

ORIGINAL

Decision No. 76694

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:

ISHMEL D. SUMNER, EDISON D. SUMNER
and T. DURBIN THOMPSON, doing business
as LAGUNA TRANSIT, for an EX PARTE
ORDER granting authority to increase
fares for the transportation of
passengers between points in the City
of Laguna Beach, on the one hand and
Crown Valley Parkway (3 Arch Bay) on
the other hand.

Application No. 51464
(Filed November 6, 1969)

OPINION AND ORDER

Applicants provide local passenger bus transportation in the City of Laguna Beach and Three Arch Bay and to Laguna Hills and Orange County Airport and intermediate points. The bus terminal is located in the center of Laguna Beach at 213 Ocean Avenue and near Coast Boulevard (Calif. State Route 1). The service routes extend northerly from the bus terminal in Laguna about 1½ miles to the city limits, and southerly from the bus terminal past the south city limits to Three Arch Bay, a distance of about 5 miles and from the terminal along Ocean Avenue, Third Street, Broadway, Laguna Canyon Road and El Toro Road to Laguna Hills and Leisure World, thence via MacArthur Boulevard to the Orange County Airport and return. Applicants' authority is set forth in Decision No. 74698 dated September 17, 1968.

The applicants allege that there has been no increase in passenger fares charged the public since 1959, that the cost of fuel, taxes, labor, maintenance, insurance and operating expenses are constantly rising and that if additional revenues are not secured it will seriously impair applicants' ability to serve the public.

Applicants have attached to the application Exhibits A, B, C and D which show in detail the financial condition of the company, an operating statement, carrier operating revenue, balance sheet with assets and liabilities, and an equipment list.

The present fare structure consists of a single-zone system in Laguna Beach, and no changes are requested in fares and routes to Laguna Hills and Orange County Airport. All fares are cash. The adult fare is 20¢ and the children's fare is 10¢. In this proceeding applicants propose to increase the adult fare from 20¢ to 25¢ and the children's fare from 10¢ to 15¢ and to provide 20-ride passes for adults at a cost of \$4.50 and for children at \$2.50.

The operating statement covers the period from November 11, 1968 through September 30, 1969 for the portion of the operations between points in the City of Laguna Beach, on the one hand and Crown Valley Parkway (Three Arch Bay) on the other hand. The following totals of carrier revenue and earnings are for the City of Laguna Beach and do not include service to Orange County Airport and Laguna Hills.

The totals of carrier operating revenue are as follows:

Passenger Revenue	\$11,931.50
Other Operating Revenue	<u>808.61</u>
Total Operating Revenue	\$12,740.11

The estimated 11 months earnings under present and proposed fare basis are as follows:

	<u>Present Fare Basis</u>	<u>Proposed Fare Basis</u>
Revenues	\$12,740.11	\$15,700.00
Expenses, Dep. & Taxes	13,472.33	14,444.00
Net Profit or Loss	\$ (732.22)	\$ 1,256.00
Operating Ratio	105.7%	92%

Applicants have posted notice of the application for proposed fare increases in all their buses and stations.

The transportation division of the Commission has reviewed the application and made a study. It recommends that the fare increases be granted. This report is filed herein and marked Exhibit No. 1. Based on the results shown in the table attached to the report it appears that applicants' operating results will show at least a break-even position under the proposed fares.

Having considered the matter the Commission finds that the facts are as set forth hereinabove and that the proposed increase in fares is justified and reasonable.

The application will be granted. A public hearing is not deemed necessary.

IT IS ORDERED that:

1. Ishmel D. Sumner, Edison D. Sumner and T. Durbin Thompson, doing business as Laguna Transit is authorized to establish the

increased fares proposed in Application No. 51464. 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 ninety days after the effective date of this order.

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

Dated at San Francisco, California, this 20th day of JANUARY, 1970.

William Sprague
President

J. Madras
Thomas
Vernon L. Stinson
Commissioners

Commissioner A. W. Gatov, being necessarily absent, did not participate in the disposition of this proceeding.