30	.35
Child	.20	.25

Fares for the fourth zone are requested to be increased if authority is not granted to discontinue operation therein.

Revenue for the rate year under present fares and present service is estimated at the level of revenue for the year 1962. Passenger distribution is based on a traffic check made on June 21 and 22, 1963.

Under proposed fares, loss of passengers due to increased

fares is estimated to be one-fourth of the per cent increase for adult passengers and one-eighth of the per cent increase for child passengers.

Applicant has informed the Commission by letter dated July 19, 1963, that due to freeway construction, she has rerouted her line at the west end. This permanent rerouting has been incorporated into the route description of Appendix A.

The Commission's staff made an analysis of the operating revenues and expenses. The results of this study are included on a report dated July 11, 1963 which is received in evidence herein as Exhibit 1. A summary of the estimated results of operation under present and proposed fares for the year ending December 31, 1962, is as follows:

SANTA ANA-GARDEN GROVE BUS LINES  
RESULTS OF OPERATION  
FOR YEAR 1962 AND A FUTURE YEAR\*

<u>Item</u>	<u>Year</u> <u>1962</u>	<u>Present Fares</u>		<u>Proposed Fares</u>	
		<u>Present</u> <u>Operation</u>	<u>Proposed</u> <u>Operation</u>	<u>Present</u> <u>Operation</u>	<u>Proposed</u> <u>Operation</u>
Miles Operated	74,970	74,970	66,190	74,970	66,190
Passenger Revenue	\$15,006	\$15,010	\$14,530	\$17,680	\$17,130
Operating Exps.	15,682	18,000	17,660	18,170	17,830
Net Income	(676)	(2,990)	(3,130)	(490)	(700)
Rate Base	-	7,360	7,360	7,360	7,360
Operating Ratio	104.5%	119.9%	121.5%	102.8%	104.1%

(Red Figure)

\*The future year is the 12 months ending June 30, 1964.

Under present fares, it is estimated that applicant will experience a loss of \$2,990 under present service and a loss of \$3,130 under proposed service.

Under proposed fares, it is estimated there will be a net loss of \$490 with an operating ratio of 102.8% under present operation, and that the net loss will be \$700 with an operating ratio of 104.1% under proposed operation.

The Commission staff has recommended ex parte handling of this matter. The staff further recommends that the request for discontinuance of service in Zone 4 be denied and that an in lieu certificate be issued.

The public has been adequately informed of the proposed increase in fares and changes in service. Notice has been posted in applicant's bus. Copies of the application have been mailed to the County of Orange, City of Santa Ana, City of Garden Grove, and the City of Westminster. No protests have been received.

Based on the above-estimated results of operation, the Commission finds that:

1. Applicant's request for increased fares is justified.
2. Public convenience and necessity require that the proposed change in route within the City of Santa Ana be granted as it will better serve the area and at no increase in miles operated.
3. The request for discontinuance of service in Zone 4 should be denied since operating results under the proposed operations indicate a greater loss than under present operations.

The Commission concludes therefore that the application should be granted to the extent set forth in the ensuing order.

The fare increase and route change will be authorized as hereinafter set forth and the discontinuance of service in Zone 4 will be denied.

A public hearing is not deemed necessary.

Applicant 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. .

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Eunice M. Clayton, doing business as Santa Ana-Garden Grove Bus Lines, authorizing her to operate as a passenger stage line, as defined in Section 226 of the Public Utilities Code, between the points and over the routes more particularly set forth in Appendix A attached hereto and made a part hereof.

2. 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 she will be required, among other things, to file annual reports of her 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.
- (c) The tariff and timetable filings shall be made effective not earlier than ten days after the effective date of this order on not less than ten days' notice to the Commission and the public, and the effective date of the tariff and timetable filings shall be concurrent with the establishment of the service herein authorized.
- (d) 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.

3. The certificate of public convenience and necessity granted in paragraph 1 of this order supersedes the certificates of public convenience and necessity granted by Decisions Nos. 44162, 45832 and 54106, which certificates are hereby revoked, said revocation to become effective concurrently with the effective date of the tariff filings required by paragraph 2(b) hereof.

4. Applicant is authorized to establish on not less than five days' notice to the Commission and to the public the following increased fares:

<u>One Zone</u>	
Adult	\$ .20
Child	.15
<u>Two Zone</u>	
Adult	.25
Child	.15
<u>Three Zone</u>	
Adult	.30
Child	.20
<u>Four Zone</u>	
Adult	.35
Child	.25

5. In addition to the required filing of tariffs, applicant shall give notice to the public by posting in her buses a statement of the fare changes. The notices shall be posted at least five days prior to the effective date of the fare changes, and shall remain posted for not less than ten days thereafter.

6. Except as herein authorized, Application No. 45406 is denied.

7. 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  
20<sup>th</sup> day of August, 1963.

William B. Bennett  
President

George T. Grover

George T. Grover

Frederic B. Holshoff  
Commissioner

Appendix A

EUNICE M. CLAYTON  
(doing business as  
Santa Ana-Garden Grove Bus Lines)

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CERTIFICATE

OF

PUBLIC CONVENIENCE AND NECESSITY

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Showing passenger stage operative rights, restrictions,  
limitations, exceptions, and privileges applicable thereto.

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All changes and amendments as authorized by the  
Public Utilities Commission of the State of California  
will be made as revised pages or added original pages,

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65918

Issued under authority of Decision No.  
dated AUG 20, 1963, of the Public Utilities  
Commission of the State of California, on Application  
No. 45406.



Section 1. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS  
AND SPECIFICATIONS.

The certificate hereinafter noted supersedes all operative authority heretofore granted to EUNICE M. CLAYTON, dba Santa Ana-Garden Grove Bus Lines.

EUNICE M. CLAYTON, doing business as Santa Ana-Garden Grove Bus Lines, by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to transport passengers between the Cities of Santa Ana, Garden Grove, and Westminster over and along the routes hereinafter described, subject to the following conditions:

- (a) Motor vehicles may be turned at termini and intermediate points, in either direction, at intersections of streets or by operating around a block contiguous to such intersections in accordance with local traffic regulations.
- (b) When route descriptions are given in one direction, they apply to operation in either direction unless otherwise indicated.

Issued by California Public Utilities Commission.

Decision No. 6591S, Application No. 45406.

Section 2. ROUTE DESCRIPTIONS

Route No. 1 - Santa Ana-Garden Grove-Westminster

Commencing at the intersection of Main and 4th Streets (Santa Ana), thence along 4th Street, Flower Street, 5th Street, Bristol Street, 17th Street, Westminster Avenue, North Euclid Street, Verano Street, Garden Grove Boulevard, Newland Street, Westminster Avenue and Beach Boulevard (Westminster) to its intersection with Garden Grove Boulevard.

Return via Garden Grove Boulevard, Verano Street, North Euclid Street, Westminster Avenue, 17th Street, Bristol Street, 5th and Main Streets to 4th Street.

Also, beginning at the intersection of Garden Grove Boulevard and Newland Street, thence along Garden Grove Boulevard, Jefferson Street, Larson Avenue and Huntington Beach Boulevard to its intersection with Garden Grove Boulevard.

Issued by California Public Utilities Commission.

Decision No. 65918, Application No. 45406.