

ORIGINAL

Decision No. 50130

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of Mary Maritzen and E. B. Osthues,)	
a co-partnership, dba The Modesto)	Application No. 35302
Transit Co., for authorization to)	
increase fares and discontinue)	
Sunday and holiday service.)	

O P I N I O N

Applicants, Mary Maritzen and E. B. Osthues, doing business as Modesto Transit Co., and presently rendering a passenger stage service within the City of Modesto and adjacent suburban areas, request authority to increase their fares from 12 cents to 15 cents and to discontinue Sunday and holiday service.

Applicants allege that the sought increase is made necessary by increased operating costs and a decrease in passenger traffic.

Exhibits attached to the application show that under the present fares applicants suffered a loss of \$390.47 during January, 1954, and \$462.92 during February, 1954. Under the proposed fares the estimated result for a 12-month period would reflect a profit of \$931. With respect to Sunday and holiday service, it is asserted that on the average such service results in a loss of \$15 a day. The revenue, they claim, barely covers the expense of drivers' salaries and gasoline.

The Commission's staff made a detailed study of applicants' operations. The operating results under the present and proposed fares as estimated by the Commission's staff are summarized as follows:

	ESTIMATED RATE YEAR			
	Present Fares		Proposed Fares	
	Present Service	Reduced Service	Present Service	Reduced Service
Total Operating Revenues	\$26,280	\$25,200	\$31,200	\$29,925
Operating Expense (Excluding Depreciation and Taxes)	26,839	25,447	26,839	25,447
Depreciation	850	850	850	850
Operating Taxes	3,100	2,990	3,280	3,100
Total Operating Expenses	\$30,789	\$29,287	\$30,969	\$29,397
Operating Income Before Income Taxes	<u>(\$ 4,509)</u>	<u>(\$ 4,087)</u>	\$ 231	\$ 528
Income Taxes	-	-	51	117
Net Operating Income	<u>(\$ 4,509)</u>	<u>(\$ 4,087)</u>	\$ 180	\$ 411
Rate Base	\$ 3,720	\$ 3,720	\$ 3,720	\$ 3,720
Rate of Return	-	-	4.84%	11.05%
Operating Ratio Before Income Taxes	117.16%	116.22%	99.26%	98.23%
After Income Taxes	117.16%	116.22%	99.42%	98.62%

(Red Figures)

Applicants served copies of the application upon officials of the City of Modesto and the County of Stanislaus as well as upon a representative of the Modesto Motor Bus Service. No one opposed the granting of the authority herein sought.

The record discloses that continuance of operations under present fares will result in additional losses. After consideration, the Commission is of the opinion and so finds that the proposed fares have been justified and that the reduced service is not adverse to the public interest. A public hearing does not appear to be necessary.

O R D E R

Application having been filed and the Commission being informed in the premises,

IT IS ORDERED:

(1) That Mary Maritzen and E. B. Osthues, doing business as Modesto Transit Co., are hereby authorized to establish, on not less than five days' notice to the Commission and to the public, the passenger fares and other adjustments in service as proposed in the application filed in this proceeding.

(2) That 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 new fares and reductions in service. 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.

(3) That the authority herein granted shall expire unless exercised within sixty days after the effective date of this order.

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

Dated at San Francisco, California, this 7th day of June, 1954.

John E. [Signature]
President
Justice F. [Signature]
Samuel P. [Signature]
Deane [Signature]

Commissioners