

Decision No. ~~42605~~

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)  
WILLIS M. KLEINENBROICH (MODESTO ) Application No. 29993  
MOTOR BUS SERVICE) to increase )  
passenger fares. )

Willis M. Kleinenbroich, in propria persona.

O P I N I O N

By this application, as amended at the hearing, Willis M. Kleinenbroich, doing business as Modesto Motor Bus Service, requests authority to place in effect a system-wide fare structure of 10 cents cash, or 6 tokens for 50 cents, on his four bus routes in the City of Modesto and its environs. Applicant also proposes to lower the age limit from 10 to 5 years for free transportation of children accompanied by an adult. Present adult fares on two of the routes (Route 1-West Side, Route 2-East Side) are: 7 cents cash, or 4 tokens for 25 cents. By Decision No. 42389, issued December 29, 1948, in Application No. 29350, the Commission authorized the establishment of two new routes (Route 3-Southwest, Route 4-Northwest), with an adult fare of 10 cents cash, or 7 rides for 50 cents, and transfer privileges between the old and the new lines. Student fares of 10 rides for 55 cents and 20 rides for one dollar apply on all four routes and are not involved in the present proceeding.

The application was unopposed and was submitted at a public hearing held February 25, 1949, at Modesto before Examiner

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(1) By an order dated March 8, 1949, the Commission extended applicant's time to comply with Decision No. 42389 an additional 30 days; i.e., to April 10, 1949.

Gregory. Applicant's intercity service, the Modesto-Riverbank-Oakdale Stage Line, is not involved in the proposed fare changes, although the evidence includes recorded and estimated results for that line as well as for the local operations of the carrier. <sup>(2)</sup>

Applicant's experience during 1948 on the two established local routes is summarized as follows:

Total Operating Revenue		\$ 30,612.43*
Total Operating Expenses		<u>40,089.96</u>
	Deficit	\$ 9,477.53

\* Includes \$2,531.65 school fares

Estimated results for the four local routes for the year ending February 28, 1950, based on proposed fares and including school ticket revenue of about \$3,500, are as follows:

	<u>Applicant's Exhibit</u> (No. 5)	<u>Staff Exhibit</u> (No. 8)** As Modified***	
Total Operating Revenue	\$ 65,188	\$ 66,700	\$62,997
Total Operating Expenses	60,841*	64,055*	<u>64,055</u>
Net Operating Income	5,047	2,645	<u>(1,058)</u>
Operating Ratio	93.3	96.0	101.7

- \* Including increased drivers' wages commencing March 14, 1949.  
 \*\* Based on applicant's estimate of traffic for the ensuing year.  
 \*\*\* Based on Commission engineer's estimate of traffic for the ensuing year.

(Red Figure)

Applicant's estimates of revenues from the operation of Routes 3 and 4 are based upon a predicted traffic potential of 800 to 900 patrons per day on those routes. The Commission engineer's study is based upon present and projected traffic carried on Routes 1 and 2 and 85 per cent of applicant's estimate of traffic

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(2) The operator's annual reports, to December 31, 1948, have included both services in a combined report.

that would be carried on Routes 3 and 4. If the patronage anticipated by applicant were to be realized, the Commission engineer stated the rate of return on the over-all local service would amount to 23.6 per cent on a depreciated rate base of \$11,194. On the other hand, if his estimate of traffic were employed, the revenue would not be sufficient to meet the cost of providing the service with an operating ratio of 101.7 per cent. If applicant's estimate of patronage were to be borne out by experience, it would mean that the new Routes 3 and 4 would produce a higher revenue per bus mile than obtained from the established lines 1 and 2. Such a result does not, from this record, appear likely to occur.

The evidence shows that applicant has suffered substantial losses during the past year in rendering local bus service, and that he is faced with the prospect of further deficits as a result of increased drivers' wages and costs of maintenance. The present discrepancy between the fare structures of the old and new routes is also an unsatisfactory condition.

It is concluded that a continuation of the presently effective and authorized fares of Modesto Motor Bus Service will only result in further financial loss to the operator, and that the proposed fares will afford some relief. Accordingly, the increase in fares authorized by this decision is hereby found to be justified.

Since it appears desirable, from the standpoint of the public interest, that operation of the new routes be commenced as soon as practicable, the order herein will be permitted to become effective immediately, and will provide for the filing of tariffs on not less than one day's notice.

O R D E R

Public hearing having been held in the above-entitled and numbered proceeding, evidence having been received and considered, the matter having been submitted for decision, the Commission now being fully advised and basing its order upon the findings and conclusions contained in the foregoing opinion,

IT IS ORDERED that Willis M. Kleinenbroich, doing business as Modesto Motor Bus Service, be and he is hereby authorized to establish, on one day's notice to the Commission and to the public, the increased local fares proposed in the application filed herein, as amended.

IT IS FURTHER ORDERED that the authority herein granted shall become void unless the fares herein authorized are published, filed and become effective within thirty (30) days after the effective date hereof.

This order shall be effective on the date hereof.

Dated at San Francisco, California, this 15<sup>th</sup> day of

March, 1949.

R. E. Dunning  
Justice F. Calver  
Wm. H. Lawrence  
Harold T. Hills

COMMISSIONERS