

Decision No. 59200

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of San Mateo Burlingame Transit Company, a corporation (formerly Ray Withers and Andrew Byrd, a copartnership, doing business under the firm name and style of SAN MATEO TRANSIT) for an ex-parte order for authority to increase rates of fare.

Application No. 41319

Raymond A. Withers, for San Mateo Burlingame Transit Company, applicant.
Otto B. Liersch, for the Commission staff.

O P I N I O N

San Mateo Burlingame Transit Company, a corporation, operates an urban passenger stage service in and between San Mateo, Burlingame, Belmont, Hillsborough and adjacent unincorporated territory in San Mateo County. By this application it seeks authority to increase certain of its fares.

After due notice a public hearing was held before Examiner William E. Turpen at San Mateo on September 22, 1959. Evidence was presented by applicant's president and by an engineer from the Commission's staff.

In general, applicant provides service on weekdays between the hours of 6:30 a.m. and 7:30 p.m. and on Saturdays between the hours of 8:00 a.m. and 6:00 p.m. There is no service on Sundays and holidays. On school days additional transportation on a contract basis is provided for students to and from the Burlingame, Hillsborough and Notre Dame schools and in addition between the two campuses of the San Mateo Junior College.

Prior to December 8, 1956, applicant operated under a two-zone system. By Decision No. 54150, dated November 27, 1956, in Application No. 38333, applicant was granted increases from 15 cents to 20 cents in Zone 1, thus creating a single-zone system with a

20-cent adult fare. The present application would return to a two-zone system essentially the same as that prevailing prior to December 8, 1956. Following are applicant's present fares and proposed fares:

<u>Cash Fares</u>	<u>Present</u>	<u>Proposed</u>
Zone 1 Adult Fare	20c	20c
Zone 2 Adult Fare	20c	25c
Zone 1 and 2 Child Fare	10c	15c
 <u>Student Commutation Fares</u>		
Grammar School Students	\$2 for 20 rides (10c)	\$1.50 for 10 rides (15c)
High School and Junior College Students	\$2 for 16 rides (12.5c)	\$1.50 for 10 rides (15c)

Estimates of earnings under the present fares and under the proposed fares were presented both by applicant and by the Commission engineer. Applicant's estimates were based on results for a four-month period in 1959 expanded for a full year, whereas the staff estimate covers a 12-month period ending September 30, 1960. A summary of these estimates are shown in Table 1 below:

TABLE 1
ESTIMATED ANNUAL OPERATING RESULTS
SAN MATEO BURLINGAME TRANSIT COMPANY

	<u>Present Fares</u>		<u>Proposed Fares</u>	
	<u>Applicant</u>	<u>Staff</u>	<u>Applicant</u>	<u>Staff</u>
Operating Revenue	\$254,878	\$259,160	\$266,580	\$267,870
Operating Expenses	265,450	259,250	265,450	259,250
Operating Income	\$(10,572)	\$ (90)	\$ 1,130	\$ 8,620
Income Taxes	-	\$ 100	\$ 396	\$ 2,680
Net Income After Taxes	\$(10,572)	\$ (190)	\$ 734	\$ 5,940
Operating Ratio	104.1%	100.1%	99.7%	97.8%
Rate Base	*	\$ 57,600	*	\$ 57,600
Rate of Return	*	-	*	10.3%

() - denotes loss
* - not supplied

An examination of Table 1, above, discloses that the estimates prepared by applicant and by the staff do not differ greatly. In so far as revenues are concerned, the staff considered a long-term trend of declining traffic whereas the applicant did not allow for any continued downtrend. On the other hand, the staff figured higher revenue for school contract service, based on the book record for the 1958-59 school year adjusted, whereas applicant's estimate was based on the 1958 experience. In regard to expenses, the staff engineer testified that he considered several of the expense items shown in applicant's books as excessive, and accordingly trimmed the figures in making his estimate.

However, in view of the results shown in Table 1, it is not necessary to reconcile the differences. The staff's estimates reflect the more optimistic viewpoint. Both estimates show that continuation of the present fare structure would result in applicant operating at a loss. The staff estimate shows that the proposed fares would result in a net profit of only \$5,940, with an operating ratio of 97.8 percent.

The public has been adequately informed of the proposed fare increase. Public notice was given by announcements of the application and of the hearing being posted in applicant buses. News items regarding the hearing also appeared in the local newspapers. No one appeared at the hearing to protest the fare increase.

In the circumstances, the Commission is of the opinion and finds that the proposed fare increase is justified and will not result in unreasonable charges. The application will be granted.

O R D E R

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

IT IS ORDERED:

1. That San Mateo Burlingame Transit Company be and it is hereby authorized to establish on not less than five days' notice to the Commission and to the public, the increased passenger fares proposed in Application No. 41319.

2. That, in addition to the required filing of tariffs, applicant shall give notice to the public by posting in its buses a statement of the increased fares herein authorized. The notices shall be posted at least five days prior to the effective date of the increased fares and shall remain posted for not less than ten days thereafter.

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 27th day of October, 1959.

[Signature]
President

[Signature]

[Signature]

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Commissioners