

nw/HW

Decision No. 75929

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of RAY E. EVANS and RUTH O. EVANS,
doing business as TRAMWAY TRANS-
PORTATION AND TOURS, for Rate In-
crease and for Amendment to Certi-
ficate of Public Convenience and
Necessity.

Application No. 50613
(Filed January 9, 1969; Amend-
ment filed February 10, 1969)

Paul T. Selzer, for Ray Evans, Ruth Evans, DBA
Tramway Transportation and Tours, applicant.
John L. Hughes, for The Gray Line Tours Company,
interested party.
W. R. Kendall, for the Commission staff.

O P I N I O N

This application was heard before Examiner De Wolf on April 29, 1969, at Palm Springs, California and submitted on the same date. Copies of the application and request for increase of fares and the notice of hearing were served and notices posted in accordance with the Commission's procedural rules, and proof of same is on file. The public has been adequately informed as to the proposal to increase passenger fares. The Gray Line Tours Company filed a protest to the application, appeared at the hearing, withdrew its protest and remained as an interested party. There are no other protests.

The applicants are operating as a passenger stage corporation presently transporting passengers in a sightseeing service on five tours originating at Palm Springs. The application as amended at the hearing requests authority to increase the fares on some of the routes and to modify the restriction on the vehicles used in providing service as to seven passenger

capacity so as to increase the capacity to 14 passengers and to change some of the regulations as to the minimum number of passengers which can be carried.

Applicants are operating in the vicinity of Palm Springs, Indio and adjacent desert and mountain areas pursuant to authority of Decision No. 69812, dated October 19, 1965, in Application No. 47352. Palm Springs is a resort area with a winter season, and applicants offer service throughout the year with major operations during the winter season. One of the applicants' routes is wholly within the City of Palm Springs and is in competition with a City carrier operating wholly within the City of Palm Springs who is not subject to the jurisdiction of this Commission.

Applicants have filed annual reports showing the following data regarding their operations:

	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>
Vehicle Miles Operated	18,000	43,000	52,000	65,000
Passengers Carried	2,212	3,300	4,050	4,233
Passenger Revenue	\$6,084	\$9,364	\$11,074	\$15,524
Total Expenses ⁽¹⁾	\$4,507	\$5,146	\$ 6,848	\$11,649
Net Operating Income ⁽¹⁾	\$1,577	\$4,218	\$ 4,226	\$ 3,775
Operating Ratio ⁽¹⁾	27.1%	55.0%	61.8%	75.0%

(1) Before income taxes, and except for \$920 of wages paid in 1968; does not include any compensation for owners' time devoted to driving and other operating and management functions.

The applicants testified in support of the application and a tax consultant accountant familiar with operations and who prepared the income tax returns of applicant also testified, in regard to the accounting of applicant, and the profit and loss of the operations.

Applicants' witnesses testified that in 1968 a relief driver was hired and paid \$920.00 because of an illness of Mr.

Evans and that all other driving, dispatching, management and office work was performed by the applicants, and that Mr. Evans did 621 hours and Mrs. Evans 775 hours of driving during the year.

Operating equipment purchase dates and cost are as follows:

1961 Ford Sta. Wagon purchased Sept. 1961	\$2,962
1964 Chevrolet Bus purchased March 1965	3,784
International purchased Jan. 19, 1968	1,205
Cadillac purchased Nov. 5, 1968	1,500
	<u>\$9,451</u>

At the hearing applicants withdrew their request to lift the restriction on passenger capacity set forth in Amendment filed February 10, 1969 and requested leave to amend the application in regard to passenger capacity as follows: "All service shall be conducted with vehicles not exceeding fourteen-passenger capacity, exclusive of driver". Protestant Gray Line withdrew its protest to the application as amended and there were no other objections filed.

Applicant proposes increase of fares and passenger minimums on routes as follows:

Tour No.	Minimum	Old Fare	New Fare
1	Two	\$3.00	\$3.00
2	Three	\$4.00	\$4.50
3	Three	\$4.50	\$6.00
4	Four	\$6.00	\$8.00
5	One	\$2.50	\$2.50

Applicant's accountant testified that the last two or three years business in Palm Springs has been in a period of a slump and that the future indications are that business will improve in the next season. The accountant testified that the

straight line depreciation method was used in applicants' 1968 accounts and was deducted on the operating equipment on the basis of a four-year life. The applicants being individual proprietors did not record payments for their own services which if included would eliminate most of the recorded net earnings.

The applicants are husband and wife and do all of the driving except for a small amount of relief driving as shown, and applicants also do all office and other work and labor in connection with the operations. The applicants' witnesses estimated that the operating revenue would be increased in the next year as indicated by the annual reports shown for 1965 through 1968 and that the operating ratio would be about 100%. It was estimated that maintenance expenses would increase and that future operations would not produce sufficient revenue to show any profit over and above the fair value of work and labor performed by applicants. The profit for the years 1969 and 1970 would be about the same as is reflected in the 1968 report in which net income for the proprietors amounted to the sum of \$3,775.00 with the owners' driving wages figured at \$2,792.00. This would leave \$983.00 for office and management expense.

The Commission's Passenger Engineering Section analyzed the applicants' records and an engineer appeared at the hearing and examined all of the witnesses and recommended that the application for a fare increase be granted and that the proposals of applicants for change of restriction be approved and that the appendix of applicants' existing certificate be

amended accordingly. The Commission staff did not call any witnesses or file any estimates or studies as to applicants' operations.

Under the present fares an adjusted operating loss is indicated by the evidence. Under proposed fares applicants have estimated annual earnings of less than a reasonable compensation for the proprietors for their work and labor in conducting the operations.

Having considered the matter the Commission finds that the proposed increase in fares and changes in passenger minimums and rules are justified. The Commission finds that the estimates of operating revenues, expenses, including taxes and depreciation, based on 1968 operations are reasonable for the purpose of prescribing rates herein.

The Commission finds that public convenience and necessity require that applicants be authorized to increase the capacity of the vehicles used to 14 passengers as requested in the application.

O R D E R

IT IS ORDERED that:

1. Ray E. Evans and Ruth O. Evans, doing business as Tramway Transportation and Tours, are authorized to establish the increased fares and changes in rules and restrictions as proposed in Application No. 50813, as amended. Tariff publications authorized to be made as a result of the order herein shall be filed not earlier than the effective date of this order and 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. The authority herein granted shall expire unless exercised within ninety 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.

4. Appendix A of Decision No. 69812 is amended by incorporating therein First Revised Page 2 and First Revised Page 3, in revision of Original Page 2 and Original Page 3.

5. Within 30 days after the effective date hereof, Ray E. Evans and Ruth O. Evans, doing business as Tramway Transportation and Tours, shall mail to the Commission a description of the proposed 14-passenger vehicle to be used in providing service and shall place such a vehicle in service on not later than October 1, 1969.

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

Dated at San Francisco, California, this 15th day of JULY 4, 1969.

President

[Signature]

Commissioners

Commissioner William Symons, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Fred P. Morrissey, being necessarily absent, did not participate in the disposition of this proceeding.

RAY E. EVANS and RUTH O. EVANS
doing business as
TRAMWAY TRANSPORTATION AND TOURS

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

Ray E. Evans and Ruth O. Evans, doing business as Tramway Transportation and Tours, by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to conduct a sightseeing service for the transportation of passengers between points and places in the City of Palm Springs, on the one hand, and points of interest in Riverside County, on the other hand, over and along the routes hereinafter described, subject to the following conditions and restrictions:

- (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.
- (c) All service herein authorized shall be limited to the transportation of round-trip passengers only.
- *(d) All service shall be conducted with vehicles not exceeding fourteen-passenger capacity, exclusive of driver.
- (e) Passengers shall not be picked up or discharged, except within the corporate limits of the City of Palm Springs. This restriction shall not prevent stopovers for the purpose of permitting sightseeing passengers to visit various points of interest along the routes.

Issued by California Public Utilities Commission.

*Changed by Decision No. 75929, Application No. 50813.

RAY E. EVANS and RUTH C. EVANS
doing business as
TEAMWAY TRANSPORTATION AND TOURS

SECTION 1. (Continued)

- (f) Service may be operated on an "on-call" basis, subject to the minimum number of passengers shown below:

Tour No. 1 - two passengers
Tour No. 2 - three passengers
*Tour No. 3 - three passengers
Tour No. 4 - four passengers
*Tour No. 5 - one passenger

Tariffs and timetables of applicant shall show the conditions under which such "on-call" service will be rendered.

Issued by California Public Utilities Commission.

*Changed by Decision No. 75929, Application No. 50813.