

ORIGINALDecision No. 66486

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
 California Bus Lines, Incorporated,
 a California corporation of 1998
 Roberta Street, Riverside, California,
 for authority to increase passenger
 fares.

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) Application No. 45708
) (Filed August 23, 1963)
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OPINION AND ORDER

This is an application of California Bus Lines, Incorporated, a passenger stage corporation, for authority to increase fares. Applicant's operations are conducted between Riverside and March Air Force Base, serving intermediate points. The present fare structure is based on a four-zone system. The minimum cash fare is 15 cents for a single-zone ride plus 5 cents for each additional zone. Reduced fare commutation tickets are available at the rate of 25 for \$6.00 (\$0.24 each), and 50 for \$11.00 (\$0.22 each), all being good for a 3-zone ride or a 4-zone ride. There is no transfer or joint fare arrangement with connecting carriers. In this proceeding applicant requests authority to increase the minimum cash fare from 15 cents to 20 cents, retaining the present 5 cents increment for each additional zone. The commutation tickets would be increased from 25 for \$6.00 (\$0.24 each) to 25 for \$7.50 (\$0.30 each), and from 50 for \$11.00 (\$0.22 each) to 50 for \$14.00 (\$0.28 each).

The application states that the increased fares are necessary to offset increased expenses and declining patronage. Attached to the application are estimated results of operation for the year 1963 under present and proposed fares. These are summarized in the following table:

TABLE I

Applicant's Estimate of Results
of Operation for the Year 1963,
Under Present and Proposed Fares

	<u>Present</u>	<u>Proposed</u>
Revenues	\$39,092	\$48,058
Expenses	47,419	47,419
Net Before Income Taxes	(8,327)	639
Federal Income Taxes	-	160
Net Income	\$(8,327)	\$ 479
Operating Ratio	108.0%	98.6%
Estimated Rate Base	\$10,453	\$10,453
Rate of Return	-	4.59%

() = Loss

The Commission's Transportation Division staff has made a study of applicant's operation. That study is made a part of the record as Exhibit No. 1. The estimated results of operation under present and proposed fares, as set forth in Exhibit No. 1, are summarized in the following table:

TABLE II

Staff's Estimate of Results of Operation
Under Present and Proposed Fares For Year
Ending December 31, 1964

	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenues	\$41,480	\$47,070
Expenses	47,590	47,590
Net Before Income Taxes	\$ (6,110)	\$(520)
Income Taxes	100	100
Net Income	\$ (6,210)	\$ (620)
Operating Ratio	115.0	101.3
Rate Base	\$ 14,170	\$14,170
Rate of Return	--	--

() = Loss

The public has been adequately informed of applicant's proposal to increase passenger fares. Local authorities were notified by sending each a copy of the application. Such local authorities include the City of Riverside, County of Riverside, and the Base Commander of March Air Force Base. Public notice was given by announcements posted in the buses and terminals of applicant. No protests have been received.

It is clear that operations under the present fares for a test year would be conducted at a loss, and that the proposed fares will result in only a modest profit under applicant's estimate and a loss under the staff's estimate. In the circumstances we find that the increases in fares sought in this application are justified. The application should be granted. A public hearing is not necessary.

Applicant requests that it be authorized to establish the increased fares at the earliest possible date. In view of the demonstrated need for additional revenues, applicant will be authorized to publish the increased fares on five days' notice to the Commission and the public.

IT IS ORDERED that:

1. California Bus Lines, Incorporated, is authorized to establish the increased fares as proposed in Application No. 45708. Tariff publications authorized to be made as a result of the order herein may be made effective not earlier than five days after the effective date hereof on not less than five days' notice to the Commission and to the public.
2. The authority herein granted shall expire unless exercised within one hundred twenty days after the effective date of this order.

3. In addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in its buses and terminals a printed explanation of its 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.

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

Dated at San Francisco, California, this 17th day of DECEMBER, 1963.

William L. Bennett
 President

[Signature]

[Signature]

George L. Thayer

Frederick B. Holbrook
 Commissioners