

ORIGINAL

Decision No. 66070

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 H. A. SHELLEY, doing business as)
 WILMINGTON BUS COMPANY, for)
 authority to adjust rates and reroute)
 a portion of his line.)

Application No. 45395

(Filed April 30, 1963)

O P I N I O N

Applicant provides passenger bus service in the section of the City of Los Angeles known as the harbor community of Wilmington. Applicant also operates a charter and contract business which amounts to about 90 per cent of his total revenue. The operating equipment consists of eleven motor coaches, of which four are diesel-powered and seven are gasoline-powered. Two coaches are used for the regularly scheduled runs and nine are used in charter and contract operations. Charter and contract service and a certain amount of common carrier service, other than the local transit service within the Wilmington area, are operated under the name of California Charter Buses, which is the fictitious firm name of Certified Charter Buses, Inc., a corporation, owned and controlled by Mr. H. A. Shelley and his son.

Applicant is requesting an increase in fares, a change in zones and a route revision.

The present fare structure is based on a two-zone system. The minimum adult fare is 15 cents cash for one zone plus five cents

additional for a two-zone ride. The school fare is 10 cents for one zone, and 15 cents or two tokens for 25 cents (\$0.1250 each) for a two-zone ride. In this proceeding, applicant requests authority to increase the minimum adult cash fare from 15 cents to 20 cents with five cents additional for a two-zone ride. A universal school fare of 15 cents or two tokens for 25 cents (\$0.1250 each) for riding in all zones is to be established which would result in no increase for present two-zone school riders which comprise about 93 per cent of the school traffic, and an increase from 10 cents to either 15 cents cash or a 12½-cent token for the remaining two per cent of the school children.

As justification for rerouting a portion of his Keystone line, applicant alleges that the construction of a new high school at 223rd Street and Main has virtually eliminated all student riding in this area; that prior to said construction, students used the service to attend a school located on Avalon Boulevard. Passenger checks made by the carrier and analyzed by the staff show that the rerouting should not adversely affect more than ten adult passengers daily. By further abandoning a portion of the route at the south end ("D" Street), applicant will be able to provide the public with a 30-minute, instead of the present 40-minute, headway. Applicant further estimates that he will increase his passenger traffic by 15 per cent as a result of an improvement in schedules and routing.

The estimate of bus miles to be operated during the rate year ending June 30, 1964, represents the mileage necessary to provide service under schedules in effect June 1, 1963, including

charter and contract operations. The operating mileage under the proposed rerouting is slightly greater than under the present routing, being 61,610 miles annually, compared to 61,330 miles proposed. The book record of bus miles operated in the regular route service during the year 1962 is less than the estimated bus miles because the book record did not include deadhead miles and was calculated using a rounded figure of the estimated trip mileage multiplied by the number of trips. The staff estimate of bus miles to be operated during the rate year was determined by measuring the actual route miles, multiplying by the number of trips, and adding the deadhead miles.

The estimated results of operation under both present and proposed fares for the year ending June 30, 1964, as shown in the staff report^{1/} are as follows:

Item	Bk. Record	Present Fares		Proposed Fares	
	Year End. 12-31-62	Present Service	Proposed Service	Present Service	Proposed Service
<u>Bus Miles Operated</u>					
Passenger	57,390	61,610	61,830	61,610	61,830
Charter & Contract	<u>222,935</u>	<u>222,940</u>	<u>222,940</u>	<u>222,940</u>	<u>222,940</u>
Total Miles	280,325	284,550	284,770	284,550	284,770
<u>Revenue</u>					
Passenger	\$ 12,838	\$ 11,970	\$ 13,750	\$ 13,540	\$ 15,560
Charter & Contract	<u>101,044</u>	<u>101,040</u>	<u>101,040</u>	<u>101,040</u>	<u>101,040</u>
Total Revenue	\$113,882	\$113,010	\$114,790	\$114,580	\$116,600
Total Expense	\$114,775	\$117,350	\$117,390	\$117,350	\$117,390
Net Before Income Taxes	\$ (893)	\$ (4,340)	\$ (2,600)	\$ (2,770)	\$ (790)
Income Taxes	100	100	100	100	100
Net Income	\$ (993)	\$ (4,440)	\$ (2,700)	\$ (2,870)	\$ (890)
Operating Ratio %	100.9	103.9	102.4	102.5	100.8
Rate Base	-	\$ 32,420	\$ 32,420	\$ 32,420	\$ 32,420
Rate of Return %	-	-	-	-	-

Red Figure ()

1/ Received in evidence as Exhibit 1.

Under present fares and service the net annual loss is estimated as \$4,440 with an operating ratio of 103.9 per cent. Under present fares and proposed service these figures are \$2,700 and 102.4 per cent. Applying proposed fares to the present service the figures are \$2,870 and 102.5 per cent, while under proposed fares and service the estimated loss is reduced to \$890 with an operating ratio of 100.8 per cent. The proposed fares and proposed service will place the applicant in a near breakeven financial position.

The public has been adequately informed of applicant's proposal to increase passenger fares and reroute the northerly portion of the Keystone line. Local authorities were notified by sending each a copy of the application. Public notice was given by announcements posted in the buses and terminals of applicant. No protests have been received.

Based upon the allegations of the verified application and upon the studies and recommendations of the Commission staff, the Commission finds that the proposed increase in fares is justified and reasonable, and that the proposed service changes are in the public interest. The application will be granted upon less than the statutory notice. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. H. A. Shelley, doing business as Wilmington Bus Company, is authorized to establish the increased fares and route change as proposed in Application No. 45395. Tariff publications authorized to be made as a result of the order herein may be made effective not

earlier than ten days after the effective date hereof 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 remain posted for a period of not less than thirty days.

3. Appendix A of Decision No. 59770 in Application No. 41750, as amended by Decision No. 64627, is hereby further amended by incorporating therein First Revised Page 3, attached hereto, in revision of Original Page 3.

4. Within sixty days after the effective date hereof and on not less than ten days' notice to the Commission and to the public, applicant shall amend his tariff and timetables now on file with this Commission to reflect the authority herein granted.

5. The authority herein granted shall expire unless exercised within ninety 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 24th date of September, 1963.

William W. Bennett
President
Carl D. Mitchell
Walter R. ...
George T. Hoover
Fredrick B. Holbrook
Commissioners

Appendix A

H. A. Shelley
doing business as
Wilmington Bus Company

First Revised Page 3
Cancels
Original Page 3

Section 2. ROUTE DESCRIPTIONS

* WILMINGTON-KEYSTONE ROUTE

Beginning at the intersection of "C" Street and Avalon Boulevard (Wilmington), thence along Avalon Boulevard, Sepulveda Boulevard, Panama Avenue, 231st Street, Anchor Avenue, 228th Street, Grace Avenue, Carson Street, Avalon Boulevard, 223rd Street to its intersection with Grace Street.

Return via Grace Street, and 228th Street, thence via the reverse of the going route to point of beginning.

Issued by California Public Utilities Commission.

* Changed by Decision No. 66070, Application No. 45395.