

# ORIGINAL

Decision No. 55571

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of )  
 SAN BERNARDINO VALLEY TRANSIT COMPANY, )  
 a corporation, to increase student ) Application No. 39140  
 ticket fares. (Section 454 of the )  
 Public Utilities Code). )

Alden Reid for applicant.

Glenn E. Newton for Commission's staff.

## O P I N I O N

By this application San Bernardino Valley Transit Company requests authority to increase its school fares as follows:

	<u>Present</u>			<u>Proposed</u>	
	<u>Cash</u>	<u>Ticket</u>		<u>Cash</u>	<u>Ticket</u>
1-Zone	15¢	36/\$3.00 (8-1/3¢)		15¢	40/\$3.60 (9¢)
2-Zone	20¢	36/\$4.50 (12½¢)		20¢	40/\$5.40 (13½¢)
3-Zone	25¢	36/\$6.00 (16-2/3¢)		25¢	40/\$7.20 (18¢)

No change in adult fares is proposed.

A public hearing was held in San Bernardino before Examiner Mark V. Chiesa, and evidence, oral and documentary, having been adduced the matter was submitted for decision.

Applicant operates a passenger bus service in the City of San Bernardino and vicinity and between San Bernardino and Colton.

Applicant's present adult fares are as follows:

	<u>Adult Fares</u>	
	<u>Cash</u>	<u>Tickets</u>
One Zone	15¢	7/\$1.00
Two Zones	20¢ or	Ticket + 5¢
Three Zones	25¢ or	Ticket + 10¢

Transfers Free

The adult ticket fares were increased from 9 tickets for \$1.00 (11.1%) to 8 tickets for \$1.00 (12.5%) in 1956 (Decision No. 52853), and from 8 tickets for \$1.00 to 7 tickets for \$1.00 (14.28%) in 1957 (Decision No. 54921). Present school fares were established in June 1953 (Decision No. 48688).

Applicant contends that the proposed school ticket fares are reasonable and comparable to fares charged by other carriers in California having the same or higher adult cash or ticket fares (Exhibit No. 4); that revenues are not forthcoming in the amounts estimated by applicant and the Commission staff in Decision No. 54921; and that applicant will suffer irreparable damage if the relief herein sought is not granted.

As shown in Decision No. 54921, applicant's recorded results of operation for the year ending December 31, 1956, applicant's estimated results under its proposed fares for the year ending October 31, 1957, and the Commission's staff estimate for the year ending December 31, 1957, under the fares now applicable are as follows:

Item	Applicant's Record: 12 Mos. Ending 12-31-56	Proposed Fares Applicant	Alternate*: Fares Staff
Bus Miles Operated	958,646	960,000	960,000
Total Revenue	\$380,365	\$399,474	\$391,460
Expense	373,626	381,514	368,610
Net Before Income Tax	6,739	17,960	22,850
Income Taxes	<u>1,960</u>	<u>5,690</u>	<u>7,290</u>
Net Income	\$ 4,779	\$ 12,270	\$ 15,560
Operating Ratio %	98.7	96.9	96.0

\*Decision No. 54921 authorized an alternate fare plan of 7 tickets for \$1.00 and no increase in school fares.

In this proceeding a Commission engineer has reaffirmed said staff estimates and testified that after reviewing previous estimates and considering current costs which include some reductions in expenses, no appreciable change was deemed necessary. A review of the general conditions affecting this carrier's operations, such as territory served, population, and rider habits, does not indicate any material adverse operating results.

Applicant presented estimates based on "Book Record" for a period of twelve months ending June 30, 1957, which results show an estimated loss of \$4,939.98 on a present estimated mileage of 963,480 (Exhibit No. 3). As indicated above, this period takes into account only approximately one month's operation under the new rates. Applicant also estimated that under present fares for the year ending June 30, 1958 (with proposed reduced mileage not yet applied for) a net income, before income taxes, of \$2,274.84 would result.

Applicant's latest estimates (Exhibit No. 3), as well as the Commission's staff estimates (Exhibit No. 5), have been carefully considered by the Commission and we are of the opinion that estimated results of operation, as set forth in the latter exhibit, will be realized to a substantial degree.

Applicant's suggestion that its school fares should be higher because carriers having the same or higher adult cash or ticket fares have similar or higher school fares than herein proposed is not sound. Fares are not established by comparison with fares of other carriers, but must be justified and found reasonable after consideration of many factors which are pertinent to the particular operation under consideration.

The Commission is of the opinion and finds that the proposed increase in school fares is not justified, and therefore the application will be denied.

O R D E R

Public hearing having been held, the Commission being fully advised in the premises, and having found as hereinabove set forth,

IT IS ORDERED that the application of San Bernardino Valley Transit Company, a corporation, Application No. 39140, be and it hereby is denied.

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

Dated at San Francisco, California,  
this 17<sup>th</sup> day of September, 1957.

W. E. Natcher  
President

Raul G. Gutierrez

Walter D. ...

R. Hardy

E. L. Fox

Commissioners