

**ORIGINAL**Decision No. 68576

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of BAY RAPID TRANSIT )  
 COMPANY, a corporation, for an )  
 order authorizing reduction in )  
 service. )

Application No. 47143

Helen C. Tucker, for Bay Rapid Transit  
 Company, applicant.  
Saul M. Weingarten, for the City of Seaside,  
 protestant.  
Hilton H. Nichols, for the Commission staff.

O P I N I O N

This is an application requesting that reduced schedules, especially on weekends and at night, be authorized pursuant to General Order No. 98. Since protests were filed public hearing was held in Monterey on January 7, 1965, before Examiner Rowe.

As justification for this modification it is alleged that:

(a) The proposed schedule will reduce mileage of operation as follows:

- |                             |                    |
|-----------------------------|--------------------|
| 1. Sundays,                 | 96 miles per day;  |
| 2. Monday through Thursday, | 231 miles per day; |
| 3. Fridays,                 | 132 miles per day; |
| 4. Saturdays,               | 364 miles per day; |

or a total of 1,516 miles per week, resulting in a 22½% reduction. Basically this reduction is 25% for evenings, 25% for Saturdays and 50% increasing headways.

(b) Reduced man-hours necessary to operate these routes are:

- |                             |                       |
|-----------------------------|-----------------------|
| 1. Sundays,                 | 6 hours, 25 minutes;  |
| 2. Monday through Thursday, | 16 hours, 40 minutes; |
| 3. Fridays,                 | 9 hours, 55 minutes;  |
| 4. Saturdays,               | 26 hours, 20 minutes; |

or a total of 109 hours, 20 minutes per week, resulting in a reduction of 22%. This reduction of man-hours would result in the elimination of two bus drivers.

(c) There has been no change in schedules for over seven years; but in contrast there has been a constant downward trend in patronage from 1,151,382 passengers in 1957 to 904,961 in 1963. This is a loss of 246,421, or 21.4 percent in passenger traffic. The company's record of passenger revenue shows a decrease of approximately 11 percent for the month of December 1964 as compared with the same month in 1963.

We have a company here with capital, surplus and reserves totaling \$159,703.28, showing an estimated net profit of only \$424.23 for the year 1964. The net income as recorded for the four previous years is as follows:

1960	\$2,795
1961	3,987
1962	6,076 Loss
1963	1,262

The total with the estimated income for 1964 aggregates \$2,395 or an average yearly net profit of \$479. Were it not for revenue from charter service this company would have been in the red for the last five years. The general manager of operations testified that he was convinced that the present fares were such that any increase would not increase revenues. Also, the schedules being eliminated have realized such an insubstantial patronage that the possible increase of just the fares on such schedules could have no material effect in relieving the problem.

A check made during the week of October 20, 1964 shows that an average of 4.75 passengers per round trip were carried on the evening schedules proposed to be discontinued. A witness for the applicant testified that the service reductions would result in savings of approximately 30 cents per bus mile in operating expenses and a corresponding loss of approximately 20 cents per mile in revenue, resulting in a net saving to the company of 10 cents per mile or approximately \$7,500 for a year.

On the basis of exhibits presented by the applicant concerning results of operations for the year ending November 30, 1964 and the present rate base, it appears that the company would have received a rate of return of approximately 5 percent had the proposed schedules been in effect for the past year.

It is unfortunate that a few necessity passengers will be inconvenienced. However, these passengers are so few that any attempt to properly serve them by the weekend and evening schedules to be abandoned, would require that a taxi type service be undertaken. This of course is not feasible for a passenger stage corporation to undertake. Each of the members of the public who appeared at the hearing praised the service and equipment furnished although they regretted that this reduction has become necessary.

The Commission finds that it is not feasible to continue these schedules proposed to be eliminated and that public convenience and necessity require that the application be granted.

O R D E R

IT IS ORDERED that Bay Rapid Transit Company is authorized to adopt the schedules as set forth in Exhibit No. 5a of the record, upon ten days' notice to the public by posting in the passenger vehicles and by one publication in a newspaper of general circulation in the area.

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

Dated at San Francisco, California, this 9th day of February, 1965.

Fredrick B. Halbach  
President  
George H. Hoover  
William L. DeWitt

-3-Commissioners Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.