

ORIGINALDecision No. 53998

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of A. E. RYAN, dba)
 PENINSULA BUS LINES, conducting)
 operations as a passenger stage)
 corporation, between South San)
 Francisco, San Bruno, Daly City)
 and adjacent unincorporated ter-)
 ritory in San Mateo County, for)
 an order authorizing abandonment)
 of portion of routes and extens-)
 sion of a route.)

Application No. 38092

Application of A. E. RYAN, dba)
 PENINSULA BUS LINES, conducting)
 operations as a passenger stage)
 corporation, between South San)
 Francisco, San Bruno, Colma,)
 Daly City, Brisbane, Bayshore)
 and unincorporated territory in)
 San Mateo County, for an order)
 authorizing increases in pas-)
 senger fares.)

Application No. 38093

A. R. Linn and John Sapienza, for applicant;
William R. Peters, for the Commission staff.

O P I N I O N

Application No. 38092 requesting certain route changes was filed June 1, 1956, and amended July 23, 1956. Application No. 38093 was filed also on June 1, 1956, and was amended July 2, 1956. This application seeks fare increases.

Public hearing was held in South San Francisco on September 5, 1956, before Examiner Rowe at which time evidence, both oral and documentary, was received and the matters were submitted for decision.

The proposed route changes are described and discussed by the staff in Exhibit No. 3 as follow:

Lindenville Abandonment. This route in more recent years was operated as an extension of applicant's San Bruno

service. The housing in this area served was originally constructed by the federal government for the purpose of providing emergency war housing. In May of this year the housing authority notified all tenants that they were expected to find other quarters within six months, due to the pending demolition of the project.

Due to the decrease in patronage on this route, applicant ceased operations there on May 21, 1956.

Paradise Valley Abandonment. This area is located in the northeastern section of the City of South San Francisco and service was first inaugurated by the South San Francisco Transit Company.

Service to this area was the subject of an inquiry conducted by the Commission staff in 1952. Due to the extremely light patronage on this line applicant was notified at that time that reduced service or an application for abandonment might be advisable in order to protect the balance of the operation.

Service to this area was abandoned on May 21, 1956.

Sneath Lane Abandonment. In 1949 applicant received requests from veterans' organizations and families of veterans for this service to the Golden Gate National Cemetery. Accordingly service was provided on Sundays and legal holidays with frequency, conforming generally with the arrival and departure times of Pacific Greyhound Lines buses operating along El Camino Real.

In May of 1953 the operation proved unremunerative and the service was abandoned.

Mayfair Abandonment. This route was operated as an extension of applicant's West Orange Route. Due to decreased patronage and an effort to decrease running time, operations were terminated on May 21, 1956. This area is still within reasonable walking distance to his service.

Brentwood Abandonment and Extension. The company seeks authority to abandon service along Manor Road and extend and reroute the service in this general area. The rerouting will increase the area served with the possibility of gaining more patronage.

Southwood Abandonment and Extension. Applicant seeks authority to abandon service along Fairway Drive and reroute along Southwood Drive. This rerouting will enable the company to more efficiently serve the area.

W. P. Fuller Company Abandonment. This route was operated as an extension of the Daly City-South San Francisco Route. Decreased patronage forced the applicant to cease operations on May 21, 1956.

Sunshine Gardens Extension. This route will be an extension of applicant's Daly City-South San Francisco Route. Many requests for his service have been received from people living in this area. It appears that from the number of people here this extension is justified.

The staff study contains a number of recommendations which appear justified and will be adopted by the Commission. They are as follow:

1. That a new certificate of public convenience and necessity be granted applicant restating his rights and embodying the above-described modifications.
2. That applicant be placed upon notice that the Commission expects and will require that in rendering service he will perform service over the routes authorized and only over said routes unless authority for subsequent changes shall be specifically hereafter authorized upon formal application therefor.
3. That public timetables be made available for distribution in all buses and over each route. These timetables should indicate the exact service to be performed. Greater care should be taken in checking the accuracy of such timetables before their issuance to the public.
4. That schedule departure times for all routes be posted at certain loading points, especially at Grand and Linden Avenues, Holy Cross Cemetery, Park Boulevard and El Camino Real and Mission Street and San Jose Avenue (Daly City).
5. That continued effort be made to improve the appearance, cleanliness and mechanical condition of the equipment.
6. That the applicant contact local officials and request authority for the establishment of a suitable bus stop zone at either the southwest or southeast corner of Grand and Linden Avenues.
7. That the company be certificated for the school bus routes where children now pay on an individual fare basis.

The Commission finds that public convenience and necessity require that applicant operate his passenger stage service over his presently certificated routes with the modifications as hereinbefore indicated. Such authorization will be included in the following order.

The evidence introduced by applicant to support the requested fare increase was very meager, consisting of general statements to the effect that applicant needs additional revenue, that the equipment would have to be replaced at a cost of \$16,000, that he has been operating at a loss and that the requested abandonments were justified and would place applicant in a better financial position.

A transportation engineer on the Commission staff testified that in the case of the three school contracts, two of them required the collection of an individual fare of 5 cents from each pupil. According to the testimony of applicant the other school contract had been recently canceled by the school district. No increase in fares to be paid by the pupils is contemplated.

Another transportation engineer of the staff testified regarding the requested fare increase. He prepared and submitted Exhibit No. 4 which is an engineering economic report showing the estimated results of operations under the present and proposed fares for the 12-month period ending July 31, 1957. He also prepared and submitted Exhibit No. 5 which is an estimate of the results of operation under an alternate fare schedule for the same period. He testified that this alternate fare schedule is designed to eliminate discrepancies and inconsistencies and will result in a more uniform and less discriminatory fare schedule.

Following is a tabulation of the present fares and the fares proposed by applicant:

	<u>Present Fares</u>		<u>Proposed Fares</u>	
	<u>Adult</u>	<u>Child</u>	<u>Adult</u>	<u>Child</u>
Daly City-Colma Holy Cross Cemetery- South San Francisco, Locally in San Bruno, South San Francisco, and Brisbane	15¢	10¢	20¢	10¢
Within Daly City	15¢	10¢	15¢	10¢
Daly City-South San Francisco	25¢	15¢	25¢	15¢
Colma (excl. Holy Cross)- South San Francisco	25¢	15¢	25¢	15¢
Brisbane-Bayshore	15¢	10¢	25¢	15¢
San Bruno-Air Lines Base	15¢	10¢	25¢	15¢
South San Francisco-San Bruno	15¢	10¢	25¢	15¢

The alternate fare schedule presented by the staff is compared with present fares as follows:

	<u>Present Fares</u>		<u>Alternate Fares</u>	
	<u>Adult</u>	<u>Child</u>	<u>Adult</u>	<u>Child</u>
Locally within San Bruno, South San Francisco*, Brisbane, and Daly City*	15¢	10¢	15¢	10¢
Between Daly City and Colma*, Colma and South San Francisco*, South San Francisco and San Bruno, San Bruno and Air Lines Base, Brisbane and Bayshore	15¢	10¢	20¢	10¢
Between Daly City and South San Francisco	25¢	15¢	25¢	15¢

* The staff's alternate fare plan provided for a fare-zone boundary at the western city limits of South San Francisco instead of Holy Cross Cemetery, and at the northern city limits of Colma instead of the south city limits of Daly City as proposed by applicant. This change in zone boundary would result in a fare reduction for the few passengers traveling between Colma (excluding Holy Cross) and South San Francisco from 25 to 20 cents.

In discussing the alternate fare schedule presented by the staff, applicant testified that he wishes to eliminate all free transfer operations. He expressed the opinion that there should be no reductions in fares even to eliminate inequalities as he needs all the revenue he can get. Last year he charged on the books as salary the sum of \$7,200.

The staff witness testified that with the elimination of the canceled school contract, previously referred to, his results as estimated in Exhibit No. 5 would require certain modifications. The estimated results of operations including these modifications and those for the two school contracts where pupils pay 5 cents per ride for the 12-month period ending July 31, 1957, would be as shown in Appendix 1. The actual operations for the year 1955 and the first three months of 1956 annualized are also included in Appendix 1.

Under the alternate fare structure the staff engineer estimated that a net income of \$1,400 after income taxes would result. This amounts to 10.5 per cent rate of return on an estimated rate base of \$13,320. An allowance of \$7,800 annual salary to applicant was included in the staff's cost estimates. Also, from the undisputed evidence, compliance with the staff recommendations as to service and improvement of equipment should increase this return.

The staff estimates appear to fairly reflect the results that may be expected under the present fares, those as proposed by applicant and those suggested as an alternate proposal. These estimates will be accepted by the Commission. Since applicant offered no comprehensive study or pertinent evidence to the contrary the Commission can make no other finding.

Upon consideration of all the facts and circumstances of record, the Commission is of the opinion and finds that the increases in fares provided and shown in the staff's alternate fare schedule with the above-stated zone changes are justified and that applicant's full proposals have not been justified. The fare increases are found to be justified only in the event the minor reductions as suggested by the staff are also included in the tariff.

The evidence discloses that applicant, prior to this hearing and without authorization of the Commission, effectuated the modifications and changes involved herein. A. E. Ryan is hereby placed

on notice that this Commission expects and requires that in rendering service pursuant to the certificate herein granted applicant shall render service via the routes herein authorized and only via said routes, and that it shall, unless it secures authority in writing from this Commission, provide service on each of the routes described in Appendix A attached hereto at least as often and at approximately the times set forth in Exhibit 3. A. E. Ryan is advised that any unauthorized changes in certificated routings will be considered by this Commission as sufficient cause for the commencement of proceedings looking forward toward the cancellation of applicant's authority or such other appropriate action as this Commission may determine to be proper in the circumstances. A. E. Ryan is further advised that he has the responsibility of establishing the justification for any requested increase in fares, and that he will be required to make a proper showing based on accurate records in any future proceeding.

ORDER

Based upon the evidence of record and upon the findings and conclusions set forth in the preceding opinion,

IT IS ORDERED:

1. That a certificate of public convenience and necessity is hereby granted to A. E. Ryan, authorizing the establishment and operation of service as a passenger stage corporation, as that term is defined in Section 226 of the Public Utilities Code, for the transportation of passengers between the termini and all points intermediate thereto and over the routes as described and specified in Appendix A which is attached hereto and, by reference, made a part hereof, subject to the provisions, restrictions, limitations and specifications contained therein. Service pursuant to the

certificate herein issued shall be operated as a unified and consolidated system.

2. That in providing service pursuant to the certificate herein granted, there shall be compliance with the following service regulations:

- a. Within thirty days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted.
- b. Within sixty days after the effective date hereof, and on not less than five days' notice to the Commission and the public, applicant shall establish the service herein authorized and file in triplicate and concurrently make effective tariffs and timetables satisfactory to the Commission.

3. That the operative rights authorized by the certificates of public convenience and necessity granted, acquired or affected by Decision No. 39569 dated October 29, 1946, in Application No. 27508, Decision No. 40582 dated August 5, 1947, in Application No. 28611, Decision No. 42401 dated April 4, 1949, in Application No. 29918, Decision No. 42736 dated April 19, 1949, in Application No. 30142, Decision No. 42922 dated May 25, 1949, in Application No. 30278, Decision No. 45447 dated March 13, 1951, in Application No. 31990 and Decision No. 52170 dated November 1, 1955, in Application No. 37325 are hereby revoked contemporaneously with applicant's acceptance of the certificate herein granted which authorized the continuance of such rights modified as requested in Application No. 38092.

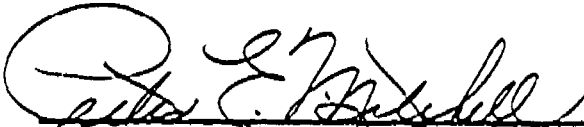
4. That applicant, A. E. Ryan, is hereby authorized to establish, on not less than five days' notice to the Commission and to the public, all but not less than all of the changes in his passenger fares indicated in Exhibit No. 5 and designated by the Commission staff as alternate fares.

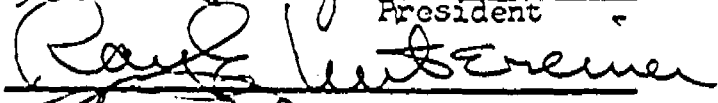
5. That the authority to file said alternate fares shall expire unless exercised within sixty days after the effective date hereof.

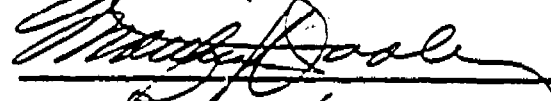
6. That in all respects the requested authority is not granted by ordering paragraph 4 hereof, Application No. 38093 is denied.

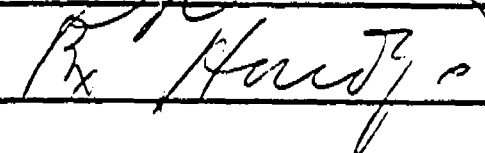
The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 30th day of OCTOBER, 1956.



President






Commissioners

Commissioner JUSTUS F. CRAEMER, being necessarily absent, did not participate in the disposition of this proceeding.

Line No.	Item	Book Record				Alternate
		Year 1955	Jan.-March 1956 Annualized	August 1, 1956-July 31, 1957 Present	Proposed	
(1)	(2)	(3)	(4)	(5)	(6)	
1	Miles	-	227,948	183,128	183,128	183,128
2	Passengers*	-	-	463,970	446,250	453,620
<u>Revenues</u>						
3	Route Passenger	\$ 52,405.94	\$ 50,104.60	\$ 49,370	\$ 57,750	\$ 52,660
4	School - Paid by Student		10,453.96	7,660	7,660	7,660
5	- Paid by School Department		12,393.60	4,640	4,640	4,640
6	Advertising Revenue	137.50	1,000.00#	1,000	1,000	1,000
7	Charter Revenue	-	1,299.80	1,100	1,100	1,100
8	Other Revenue	656.20	650.00#	650	650	650
9	Total Revenues	53,199.64	75,901.96	64,420	72,800	67,710
<u>Expenses</u>						
10	Operating and Maintenance	53,317.45	76,113.88	59,130	59,130	59,130
11	Depreciation Expense	580.23	619.08	500	500	500
12	Operating Taxes	1,877.73	3,030.64	5,200	5,200	5,200
13	Operating Rents	1,240.00	1,680.00	1,110	1,110	1,110
14	Total Expenses	57,015.41	81,443.60	65,940	65,940	65,940
15	Net Income Before Income Tax	(3,815.77)	(5,541.64)	(1,520)	6,860	1,770
16	Income Taxes	-	-	-	1,680	370
17	Net Operating Income	(3,815.77)	(5,541.64)	(1,520)	5,180	1,400
18	Rate Base	-	-	13,320	13,320	13,320
19	Rate of Return	-	-	-	38.9%	10.5%
20	Operating Ratio After Income Taxes	107.2%	107.3%	102.4%	92.9%	97.9%

(Red Figure)

* Applicant normally does not keep track of passengers or their distribution. Estimates are based on traffic checks.

Estimated by California Public Utilities Commission Staff.

APPENDIX 1

Showing certificated points and routes of operation to be served by A. E. Ryan (Peninsula Bus Lines) as authorized by the above-numbered decision, together with specifications, exceptions, restrictions, limitations and privileges applicable thereto.

All amendments to this Appendix A will be made as revised pages or added original pages.

A. E. Ryan, by the certificate of public convenience and necessity granted in the above-numbered decision is authorized to transport passengers between points in and between the cities and county as hereinafter stated.

Motor vehicles may be turned at termini or intermediate points, in either direction, at intersections of streets or by operating around a block contiguous to such intersections, or in accord with local traffic regulations.

When route descriptions are given in one direction they apply in either direction unless otherwise indicated.

Subject to the authority of this Commission to change or modify such at any time A. E. Ryan shall conduct his passenger stage operations between the following points and over and along the following described routes:

DALY CITY - SOUTH SAN FRANCISCO ROUTE

Commencing at the intersection of Cypress and Grand Avenues in the City of South San Francisco, thence along Grand Avenue, Forest View Drive, Miller Avenue, Holly Avenue, Birch Avenue, Gardenside Avenue, Miller Avenue, Evergreen Drive, Mission Road,

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DALY CITY - SOUTH SAN FRANCISCO ROUTE--Contd.

El Camino Real, Mission Street, San Jose Avenue, Flourney Street, to Mission Street and, to its intersection with San Jose Avenue in the City of Daly City, thence returning to point of origin in reverse of the above route.

Also on Mission Road and Grand Avenue between Evergreen Drive and Forest View Drive.

SWIFT COMPANY ROUTE EXTENSION

Commencing at the intersection of Cypress and Grand Avenues, thence along Grand Avenue, East Grand Avenue to the entrance of the Swift Packing Company, thence returning to point of origin in reverse of the above route.

WEST ORANGE ROUTE

Buri-Buri Commencing at the intersection of Cypress and Grand Avenues, thence along Grand Avenue, Orange Avenue, El Camino Real to its intersection with Arroyo Drive.

Southwood Thence from the intersection of El Camino Real and Arroyo Drive along El Camino Real, Southwood Drive, West Orange Avenue to its intersection with El Camino Real.

Brentwood Thence from the El Camino Real and West Orange Avenue along El Camino Real to Brentwood Drive, thence along Brentwood Drive, Rockwood Drive, Rosewood Drive, Hazelwood Drive, to its intersection with El Camino Real, thence returning to point of origin in reverse of the above route.

U. S. STEEL ROUTE EXTENSION

Commencing at the intersection of Cypress and Grand Avenues thence along Grand Avenue, Airport Boulevard, Butler Road to the entrance of U. S. Steel Corporation.

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SCHOOL ROUTE EXTENSION

Commencing at the intersection of Arroyo Drive and El Camino Real, thence along Arroyo Drive, Carmaritas Avenue, El Campo Drive, Bonita Avenue, Del Paso Drive, Alta Loma Drive to its intersection with Arroyo Drive.

SAN BRUNO ROUTE

Commencing at the intersection of Cypress and Grand Avenues, thence along Grand Avenue, Linden Avenue, San Mateo Avenue, El Camino Real, Park Boulevard, Park Place to El Camino Real, thence returning to point of origin in reverse of the above route.

SCHOOL ROUTE EXTENSION

Commencing at the intersection of Jenevein Avenue and San Mateo Avenue, thence along Jenevein Avenue, Linden Avenue, Kains Avenue, Burrows Avenue, Park Avenue, Cedar Avenue, Niles Avenue, Oak Avenue, Crystal Springs Avenue, to its intersection with El Camino Real.

UNITED AIRLINES ROUTE EXTENSION

Commencing at the intersection of Jenevein Avenue and San Mateo Avenue thence along Jenevein Avenue, Elm Avenue, Santa Lucia Avenue, De Soto Way, Santa Florita Avenue, Park Boulevard, El Camino Real, San Mateo Avenue, San Bruno Avenue to the entrance of United Airlines Maintenance Base.

BRISBANE - BAYSHORE ROUTE

Commencing at the intersection of Bayshore Boulevard and Arleta Avenue in the City of San Francisco, thence along Bayshore Highway, Visitacion Avenue, San Bruno Avenue, Glen Park Way, San Benito Road, Sierra Point Road, San Benito Road, to its intersection with Visitacion Avenue, thence return to point of origin in reverse of the above route.

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SCHOOL BUS SERVICE ROUTESAVALON SCHOOL

Beginning at the intersection of Baden and Cypress Avenues, thence along Baden Avenue, Spruce Avenue, Terrace Drive, Francisco Drive, Wilms Avenue, Ramona Avenue, Francisco Drive, Terrace Drive, Spruce Avenue, El Camino Real, Ponderosa Avenue, Southwood Court, West Orange Avenue, Southwood Drive to the Southwood School.

Also at El Camino Real and Hazelwood Drive along Hazelwood Drive, Rosewood Way, Rockwood Drive, Brentwood Drive, Kenwood Way, Northwood Drive, Alida Way, Country Club Drive, Dorado Way, Alta Vista Drive, Alida Way to its intersection with Northwood Drive.

Also from Northwood Drive and Hazelwood Drive along Hazelwood Drive, Rosewood Drive, Northwood Drive, Briarwood Drive, Wildwood Drive, Maywood Drive, Northwood Drive to its intersection with Alida Way.

Also on Country Club Drive between El Camino Real and Alida Way.

EL RANCHO SCHOOL

Beginning at the intersection of Grand and Cypress Avenues, thence along Grand Avenue, Chestnut Avenue, El Camino Real, Arlington Drive, Duval Drive, Graystone Drive, Bradford Drive, Arlington Drive, Hilton Avenue, Hickey Boulevard, Junipero Serra Boulevard, Colma Farm Road, Longford Drive, Sutton Avenue, Dunman Way, Dundee Drive, Clay Avenue, Junipero Serra Boulevard, King Drive, Newman Drive, San Felipe Avenue, Del Monte Avenue to El Rancho School.

Also from Hilton Avenue and Hickey Boulevard along Hickey Boulevard, Carmaritas Avenue, Alta Loma Drive, Del Monte Avenue to El Rancho School.

Also from Del Monte Avenue and San Felipe Avenue along Del Monte Avenue, Arroyo Drive, Carmaritas Avenue, Chestnut Avenue to its intersection with El Camino Real.

Also on Hickey Boulevard between Carmaritas Avenue and El Camino Real.

Also on Longford Drive between Clay Avenue and Sutton Avenue.

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