

ORIGINAL

Decision No. 70535

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
HIGHLAND PATTON BUS LINES, INC., For
Authority to Increase Certain Fares.

Application No. 48074
 (Filed November 22, 1965)

OPINION AND ORDER

Highland Patton Bus Lines, Inc. (applicant) provides passenger bus service in the northeasterly part of the City of San Bernardino and the suburban communities of Del Rosa, Patton (a State Hospital site), and Highland. The City of San Bernardino is served also by the San Bernardino Municipal Transit System. Applicant seeks herein authority to increase certain fares.

A transportation engineer on the Commission's staff has made a study of applicant's operations, which study is hereby made a part of this record as Exhibit No. 1.

The present fare structure, in effect since 1960, is based on a three-zone system. The adult cash fare is 20 cents for a single-zone ride plus 5 cents for each additional zone. The fare for children under 12 years of age is 20 cents for one or more zones. Applicant also provides a student fare of 10 cents for a single-zone ride plus one cent for each additional zone.

Applicant seeks authority to increase the adult cash fare to 25 cents, with 5 cents additional for each additional zone, and to raise the fare for children to 25 cents, and the student fare to 15 cents for travel in one or more zones.

Transfers between the carrier's three lines are free. There is no transfer or joint fare arrangement with connecting carriers. Prior to July 1, 1965, the San Bernardino Unified School District provided school children living more than specified minimum distances

from school with free bus tickets purchased from applicant. The school board increased the minimum distances on July 1, 1965, thereby eliminating approximately three-fourths of the school-paid student transportation revenue.

Applicant's operating equipment consists of twelve motor coaches. Eight motor coaches are assigned to the regularly scheduled runs, and the remaining four are used in school and charter operations. The average age of the equipment is 18 years.

The staff study includes estimates of results of operation for a rate year ending December 31, 1966 under present and proposed fares. The following table includes these results. To show the effect of the action of the school board in respect to school-paid student tickets, the actual results for the year ended October 31, 1965 are also shown.

	: Historical : : Year Ended: : 10-31-65 :	: Rate Year Ending 12-31-66: : Present : Fares :	: Proposed : : Fares :
Bus Miles Operated	294,000	264,000	264,000
<u>Revenue</u>			
Adult	\$ 58,092	\$ 60,100	\$ 68,800
Children	1,490	1,500	1,800
School Tickets	58,783	15,600	20,300
	<u>\$118,365</u>	<u>\$ 77,200</u>	<u>\$ 90,900</u>
Charter	1,632	1,600	1,600
Other	1,915	1,900	1,900
Total Revenue	<u>\$121,912</u>	<u>\$ 80,700</u>	<u>\$ 94,400</u>
<u>Expenses</u>			
Operating Expense	\$111,861	\$ 94,500	\$ 94,400
Operating Taxes	14,106	9,900	10,000
Depreciation	5,991	3,700	3,700
Total Expenses	<u>\$131,958</u>	<u>\$108,100</u>	<u>\$108,100</u>
Net Before Income Taxes	\$ <u>(10,046)</u>	\$ <u>(27,400)</u>	\$ <u>(13,700)</u>
Income Taxes	100	100	100
Net Income (Loss)	\$ <u>(10,146)</u>	\$ <u>(27,500)</u>	\$ <u>(13,800)</u>
Operating Ratio	108.3%	134.1%	114.6%

It is clear from the above table that the expenses will exceed the revenues under either the present or the proposed fares.

The public is informed of the applicant's proposal to increase fares. Copies of the application have been sent to the City of San Bernardino Common Council, the San Bernardino County Counsel and Board of Supervisors, and the San Bernardino Unified School District. Public notice was given by announcements posted in the buses and terminals of applicant. No protests have been received.

It is apparent that immediate relief is necessary and that granting of the sought increase will not enable applicant to operate at a profit although it will reduce the loss. In the circumstances, the Commission finds that the proposed fare increase is justified. We conclude that the application should be granted. A public hearing is not necessary.

In view of the operating loss being experienced, applicant will be authorized to establish the increased fare on five days' notice and the order which follows will be made effective in ten days.

Therefore, good cause appearing,

IT IS ORDERED:

1. That Highland Patton Bus Lines, Inc. is hereby authorized, on not less than five days' notice to the Commission and to the public, to establish the increased fares proposed in Application No. 48074.

2. That, in addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in its buses and terminals a printed explanation of the fare increase. Such notice shall be posted not less than five days before the effective date of the fare change and shall remain posted until not less than twenty days after said effective date.

3. That the authority granted in paragraph 1 above shall expire unless exercised within sixty days after the effective date of this order.

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

Dated at San Francisco, California, this 5th day of APRIL, 1966.

Frederick B. Holbrook
President

George J. Hoover

Augusta

William G. Bennett
Commissioners

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