

ORIGINAL

Decision No. 41399

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 KEY SYSTEM TRANSIT LINES, a corporation,)
 for an order pursuant to Section 63 of)
 the Public Utilities Act authorizing)
 the establishment of increases and ad-)
 justment in rates and fares for trans-)
 portation of passengers between points)
 in the Counties of Alameda and Contra)
 Costa, and the City and County of San)
 Francisco, in the State of California.)

Application No. 28353
 Amendment to First
 Supplemental

DONAHUE, RICHARDS, ROWELL & GALLAGHER, by FRANK S.
 RICHARDS, for applicant.
 ARTHUR CARDEN, City Attorney, for the City of San
 Leandro, protestant.
 JOHN W. COLLIER, City Attorney and ARCHER BOWDEN,
 Assistant City Attorney, for City of Oakland,
 protestant.
 R. B. RIVERS, for Bay Area Transportation League,
 protestant.
 D. G. WATSON and STANLEY B. JOHNSTON, in propria persona,
 interested parties.

O P I N I O N

By an amendment to First Supplemental Application No.
 (1)
 28353, Key System Transit Lines seeks authority to establish a zone
 limit on the "N" San Leandro transbay motor coach line, at 64th
 Avenue and MacArthur Boulevard, Oakland. This would place that
 portion of the line east of 64th Avenue in the Outer Zone and would
 (2)
 establish outer zone fares for service between that area and
 (3)

(1) See Decision No. 40954, dated November 25, 1947.

(2) Designated in applicant's tariff as "South Zone".

(3)	<u>Proposed Outer Zone Fares</u>	<u>Present Inner Zone Fares</u>
One-way cash fare, adult	35 cents	25 cents
One-way cash fare, children	20 cents	15 cents
20-ride book	\$ 6.30	\$ 4.50
5-day commute book	10.50	9.50
Full month commute book	11.50	10.50

San Francisco. A public hearing was held thereon before Examiner Paul at Oakland, February 25, 1948, and the matter was submitted.

In justification of its proposal applicant showed that the maximum length of route from the San Francisco Terminal for the other inner zone motor coach lines is 15.27 miles, while the distance to the present terminal of the "N" line, Estudillo Avenue, San Leandro, is 19.77 miles. The distance from the San Francisco Terminal to Seminary Avenue, the proposed terminal of the inner zone line, is approximately 15½ miles.

According to the record the "R" San Leandro - Hayward transbay motor coach line is an outer zone line east from 51st Avenue and East 14th Street, Oakland, which is the first stop after leaving the San Francisco Terminal. From this point, east to San Leandro, the "R" and "N" lines operate approximately parallel to each other and it is reasonable that the fares be on a parity to avoid any discrimination.

The revenue per coach-mile for the "N" line for the month of January, 1948, was shown to be 32.39 cents, while for the other inner zone coach lines which render a comparable service it was shown that the revenue per coach-mile varied from 35.56 cents to 39.31 cents for the same month.

The record shows that the company plans to operate the outer zone portion of the line as express service to 64th Avenue during the hours of peak travel. This will reduce the present running time and also provide an improved ratio of passengers per seat by eliminating the passengers who board or alight from the through coaches west of 64th Avenue.

Applicant's witness testified that the proposed increase in fares would produce an estimated increase in annual revenue of \$35,948, and that this would afford only nominal relief from the present operating deficit which the company is experiencing on the system as a whole. The Research Engineer of the Commission's Transportation Department testified that the additional annual revenue from the proposed zone limit would be approximately \$40,000. He also testified that the overall earning position of the company, including this additional revenue would not exceed the 5.27 per cent estimate of the Commission's staff shown in Exhibit No. 25 presented at the hearing on the First Supplemental Application No. 28353.

The City of Oakland protested the granting of applicant's request and contended that any increase over the present fares would produce no additional revenue as the proposed fare increase would cause a reduction in patronage and therefore would be of no benefit to the company.

The City Attorney of San Leandro stated that the people of San Leandro are willing to pay reasonable compensation for transportation provided they are assured adequate service.

The position of other protestants was in substance to the effect that the proposed increase in fares would have an adverse effect on property values in the area involved and would not be justified upon the basis of the present service.

Based on the record we find that the necessity of the zone change requested by the applicant and the increase of fares resulting therefrom have been justified and that the existing discrimination will thereby be eliminated.

ORDER

Key System Transit Lines having filed an application requesting authority to establish a zone limit on its "N" transbay motor coach line, a public hearing having been held, the Commission being fully informed, and it having been found that applicant's request is justified,

IT IS ORDERED that Key System Transit Lines, upon five days' notice to the public and this Commission, be and it is hereby authorized to establish a zone limit on the "N" San Leandro transbay motor coach line at 64th Avenue and MacArthur Boulevard, Oakland, and to charge south zone fares in accordance with its tariff on file with this Commission for service between points east of 64th Avenue and MacArthur Boulevard and San Francisco.

The authority herein granted shall expire unless the changes herein authorized are filed and made effective within 90 days of the effective date of this order.

The effective date of this order shall be 20 days from the date hereof.

Dated at San Francisco, California, this 30th day of March, 1948.

A. J. Anderson
Justice J. C. Cramer
James H. Kelle
Harold A. Hale
Herbert P. Patten
COMMISSIONERS