

By Application No. 48028, PCL seeks authority to increase its fares and to reduce its services. It also seeks suspension or annulment of an order of the Commission directing it to acquire new buses for its operations.¹

Case No. 8359 is an investigation on the Commission's own motion into the "operations, service, rates, rules, facilities, equipment, contracts, schedules, tariffs and practices of Pasadena City Lines, Inc.," for the purpose of determining the reasonableness or adequacy of said "operations, service, rates, rules, facilities, equipment, contracts, schedules, tariffs and practices."

The fare increases which PCL seeks have been authorized in part by ex parte interim order heretofore. By Decision No. 70066, dated December 7, 1965, the Commission granted PCL authority to discontinue a token fare of 16-2/3 cents (tokens, 6 for \$1.00) which, with one exception, then applied in conjunction with a cash fare of 20 cents a ride for transportation within any one of the company's four fare zones.²

Said fare increases were authorized upon representations that PCL was in such dire financial straits that it could not await ordinary procedures to provide timely relief.

¹ By Decision No. 65008, dated February 26, 1963, PCL was directed to place 15 new buses into service during the following three years.

² A fare of 25 cents cash, or one token plus five cents, applied for transportation over PCL's No. 8 route (Craig/Washington Line).

The remaining fare increases which PCL seeks are as follows:

- a. An increase in the 20-cent single-zone fare to 25 cents per ride.
- b. An increase in student commutation fares (which are based on the purchase of a 20-ride ticket) from 10 cents a ride to 20 cents a ride.

No change is sought by PCL in its interzone fare of 5 cents per zone, or fraction thereof, for transportation beyond a single zone. A purpose of the service changes which are proposed is the adjustment of applicant's service to the level of traffic which is anticipated for the coming year.

On March 23, 24 and 25, 1966, public hearings of the several proposals of PCL and on Case No. 8359 were held before Commissioner Mitchell and Examiner Abernathy at Pasadena. Evidence was presented by applicant, by members of the Commission's staff, and by patrons of applicant's services. The matters were taken under submission as of April 5, 1966.³

An accountant for PCL presented financial statements setting forth the company's financial position as of December 31, 1965, and its revenues and expenses for the year 1965. A consultant for applicant presented estimates of the company's financial operating results under proposed fares and services for the year ending with December, 1966. Applicant's president presented testimony concerning the company's policies and his

³ In the investigation proceeding, Case No. 8359, PCL is designated "respondent". However, the term "applicant", which is PCL's designation in Application No. 48028, is used for convenience throughout this opinion.

relationships to the company. A Commission accountant submitted financial information which he had developed from applicant's records. Estimates of financial operating results under present and proposed fares and services were presented by an engineer of the Commission's staff. Another Commission engineer submitted an exhibit setting forth the results of a study which he had made of applicant's services and his recommendations with respect thereto. A number of applicant's patrons presented their views concerning the proposed fares and service changes.

Applicant's showing in support of the sought fare increases and service adjustments in essence is that during the past several years applicant's traffic has been declining at a substantial rate. As reflected in the company's revenues from September, 1963, through September, 1965, the decline in average monthly revenue has amounted to about 17 percent. Along with the decrease in revenues, the company has been experiencing increases in operating costs, particularly in those for labor. As a consequence of these circumstances, the company is incurring substantial operating losses. It reported an operating loss of \$42,732 for the nine months through September, 1965, and a loss of \$22,143 for the like period through September, 1964. The company has endeavored to cope with these losses through deferment of repairs to its buses and through deferment of the bus replacements which were ordered by Decision No. 65008. Nevertheless, its financial condition has continued to deteriorate. The interim increase in fares which was authorized by Decision No. 70066 of December 7, 1965, is not expected to return sufficient additional

revenues to overcome present losses. The further increase in fares and the service changes which are the subject of this further phase of this proceeding assertedly are necessary to the continuance of the company's operations.

Among other things, the showing of the Commission accountant was also a showing of operating losses by applicant. For the years 1964 and 1965, the accountant reported losses of \$20,088 and \$39,098, respectively. As to the company's financial position in general, the accountant stated that it has been weakened by loans totalling \$43,987 which the company made to its president during the years 1964 and 1965; to outlays of \$12,366 which the company made during the same period for the improvement of a yacht; and by charges totalling \$34,500 to operating expenses for so-called management services.⁴

⁴ In its Decision No. 70066 of December 7, 1965, the Commission took note of the company's loans to its president and of the outlays for the yacht. It made the exercise of the rate increase authority which it granted by said decision subject to conditions that the loans be collected and the yacht sold. On April 5, 1966, the company filed an affidavit setting forth the extent that the conditions had been met.

As stated previously herein, a purpose of the service changes which applicant seeks is the adjustment of the services to anticipated traffic levels. Thus, operating economies would be attained through discontinuance of services no longer necessary nor required by public convenience and necessity. As basis for such service adjustments, applicant conducted service studies in conjunction with the Commission engineer who reported on the findings of such studies. In general, the studies disclosed that under the present level of applicant's traffic, applicant is operating numerous schedules which are but lightly patronized; that in some instances applicant does not realize sufficient revenues from said schedules to pay more than the wages of the drivers involved. In all, applicant and the Commission engineer proposed service changes which would result in a reduction of about 156,000 miles of operation during the coming year and a reduction of about \$69,000 in operating costs.⁵

The engineer presented figures to show that if present fares and services are continued during the year through March 1967, applicant will lose \$41,300; if present interim fares are continued unchanged but if the sought service changes are put into effect, applicant will do little more than recover its operating costs.

⁵ The proposed service changes are set forth in Appendix B attached hereto. With but three exceptions, applicant and the Commission engineer were in agreement in their recommendations concerning the changes. Service changes which are sought by applicant but not recommended by the Commission engineer are: The discontinuance of a 5:30 a.m. trip on Saturdays over Route No. 1 to Temple City and return; the discontinuance of weekday (other than Saturday and Sunday) service on Route No. 5 after 10 p.m.; and the discontinuance of all service on Route No. 6 after a 90-day trial period.

On the latter basis the engineer estimated earnings for the year of but \$7,500 after provision for income taxes. The equivalent operating ratio would be 99.1 percent. Estimates which applicant and the Commission engineer presented to show operating results under proposed fares and services are summarized in Table No. 1, below:

TABLE NO. 1

Estimated Results of Operation
Under Proposed Service and Fares
Year Ending March 31, 1967

	<u>PCL</u>	<u>Commission Engineer</u>
Revenues		
Passenger	\$896,700	\$921,600
Charter	2,200	2,200
Other	<u>15,000</u>	<u>14,200</u>
Total Revenues	\$913,900	\$938,000
Expenses		
Maintenance	\$147,050	\$126,500
Transportation	451,190	455,700
Traffic	2,330	1,900
Insurance and Safety	56,530	41,800
Administrative and General	79,690	66,100
Operating Taxes	82,480	89,900
Depreciation	<u>8,970</u>	<u>9,000</u>
Total Expenses	\$828,240	\$790,900
Net Operating Revenues	\$ 85,660	\$147,100
Provision for Income Taxes	\$ 34,620	<u>\$ 68,300</u>
Net Operating Income	\$ 51,040	\$ 78,800
Operating Ratio	94.4%	91.6%

A number of the patrons of applicant's services, or representatives of said patrons, presented testimony regarding the sought fare increases and service changes. In general, the patrons expressed more concern about the service changes than about the fare increases. Particularly was opposed a proposal of applicant to discontinue service over Route No. 6 which serves the northwestern portion and a southern central portion of Pasadena. The opposition was on the grounds that were said service to be terminated, residents of the area served by Route No. 6, the northwestern portion in particular, would be wholly left without public transportation. A representative of a civic organization in the Altadena area recommended the granting of applicant's request to discontinue service (other than school) over Route No. 8, the Craig/Washington line. This witness said that this recommendation is a change from one which he similarly presented in July, 1965, in response to Application No. 47580 of PCL which was then under consideration and which sought discontinuance of service over Route No. 8 and other service changes. He said that because of improvements in service which resulted from Application No. 47580 and which were made in some of the same general area as that served by Route No. 8, the objections of the organizations which he represented to the discontinuance of Route No. 8 have been withdrawn. The opposition to the fare increases was mainly on the grounds that such increases would be particularly burdensome to those living on low, fixed incomes.

Discussion

As has been indicated above, applicant's position in these matters is that the sought fare increases and service adjustments are necessary to the continuance of applicant's services and to its realization of reasonable earnings from its operations. That there is need for increases in applicant's fares and/or adjustments in applicant's services is clear from the estimate of the Commission engineer that applicant is confronted with an operating loss of about \$41,000 if present fares and services are continued during the coming year. Inasmuch as the record shows that a number of the schedules which applicant is operating are not sufficiently patronized as to be economically justified, it is evident that the predicted loss of \$41,000 can be attributed in part to the operation of said schedules. The elimination or modification of these schedules would enable applicant to effect much needed economies. We hereby find that except as noted in the margin below, the operation of the schedules in question are no longer required by public convenience and necessity and that the discontinuance or modification, as the case may be, of said schedules, has been shown to be justified.⁶

⁶ Proposed service changes which are not justified are: The discontinuance of a 5:30 a.m. trip on Saturdays over Route No. 1 to Temple City and return; the discontinuance of a weekday (other than Saturday and Sunday) service over Route No. 5 after 10 p.m., and the discontinuance of all service on Route No. 6 after a 90-day trial period.

The elimination or modification of schedules as herein found justified would restore applicant's operations to approximately a break-even level. Increases in applicant's fares are also necessary if applicant is to be compensated reasonably for its services. In the determination of whether the sought fare increases should be authorized in whole or in part, it is necessary to consider certain aspects of the revenue and expense estimates.

Revenues

It appears from analysis of applicant's revenue estimates, which are set forth in Table No. 1, above, that the passenger revenue estimate of \$896,700 is less than the amount which will be realized. Applicant's estimate and the corresponding estimate of \$921,600 of the Commission engineer were both developed from consideration of the trend of applicant's traffic and of the loss in traffic which is expected to result from curtailment of schedules in connection with the sought service adjustments. The lesser estimate of applicant reflects a greater expectation of passenger loss, both from trend and from changes in schedules, than the estimate of the engineer. We are of the opinion that applicant overestimated the traffic.

loss due to scheduled changes and that the Commission engineer underestimated the effect of trend. We find that in the circumstances a reasonable estimate of passenger revenues for the rate year is \$900,000. Such estimate will be adopted.

Expenses

In the area of expenses, three of the expense estimates require specific consideration. These are: Maintenance expense, insurance and safety expense, and administrative and general expense. The respective estimates of applicant and of the Commission engineer are as follows:

	<u>Applicant</u>	<u>Commission Engineer</u>
Maintenance Expense	\$147,050	\$126,500
Insurance and Safety Expense	56,530	41,800
Administrative and General Expense	79,690	66,100

Maintenance Expense

Applicant and the Commission engineer differed in their maintenance expense estimates in three main respects. Applicant estimated that the sought scheduled adjustments and reductions in service would result in a saving of about \$4,400. The Commission engineer estimated that the saving would be about \$11,500. Applicant's estimate provides for the addition of a general utility employee. The estimate of the Commission engineer does not.

Applicant's expense estimate includes an allowance of about \$2,700 for painting garage and buildings. The expense estimates of the engineer do not.

Applicant apparently assumed that a reduction of 156,000 miles of operation would not greatly affect its repair costs for labor, whereas the engineer's estimate gives proportionate effect to the reduction, based upon applicant's own operating experience. We find that the engineer's estimate in this regard is the more reasonable. The allowance which was included in applicant's estimate for the additional employee should be adopted, inasmuch as it is apparently based on work expected to be done. The evidence concerning the painting of the garage and buildings shows that cost of such work should be amortized over several years. Hence, inclusion of the full amount of this expenditure as a charge to current operations is not proper.

Another matter to be considered in connection with the maintenance expense estimates is that the record shows that applicant has not been maintaining its vehicles adequately. As a consequence, it appears that applicant's expenditures for maintenance for the past year are below normal levels and provide a subnormal base for estimating future outlays.

Upon consideration of the several circumstances, we find that an amount of \$135,000 is a reasonable estimate of applicant's maintenance expense for the coming year.

Insurance and Safety Expense

The difference between applicant's and engineer's estimates of insurance and safety expense is due mainly to the fact

that applicant's estimate was calculated as a percentage of gross revenue which is the basis of the insurance premiums paid, whereas the engineer's estimate was developed on a formula whereby he undertook to measure applicant's risk of loss by relating the total miles traversed in the operations to the number of passengers carried. Also the engineer took into account a discount which applicant had received in connection with workmen's compensation insurance. We have previously held that the estimating of insurance expense, based on a percentage of gross revenue, is not proper and that an estimate related to anticipated traffic and risk is more reasonable. In this instance it appears that the engineer's estimate is low and we find that an amount of \$47,000 is a reasonable allowance for insurance and safety expense for the coming year.

Administrative and General Expense

The principal difference between applicant's and the Commission engineer's estimates for administrative and general expense lies in the amounts estimated for management expense. Applicant's estimate of management expense totals \$29,270. It includes, among other things, an allowance of \$18,000 for the salary of applicant's president and of \$9,470 for the salary of vice president/general manager. The Commission engineer's estimate for management expense totals \$19,000, an amount which he deemed to be reasonable and adequate compensation for the managerial duties and responsibilities applicable to applicant's business operations.⁷ The record shows that applicant's president

⁷ In Decision No. 69121, dated October 27, 1964, an amount of \$12,800 was adopted as reasonable compensation for applicant's officers.

is neither informed nor experienced in the business of operating a public utility bus service, and that he devotes only a small amount of time -- about 20 or 30 hours a month -- to affairs of the company. The record further shows that the actual management of the operations is performed mainly by applicant's vice president/general manager. Such duties as are performed by applicant's president appear to be more in the nature of those of a director than of a chief executive officer. We are not persuaded that for the management services received from applicant's president the sum of \$18,000 which is being charged to operating expenses as the president's salary is a reasonably prudent expenditure for which the company is entitled to reimbursement through its fares to its patrons. We are of the opinion, and find, that the Commission engineer's estimate of \$19,000 for management expense of the company is, and will be, a reasonable allowance for such purposes. Such estimate will be adopted. The total amount which we find to be a reasonable allowance for administrative and general expense is \$68,100.⁸

⁸ The amount of \$68,100 includes an allowance for legal expenses which is \$2,000 in excess of the estimate of the engineer. It appears that the greater amount conforms more nearly to the level of applicant's actual outlays for legal services.

Adjustment of the revenue and expense estimates in Table No. 1 in conformity with our findings and conclusions hereinabove expressed results in revised figures as set forth below:

TABLE NO. 2

Estimated Results of Operation (Revised)
Under Proposed Service and Fares
Year Ending March 31, 1967

Revenues	
Passenger	\$900,000
Charter	2,200
Other	<u>15,000</u>
Total Revenues	\$917,200
Expenses	
Maintenance	\$135,000
Transportation	451,190
Traffic	2,330
Insurance and Safety	47,000
Administrative and General	68,100
Operating Taxes	82,480
Depreciation	<u>8,970</u>
Total Expenses	\$795,070
Net Operating Revenues	\$122,130
Provision for Income Taxes	<u>\$ 55,615</u>
Net Operating Income	\$ 66,515
Operating Ratio	92.7%

In return for the net operating income of \$66,515 which Table No. 2 shows applicant would realize under the sought fares and adjusted schedules, applicant proposes to upgrade the quality

of its service by the replacement of five of its older buses by five new buses. According to an affidavit which applicant's president filed with the Commission on April 5, 1966, an amount of \$24,103.75 has been deposited in a special bank account for PCL to be used for the acquisition of new buses.⁹ In order to improve the level of operating performance of its vehicles, PCL also proposes to re-employ three mechanics whom it recently discharged as an economy measure.

Such actions will undoubtedly do much toward improving PCL's service. Other steps which should be taken, however, are the instituting of a program for the general overhaul of PCL's vehicles to the end that equipment failures per 1,000 miles of operation conform more nearly to those experienced in connection with a well maintained bus operation.¹⁰ PCL's fleet, in general, should be repainted and refurbished. Applicant's day-to-day

9 The affidavit sets forth steps which have been taken on behalf of PCL to comply with the conditions which the Commission imposed in connection with the fare increases authorized by Decision No. 70066. In addition to establishment of the special bank account of \$24,103.75 which is referred to above for the purchase of buses, the company sold its yacht for \$14,200 cash and four subdivided lots in the Big Bear Lake area. At the time of the filing of the affidavit, the transaction covering said sale was in escrow. Proceeds from the sale of the yacht and of the lots, when sold, are to be held in a segregated bank account subject to the Commission's direction. The affidavit also states that PCL will not make any loans or advances to its officers without prior authorization from the Commission. By letter dated May 18, 1966, applicant informed the Commission that the sale of the yacht had been completed, and that the proceeds of \$14,178.92 had been deposited in a special bank account subject to disposition pursuant to order of the Commission.

10 During the year 1965 PCL experienced one mechanical road failure per 5,556 miles of operation. According to the Commission engineer who studied the service aspects of applicant's operations, a recent analysis of a comparable bus company shows one failure per 20,000 miles of operation.

operating performance also should be brought more in line with its schedules. ¹¹

The expense estimates which are set forth in Table No. 2, above, do not contain sufficient allowance for the costs of all of improvements to PCL's facilities and service which should be made as outlined above and the purchase of new buses as herein specified. Additional allowances of \$12,500 for maintenance and \$7,500 for depreciation should also be provided. Inclusion of such allowances in the expenses in Table No. 2 results in the revised figures which are shown in Table No. 3 as follows:

TABLE NO. 3

Estimated Results of Operation (Revised) Under
Proposed Service (Improved) and Proposed Fares
Year Ending March 31, 1967

Revenues	
Passenger	\$900,000
Charter	2,200
Other	<u>15,000</u>
Total Revenues	\$917,200
Expenses	
Maintenance	\$147,500
Transportation	451,190
Traffic	2,330
Insurance and Safety	47,000
Administrative and General	68,100
Operating Taxes	82,480
Depreciation	<u>16,470</u>
Total Expenses	\$815,070
Net Operating Revenues	\$102,130
Provision for Income Taxes*	<u>\$ 35,660</u>
Net Operating Income	\$ 66,470
Operating Ratio	92.8%

* Includes provision for investment tax credit on new buses.

¹¹ The service study of the Commission engineer shows that about one out of each eight bus departures from scheduled points are made ahead of schedule and that a considerable number of departures are behind schedule.

The earnings which Table No. 3 shows that applicant would realize under the sought fares are reasonable. If PCL is to continue to serve a useful function in the Pasadena area, it must not only rehabilitate its properties but it must check the decline in its patronage and stabilize its operations at a level which it can reasonably maintain. To this end it must be permitted to earn sufficient funds to enable it to do the job to be done.

We find that increases in PCL's fares as sought have been shown to be justified. The increases in fares will be authorized. Also will be authorized the service changes which have been found justified hereinbefore.

Inasmuch as much of the fare increase authority which is granted to PCL hereinafter is premised on applicant's rehabilitating its properties and operations, applicant will be expected to undertake and carry out the necessary actions to such end as promptly as possible. Said actions should include, amongst the matters already touched upon, the strengthening of the managerial direction over the operations.

A further action which should be taken is the strengthening of the company's financial position. PCL's presentation in

support of the fare increases has been in part on the ground that its capital has been so impaired by operating losses that it is delinquent in the meeting of its bills. In the usage of funds derived from fares hereinafter authorized, PCL will be expected to direct said funds to the meeting of the expenses of its operations, including the payment of past due bills incurred for said purposes, to the rehabilitation of present operating properties, to the acquisition of new buses, and to the accumulation of a cash reserve. Until these objectives have been accomplished, PCL shall not utilize any cash earnings from its operations for noncarrier investments, for loans and/or advances to its officers, or for the payment of dividends except with the prior authorization of the Commission.

We advert now to consideration of PCL's needs for new buses. PCL has not acquired any of the 15 new buses which Decision No. 65008, dated February 26, 1963, in Application No. 44674 directed it to put in service by March 1966. The time for complying with this directive was subsequently modified by Decision No. 68121, dated October 27, 1964, in Application No. 44674 to provide that PCL should acquire five new buses by January 1, 1966; five new buses by January 1, 1967, and five new buses by January 1, 1968. Decision No. 70066 in this instant application suspended the directive of Decision No. 68121 until further order of the Commission in order to permit further consideration of the matters involved.

The action which was taken by Decision No. 68121 permitting deferral of the acquisition of new buses as ordered by Decision No. 65008 followed representations that PCL's financial position would not permit the purchase of new buses. In the meantime, however, and since the issuance of the original bus purchase directive in February 1963, applicant's buses have become three years

older. At the present time 36 of applicant's buses have been in operation for more than 18 years, and five buses have been in operation almost six years. The age of the older buses is much beyond that which is considered to be the normal economic service life for buses.¹² As pointed out in Decision No. 68121, prudence and public interest require that the old buses be systematically replaced by newer vehicles. We can see no reasonable justification for a further postponement of the replacement of at least 10 of applicant's older buses. Applicant should proceed forthwith to replace five of its older buses, and it should acquire and place in service five additional new buses by July 1, 1967. The proceeds from the repayment of applicant's loans to its officers and from the sale of applicant's yacht plus the earnings from the increased fares herein authorized should enable applicant to make the replacements specified.

Under the provisions of Decision No. 68121, PCL is subject to a further directive that it replace five additional buses by January 1, 1968. However, we are now of the opinion that before action towards meeting applicant's needs for new buses in 1968 or thereafter is undertaken, said action should be reviewed in the light of the then existing circumstances. The provisions of Decision No. 68121 relating to the replacement of buses will be modified.

¹² According to the Commission engineer who analyzed the financial aspects of applicant's operations, the economic life of the buses which were placed in service about six years ago is 12 years.

As a concluding comment it should be emphasized that a principal objective of the order which follows is the establishment of fares, schedules and other operating conditions which will enable PCL to function effectively in providing a common carrier passenger stage service of good quality for the City of Pasadena and adjacent cities and communities. Nevertheless, it is not a foregone conclusion that this objective will be achieved even under said fares, schedules and operating conditions. Much of the results which will be actually realized will depend upon what PCL itself does to generate new traffic, to check the decline of present traffic, to increase its charter revenues, and to effect all possible expense reductions which are consistent with the maintenance of good service.

But in spite of all that may be done through fare adjustments, schedule changes and related actions which are here authorized or prescribed by the Commission, or through applicant's own efforts, the ultimate outcome rests with the patrons of applicant's services. As pointed out in an earlier decision involving adjustments in applicant's fares and services (Decision No. 69719, dated September 22, 1965, in Application No. 47580) the real solution to the maintenance of applicant's operations lies in the extent that the public will and does support the operations. Unless sufficient public support is forthcoming to maintain the level of service for which provision is made herein, the actions which are taken in these matters in authorizing increased fares and reductions in service must be viewed as a prelude to similar actions in the future.

O R D E R

IT IS ORDERED that:

1. Pasadena City Lines, Inc., is hereby authorized to amend its Local Passenger Tariff No. 19, Cal. P.U.C. No. 19,

- a. To increase its basic fare for transportation within a single-fare zone from 20 cents cash to 25 cents cash, and to effect corresponding increases in its inter-zone fares;
- b. To increase its commutation fares for the transportation of students by increasing its charge for a 20-ride commutation ticket from \$2 to \$4.

2. Except as is otherwise noted, Pasadena City Lines, Inc., is authorized to revise its routes and schedules to the extent described in Appendices A and B hereof.

NOTE: The authority to revise routes and schedules does not include authorization,

- a. To discontinue a 5:30 a.m. trip over Route No. 1 on Saturdays to Temple City and return;
- b. To discontinue weekday (other than Saturday and Sunday) service over Route No. 5 after 10 p.m.; and
- c. To discontinue weekday (other than Saturday) service over Route No. 6.

3. The exercise of the authority granted by the above paragraph 1 is made subject to the following conditions:

- a. Pasadena City Lines, Inc., shall replace five of its old buses with five new 45-passenger buses within 120 days after the effective date of this order or as soon thereafter as delivery of said buses to Pasadena City Lines, Inc., can be accomplished;
- b. To the extent necessary, Pasadena City Lines, Inc., shall overhaul the remaining buses used in its operations and establish a program of preventive maintenance to the end that within six months after the effective date of this order the incidence of mechanical breakdowns of the buses will not exceed one per 15,000 miles of operations;

- c. Within six months after the effective date of this order, Pasadena City Lines, Inc., shall repaint the exteriors and refurbish the interiors of at least one-fourth of the total number of its buses (other than those acquired new pursuant to paragraph a, above) used in the operations. It shall thereafter repaint and/or refurbish other of its buses as the Commission may direct through its staff;
- d. Pasadena City Lines, Inc., shall undertake to strengthen the management of its operations to the end that all of the salaries which are found reasonable in the preceding opinion for managerial services are for services efficiently and competently performed. It shall report to the Commission the action taken in this regard, and shall take such further action as the Commission may direct through its staff;
- e. In the usage of funds derived from fares herein authorized, Pasadena City Lines, Inc., shall direct its funds to meeting the expenses of its operations, to rehabilitating its properties, to acquiring new buses and to the accumulation and maintenance of a cash reserve as indicated in the preceding opinion;
- f. On or before July 1, 1967, Pasadena City Lines, Inc., shall acquire and put into service five new buses, each having a capacity of not less than 35 passengers. Pasadena City Lines, Inc., shall inform the Commission in writing as each new bus is acquired and put into service pursuant to this subparagraph and subparagraph a, above.

4. The exercise of the authority granted by the above paragraph 2 is made subject to the following conditions:

- a. The schedule changes to be made shall be consistent with the maintenance of good on-time performance in the day-to-day operations. Pasadena City Lines, Inc., shall maintain close supervision over its operations to assure itself that the desired quality of on-time performance is being achieved. It shall report to the Commission monthly concerning its on-time performance, and shall take such steps as the Commission may direct through its staff toward the maintenance of a reasonable level of performance;

- b. Any substitution of 35-passenger buses in service where 45-passenger buses are now being operated should be such that an increase in the number of standing passengers now transported beyond a single fare zone would not result.

5. Tariff publications required to be made by Pasadena City Lines, Inc., 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, provided that Pasadena City Lines, Inc., has first filed with the Commission its acceptance of the conditions specified in paragraphs 3 and 4 above.

6. The authority herein granted shall expire unless exercised within ninety days after the effective date of this order.

7. In addition to the required posting and filing of tariffs, Pasadena City Lines, Inc., shall give notice to the public by posting in its buses a printed explanation of its fares and route changes. It shall also print and make available to the public printed schedules setting forth the timetables which are established pursuant to authority herein granted. The notices to be posted in the buses 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.

8. The directive which is contained in ordering paragraph 1 of Decision No. 68121 that Pasadena City Lines, Inc., acquire a total of 15 new buses is superseded by the provisions of this order.

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

Dated at San Francisco, California, this 21st day of JUNE, 1966.

Frederick B. Hallock
President

John E. Patchett

George T. Cover

Augustus

William G. Beine
Commissioners

Appendix A

SECTION 2. ROUTE DESCRIPTIONS (Continued)

Route No. 2. Lincoln - Hill

Commencing at the intersection of Lincoln Avenue and Altadena Drive, thence along Lincoln Avenue, Orange Grove Boulevard, Pasadena Avenue, Colorado Boulevard, Hill Avenue, Woodbury Road and Holliston Avenue to Mendocino Street.

Route No. 3. Fair Oaks - Lake

Commencing at the intersection of Fair Oaks Avenue and Warpello Street, thence along Fair Oaks Avenue, Colorado Boulevard, and Lake Avenue to Altadena Drive.

Route No. 4. Los Robles - South LakeWeekday and Saturday Route

Commencing at the intersection of Santa Anita Avenue and Calaveras Street, thence along Santa Anita Avenue, Woodbury Road, Los Robles Avenue, Colorado Boulevard, Lake Avenue, San Pasqual Street, Hill Avenue and Oakdale Street to Allen Avenue. Return via Allen Avenue, and San Pasqual Street to Lake Avenue, thence via the reverse of the going route to point of beginning.

*Sunday and Holiday Route

Commencing at the intersection of Santa Anita Avenue and Calaveras Street, thence along Santa Anita Avenue, Woodbury Road, Los Robles Avenue, Colorado Boulevard (changes headsign to No. 5), Allen Avenue, New York Drive, Altadena Drive, Washington Boulevard, Allen Avenue, Colorado Boulevard (changes headsign to No. 4), to point of beginning.

Issued by California Public Utilities Commission

*Changed by Decision No. 70884, Application No. 48028.

SECTION 2. ROUTE DESCRIPTIONS (Continued)

Route No. 5. Allen Avenue - West California

Commencing at the intersection of California Boulevard and Arroyo Boulevard, thence along California Boulevard, Fair Oaks Avenue, Colorado Boulevard, Allen Avenue, New York Drive and Altadena Drive to Washington Boulevard. Return via Washington Boulevard to Allen Avenue, thence via the reverse of the going route to the intersection of Grand Avenue and California Boulevard, thence via Grand Avenue, La Loma Road and Arroyo Boulevard to California Boulevard.

*Sunday and Holiday Route

See Route 4 description for combined Routes 4 and 5.

Route No. 6. Marengo - Glenarm - Linda Vista -
Oak Grove - Foothill Boulevard

Commencing at the intersection of Foothill Boulevard and Commonwealth Avenue, in the County of Los Angeles, thence along Foothill Boulevard, Foothill Freeway, Michigan Avenue turn-off, Daleridge Road, Alminar Avenue, Baptiste Way, Viro Road, Michigan Avenue, Oak Grove Drive, Berkshire Place, Foothill Freeway, Linda Vista Avenue, Seco Street, Rosemont Avenue, Orange Grove Boulevard, Colorado Boulevard, Los Robles Avenue, and Glenarm Street to Marengo Avenue. Return via Marengo Avenue, Ohio Street, Euclid Avenue, and Alpine Street to Los Robles Avenue, thence via the reverse of the going route to the intersection of Linda Vista Avenue and Seco Street, thence via Linda Vista Avenue, Highland Drive, Foothill Freeway, Berkshire Place, Oak Grove Drive, Michigan Avenue, Viro Road, Baptiste Way, Alminar Avenue, Daleridge Road, Michigan Avenue and Foothill Boulevard to point of beginning.

*Also:

Along Oak Grove Drive from Michigan Avenue to the Jet Propulsion Laboratory and return to point of beginning.

Issued by California Public Utilities Commission.

*Changed by Decision No. 70884, Application No. 48028.

APPENDIX B
Page 1 of 2

Proposed Changes in Routes and Schedules

<u>Route</u>	<u>Changes</u>
1	<p>Weekdays Discontinue night service from downtown Pasadena after approximately 10:30 P.M.</p> <p>Saturdays Discontinue 5:20 A.M. trip from Colorado and Fair Oaks to Rosemead and return. * Discontinue 5:30 A.M. trip from Colorado and Fair Oaks to Temple City and return. Discontinue night service from downtown Pasadena after approximately 10:30 P.M. Reduce Highland Park service from 30 to 60-minute frequency.</p> <p>Sundays Discontinue 6:10 A.M. trip from Colorado and Fair Oaks to Rosemead and return. Discontinue night service from downtown Pasadena after approximately 10:30 P.M.</p>
2	<p>Weekdays Reschedule A.M. peak service from 12 to 15-minute frequency. Reschedule P.M. peak service from 15-minute frequency to 17 to 20-minute frequency. Discontinue night service from downtown Pasadena after approximately 10:30 P.M.</p> <p>Saturdays Discontinue A.M. service before 6:30 A.M. Discontinue night service from downtown Pasadena after approximately 10:30 P.M.</p> <p>Sundays Discontinue A.M. service before 6:55 A.M. Discontinue night service from downtown Pasadena after approximately 11:00 P.M.</p>
3	<p>Weekdays Reschedule A.M. and P.M. peak service from 12 to 14-minute headway. Discontinue night service from downtown Pasadena after approximately 10:30 P.M.</p> <p>Saturdays Discontinue service before 5:40 A.M. Discontinue service from downtown Pasadena after approximately 10:30 P.M.</p>

* Not authorized.

APPENDIX B
Page 2 of 2

<u>Route</u>	<u>Changes</u>
3	Sundays Discontinue 6:30 A.M. trip from Fair Oaks to Mariposa and return. Discontinue night service from downtown Pasadena after approximately 10:30 P.M. Schedule service on straight 40-minute headway, instead of 30 minutes, from 8:00 A.M. to 2:00 P.M.
4	Weekdays Discontinue service before 6:00 A.M. Discontinue night service from downtown Pasadena after approximately 10:30 P.M. Saturdays Discontinue service before 6:12 A.M. Discontinue night service from downtown Pasadena after approximately 10:30 P.M. Sundays Discontinue service on Highland Park branch of line. Combine Los Robles service with Allen Avenue leg of Route 5 and schedule service on 80-minute headway from approximately 7:30 A.M. to 6:30 P.M.
5	Weekdays * Discontinue service after 9:44 P.M. from Colorado and Fair Oaks to Arroyo and California and return. Saturdays Discontinue service before 6:38 A.M. Discontinue night service after 8:28 P.M. from Colorado and Fair Oaks to Altadena and Washington and return. Sundays Discontinue service on California branch of line. Combine Allen Avenue service with Los Robles leg of Route 4 and schedule service on 80-minute headway from approximately 7:30 A.M. to 6:30 P.M.
6	Weekdays Extend A.M. and P.M. service to Jet Propulsion Laboratory on 90-day trial basis. Reduce A.M. and P.M. peak service from 35-minute to 70-minute headway. * Discontinue all service after 90-day trial period. Saturdays Discontinue service.
8	Weekdays Discontinue regular service. Retain school service. Saturdays Discontinue service. * Not authorized.

End of Appendix B