

ORIGINAL

Decision No. 82910

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern Pacific
Transportation Company for
Authority to Increase Suburban
Fares Between San Francisco and
San Jose and Intermediate Points
Pursuant to 49 U.S.C. § 15a(4).

Application No. 54267
(Filed August 24, 1973)

W. Harney Wilson and Mary Walker, Attorneys at Law,
for applicant.

Carl A. Smith, Gordon Lewin, and David W. Jones, for
Peninsula Commute and Transit Committee; and
Howard Parker, Sr., Diana Van De Wark, Ronald W.
Wood, and Jim Dunbar, III, for themselves;
protestants.

Lionel B. Wilson, Attorney at Law, for the Commission
staff.

O P I N I O N

By this application the Southern Pacific Transportation Company requests authority to make effective on October 1, 1973 and January 1, 1974, respectively, various increases in its California intrastate suburban passenger fares applicable between San Francisco and San Jose and intermediate points. By Decision No. 82004 dated October 16, 1973 in this proceeding, applicant was granted interim ex parte authority, pending hearing, to increase its San Francisco Peninsula suburban fares by approximately 6 percent. The resulting suburban fares currently in effect are set forth in Appendix A. Applicant now seeks further retirement tax offset increases in its existing level of suburban fares.

Public hearings were held on January 3 and 4, 1974 before Examiner Gagnon and the matter was submitted subject to the receipt of applicant's late-filed Exhibit 13 which was received on January 22, 1974. Evidence was presented in support of the sought relief by an administrative assistant to the assistant controller for applicant's Accounting Department, the assistant manager for applicant's Bureau of Research, and applicant's manager for passenger commute traffic. The Commission's Transportation Division staff also presented direct evidence pertaining to the sought relief.

Antecedents

The purpose of the sought fare increases is to obtain additional revenues sufficient only to offset increases in applicant's retirement payroll taxes attributable to its San Francisco Peninsula passenger service. Such payroll tax contributions are required under the federal Railroad Retirement Tax Act.

While the Railroad Retirement Act contains its own formulae for the computation of benefits, it provides a guarantee that no beneficiary will receive less than 110 percent of the amount recipient would receive if all railroad employment had been covered under the Social Security Act. Whenever social security benefits have increased, railroad retirement benefits have been comparably adjusted. While the tax rates under the Railroad Retirement Tax Act are higher than the rates under social security, the maximum taxable income under the Railroad Retirement Tax Act is predicated upon the same wage base provided under social security. With the enactment of Public Law 93-233 on December 31, 1973 the Congress of the United States amended the Social Security Act so that, in addition to an expansion in the scope of available benefits, the tax rates were increased and the maximum taxable employee monthly earnings were adjusted from \$900 in 1973 to \$1,100 in 1974.

By Public Law 93-69 the Congress on July 10, 1973 amended the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Interstate Commerce Act (collectively referred to as the Railroad Retirement Amendments of 1973). The Railroad Retirement Tax Act was amended so that railroad employee contributions were reduced to the same level provided under the Social Security Act and the employer's (railroad) contributions were increased accordingly. In addition, the railroad retirement tax rate was increased effective October 31, 1973 from 10.60 percent to 15.35 percent. The amount the railroads are now required to contribute to their employees' retirement program has materially increased their payroll tax expenses.

Public Law 93-69 also amended Section 15a of the Interstate Commerce Act (49 U.S.C. 15) by the addition of paragraph 15a(4). This addition directs the ICC to consider rate increases to offset increased expenses arising from the Railroad Retirement Amendments of 1973. Under Section 15a(4)(d)(A) of the Act, a state authority having jurisdiction over petitions for intrastate rate increases by carriers subject to Part I of the Interstate Commerce Act shall, within 60 days of the carriers' filing for rate increases to offset increases in carriers' railroad retirement tax contributions, act upon said petition. Such state authority may grant an interim increase or final rate increase. If an interim rate increase is granted, the state authority shall thereafter investigate and determine the reasonableness of such increase and modify it to the extent required by applicable law, subject to the same refund provisions as

heretofore authorized by the ICC. In the event the state authority denies in toto the particular relief sought herein or fails to act on such petition within 60 days from date of filing, the ICC is authorized, under Section 15a(4)(d)(B), to act upon such sought intrastate relief within 30 days of the filing of a petition therefor, subject to final determination by the state authority. Under Section 15a(4)(d)(C) of the Interstate Commerce Act, any partial denial of the sought intrastate tax offset rate increase is, upon the filing of an appropriate petition with the ICC, subject to review under the criteria of Section 13(4) of the Interstate Commerce Act. The instant proceeding is responsive to the aforementioned federal statutory mandate.

Applicant's Initial Fare Proposal

In support of the further sought increase in suburban fares, several statistical and financial exhibits were introduced by applicant. The exhibits endeavor to show the specific amount of compensation paid by applicant to its employees who have service hours directly or indirectly assignable to the suburban commute service, together with the amount of such compensation subject to the 1973 revised provisions of the Railroad Retirement Tax Act. Having made such determination, applicant then attempted to measure the increase in its retirement tax contributions under the Railroad Retirement Amendments of 1973 and the related increase in suburban fares deemed necessary to offset the resulting increase.

Exhibit 2 sets forth information relating to historic and estimated data concerning the number of employees, compensation, and retirement taxes paid by applicant on a systemwide basis. The purpose of this exhibit is to show that, when applicant sought similar tax offset rate relief in connection with its interstate freight operations (ICC Ex Parte 299), the retirement taxes reimbursed by Amtrak were excluded. In addition, the exhibit shows that increases in applicant's retirement taxes applicable to passenger operations between San Francisco and San Jose amounting to \$63,000 in the fourth quarter of 1973 and \$93,000 for each such quarter of 1974, were not reflected in the relief sought at the federal level. The computations (Exhibit 5) relative to the amount of increase in suburban revenues required to offset a like increase in the suburban service retirement payroll taxes under the Railroad Retirement Amendments of 1973 are:

TABLE 1

SOUTHERN PACIFIC TRANSPORTATION COMPANY

Increase in Suburban Service Fares Resulting Under
The Railroad Retirement Amendments of 1973

Line No.	Description (a)	Actual Year 1972 (b)	Estimated 4th Qtr. 1973 (c)	Estimated Year 1974 (d)
1.	Suburban service wages			
	a. Charged to operating expenses	\$5,009,208 ^{1/}		
	b. Charged to investment (MoFW&S)	12,324		
	c. Total wages	\$5,021,532	\$1,388,400 ^{2/}	\$5,791,600 ^{3/}
2.	System ratio of taxable compensation to total compensation	72.87%	76.78%	89.26%
3.	Suburban service compensation subject to retirement taxes (line 1 x line 2)	\$3,659,190	\$1,066,000	\$5,169,600
4.	Retirement tax rate ^{4/}	9.95%	15.35%	15.35%
5.	Suburban service federal retirement taxes (line 3 x line 4) ^{5/}	\$364,089	\$163,700	\$793,500
6.	Excess of estimated taxes over what the corresponding amount would have been if calculated at the tax base (\$900 maximum) and tax rate (10.60%) in effect prior to October 1, 1973 ^{6/}	-	\$63,000	\$373,600

^{1/} Lines 1-5, Exhibit 4, Application No. 54267.^{2/} Wage level is 10.9% over 1972 average, after allowing for reduction in trainmen's roster August 1972.^{3/} Wage level is 4.0% over 4th quarter of 1973.^{4/} Taxable base per employee per month - \$750 in 1972, \$900 in 1973, and \$1,100 in 1974.^{5/} Excludes supplemental annuities and unemployment taxes.^{6/} Determined by applying to line 1-c the 1972 ratio of retirement taxes to total compensation (7.25%) and deducting line 5-c.

From Table 1 it will be noted that applicant estimates its retirement taxes for employees effectively involved in suburban service will increase by approximately \$373,600 for the year 1974. It will also be observed that applicant's 1974 projected payroll tax increase is first predicated upon 1972 adjusted service wages allocated to its suburban service to which is applied previously determined systemwide ratios of taxable compensation to total compensation. This latter calculation results in the estimated suburban service compensation subject to retirement taxes shown on line 3 of Table 1. The projected increase in applicant's retirement taxes of some \$373,600 has been partially offset by the previously authorized interim fare increase of approximately 6 percent granted by Decision No. 82004.

In order to substantiate applicant's projected increase in retirement taxes for the fourth quarter of 1973 and the year 1974, the assistant manager for applicant's Bureau of Research conducted a payroll audit of the compensation charged to suburban service for the month of November 1973 (Exhibits 6 and 7). Based on the November 1973 suburban service compensation, the assistant manager estimates that for the fourth quarter of 1973 and the projected year 1974 it will experience increased retirement tax contributions of \$67,302 and \$394,978, respectively, in lieu of the fourth quarter estimate of \$63,000 and the 1974 estimate of \$373,600 actually sought to be offset in this proceeding.

The assistant manager also explained that the amount of labor expenses and related compensation subject to retirement taxes allocated to suburban service reflected the service hours of 600 employees. He stated that the service hours of approximately 200 of these employees were 100 percent effectively involved in suburban service. The assigned tasks and compensation of the remaining 400 employees who were directly or indirectly only partially involved in the suburban service were allocated on the basis of either actual on-the-job work allocation reports or estimated related statistical ratios. The 600 employees are assigned to the following work categories:

TABLE 2
SOUTHERN PACIFIC TRANSPORTATION COMPANY
Labor Proportion-Suburban Service

<u>Work Group (Exhibit 4)</u>	<u>Number of Assigned Employees</u>
Maintenance of way & structures	100
Maintenance of equipment	70
Traffic	3
Transportation	300
Clerks, other than station clerks	50
Supervision)	
Officers)	77
Others)	
	<hr/> 600

The staff on cross-examination referred to a report in applicant's trade magazine entitled This is Southern Pacific wherein it is stated that there are about 400 employees engaged in applicant's suburban passenger operations. The assistant manager explained that this figure is compatible with his estimate of 600 employees if you consider the 200 full-time employees in suburban service and then assume the remaining 400 employees are engaged in suburban service 50 percent of the time.

Applicant's manager of commute traffic explained the methods he employed to develop a proposed schedule of increased suburban fares which would recoup the \$373,600 in increased retirement taxes for the year 1974: He first conducted a ticket sale traffic analysis for a 12-month period ending June 1973 to determine the percent of revenue earned under the several classes of fares. Then he determined the amount and distribution of the fare increase necessary to offset the \$373,600 increase in applicant's retirement taxes. A summary of the commute manager's computations follows:

TABLE 3

Additional Annual Suburban Passenger Revenues Expected
To be Earned Under Proposed Railroad Retirement Tax
Offset Increases in Suburban Fares for Year 1974

Class of Tickets	Applicant's Revenue Fare Analysis	<u>Projected 1974 Additional Suburban Revenues</u>	
		<u>From 6% Interim Fare Increase (Dec. 82004)</u>	<u>From 2-3% Further Sought Fare Increase (Exhibits 9 and 10)</u>
One-way	7.5%	\$ 27,298	(1)
Round-trip	4.8	17,748	(1)
Mo. (5-day week)	(64.0	120,740	\$ 71,164
Monthly (daily)	(9,637	5,901
Weekly	12.0	22,768	14,995
20-ride family	11.6	44,491	24,176
Students	.1	7,776	5,041
Total	100.0%	\$250,458	\$121,277
			<u>250,458</u>
Total increase in applicant's 1974 suburban revenues anticipated under proposed tax offset increase in fares			\$371,735

(1) No further increases proposed in one-way and round-trip fares beyond that authorized in Decision No. 82004.

Table 3 shows that the 6 percent increase in suburban fares granted by Decision No. 82004 will produce \$250,458 in additional revenues for the year 1974 and that the further sought increase in such fares now under consideration would generate \$121,277 in additional suburban revenues. In order to obtain such increase in revenues the manager suggests an overall fare increase of approximately 3 percent, except no increase is proposed in the current one-way or round-trip fares.

Staff Fare Proposal

The staff of the Commission's Transportation Division conducted a field investigation and study relative to the increase required in applicant's San Francisco Peninsula suburban fares necessary to offset increases in the rail carrier's railroad retirement payroll taxes. The staff effort differs from applicant's significantly. Applicant's computations of the increase in its railroad retirement taxes are first predicated upon an estimate of the total amount of employee compensation attributable to its suburban service. To this amount were applied previously determined systemwide percentage ratios for computing the total compensation subject to the railroad retirement tax, as amended by U. S. Public Law 93-69. The staff, on the other hand, first assumed that the additional railroad retirement tax offset revenue required would be directly proportional to the number of railroad employees involved in the San Francisco Peninsula passenger operations of applicant. Then the staff determined the amount paid such employees per month and the estimated time they effectively spent in suburban passenger service.

A staff engineer explained that a station-to-station investigation was made to ascertain the number of employees and their duties. An estimate was then made of the percentage of their time directly assignable to the San Francisco Peninsula commute service. The results of the staff investigation and study are set forth in Exhibit 12, and the staff conclusions and recommendations predicated thereon are:

A. Conclusions

- "1. The estimate for increased Railroad Retirement taxes for the last quarter of 1973 is \$41,610.
- "2. The estimate for increased Railroad Retirement taxes for the year 1974 is \$182,676.
- "3. Fares granted by Decision No. 82004 provide an estimated \$250,000 (\$63,000 - 4th Quarter of 1973) additional annual revenue to applicant.
- "4. As a consequence to the foregoing items (1), (2) and (3), the commute fares of Southern Pacific should be reduced from current levels, and refund of excess fares collected in the fourth quarter of 1973 should be considered for the commuters.
- "5. Decision No. 82004, which authorized the applicant to increase fares, was made effective by the applicant on October 25, 1973. Thus, the increased revenue to offset the employer's expense collected by the railroad is estimated as \$46,500 instead of the CPUC staff's estimate of \$41,610 for the fourth quarter of 1973, which is applicable to the entire three months.
- "6. Because the above \$41,610 and \$46,500 amounts almost cancel each other, no refunding should be required."

B. Recommendations

"The applicant should be granted a fare increase of 4.3% over the fare level that existed when Application No. 54267 was filed provided that:

- "1. Applicant will not recover these same increased tax amounts in Application No. 54268, a freight rate increase now pending with the California Public Utilities Commission.
- "2. Applicant has not or will not recover these same increased tax amounts in proceedings filed with the Interstate Commerce Commission for recovering of Railroad Retirement taxes in connection with U.S. Public Law 93-69."

The staff estimate of the increase in applicant's railroad retirement payroll taxes for suburban service contemplates that effective October 1, 1973 applicant must assume 4.75 percent of its employees' taxable compensation in excess of the 5.85 percent employee social security tax. This amounts to a maximum increase in railroad retirement tax contributions of \$42.75 per employee per month in 1973, based on maximum taxable earnings of \$900 per month, and \$52.25 per employee per month in 1974, based on maximum taxable earnings of \$1,100 per month. Such monthly increases in applicant's railroad retirement tax payments assume, of course, that each employee involved is 100 percent effectively engaged in its suburban passenger operations.

It will be noted that the increase in applicant's railroad retirement taxes attributable to its suburban service for the year 1974 is estimated by the staff to be \$182,676, which is substantially lower than the \$373,600 like estimate of applicant. The staff also estimates that the suburban fare increase granted by Decision No. 82004 will provide \$250,000 in additional annual revenues to offset the aforementioned estimated payroll tax increase of \$182,676. The staff therefore recommends that any railroad retirement tax offset fare increase ultimately granted in this proceeding not exceed 4.3 percent.

The staff witness further explained (RT 183-184) that if 450 employees (generally accepted by applicant as a reasonable estimate of the total number (RT 79, 143) of its employees 100 percent effectively engaged in its suburban passenger operations) received a maximum taxable monthly salary of \$1,100 per month, the absolute maximum resulting increase in applicant's annual railroad retirement taxes for the year 1974 would be \$282,150. Since a good portion of the employees engaged in applicant's suburban passenger operations are paid monthly salaries less than \$1,100 (RT 183), the actual 1974 railroad retirement tax increase assignable to suburban passenger service should not only be considerably less than the aforementioned projected maximum tax increase of \$282,150 but substantially less than the 1974 projected retirement tax increase of \$373,600 determined by applicant. On the other hand, applicant has clearly shown that the staff's \$182,676 estimate of the projected increase in railroad retirement taxes for the year 1974 attributable to suburban passenger operations is materially understated.

Applicant's Revised Fare Proposal

Because it was established that the maximum increase in applicant's railroad retirement taxes assignable to its San Francisco suburban operations for the year 1974 would be an amount substantially less than \$373,600, applicant requested and was granted permission to submit late-filed Exhibit 13. The exhibit sets forth a revised proposed retirement tax offset suburban fare increase designed to attain additional revenues of approximately \$288,420 for the year 1974. A summary of applicant's basis offered in support of such revised fare increase proposal follows:

TABLE 4

Proposed Revised Fare Increases to Attain
Total Additional Railroad Retirement Tax Offset
Revenues of Approximately \$288,420 for Year 1974

<u>Class of Tickets</u>	<u>Number of Tickets</u>	<u>Increase (In Cents)</u>	<u>Revenue (In Dollars)</u>
One-way	-	-	-
Round-trip	-	-	-
Mo. (5-day week)	65,289	.35	\$ 22,851
Monthly (daily)	5,079	.35	1,777
Weekly	44,327	.10	4,433
Student weekly	6,537	.35	2,288
Student monthly	2,480	.10	248
20-ride family	30,269	.20	<u>6,054</u>
			\$ 37,651
Plus additional revenues pursuant to October 25, 1973 fare increase granted by Decision No. 82004 in Application No. 54267			<u>250,458</u>
Total Revised Additional Sought Revenues			\$288,109

Methodology Employed

The \$288,420 calculated by using CPUC staff
payroll audit method:

	<u>Tax Rate</u>	<u>Tax Base</u>	<u>Tax</u>
A. 1974	15.35%	\$1,100	\$168.85
Prior to 10/1/73	10.60	1,100	<u>116.60</u>
Railroad retirement tax increase per employee per month			\$ 52.25
B. \$52.25 x 460 (employees) x 12	-	\$288,420	

Table 4 shows that the revised fare proposal is expected to generate \$37,651 in additional suburban revenues for the year 1974. When added to the \$250,458 annual increase in such revenues anticipated under the overall 6 percent fare increase previously authorized by Decision No. 82004, a total railroad retirement tax offset revenue adjustment of \$288,109 is produced for the year 1974. The further sought suburban revenue increase of \$37,651 reflects a reduction of \$83,625 from applicant's original further sought increase in suburban revenues of \$121,277.

Applicant has, in effect, abandoned its original position together with the rather extensive evidence presented in support thereof in favor of a materially reduced fare adjustment. It has been established that applicant's efforts to determine the amount of increase in railroad retirement taxes attributable to its San Francisco Peninsula passenger operations, based on a systemwide ratio of taxable compensation to total compensation paid, are overstated. Applicant concedes that an actual payroll audit of compensation paid to its employees effectively engaged in its suburban operations, as advanced by the staff, would be the preferable method to employ. However, such procedure is not possible under applicant's current accounting practices.

The staff has demonstrated, and applicant does not dispute, that the maximum payroll audit method now belatedly employed by applicant overstates the actual railroad retirement tax increase assignable to the suburban passenger operations. To what extent applicant's sought additional railroad retirement tax offset revenues of \$37,651 are overstated was not pursued on the record by applicant. In passing, we note from Table 4 that applicant's procedure employs a factor of 460 employees, whereas applicant's two major witnesses agreed on cross-examination that 400-450 would be a reasonable estimate of the number of employees effectively engaged in suburban service.

With the undisputed infirmities shown to exist in the evidence presented by applicant, it is apparent that applicant has not sustained its burden of proof that the relief requested is justified. In the circumstances, the suburban fare increases proposed by applicant beyond the overall fare increase of 6 percent previously authorized by Decision No. 82004 in this proceeding should not be authorized.

In view of the conclusions reached herein, no comment is necessary concerning the protests against applicant's sought fare increase. Protestants' position basically stems from an allegation that applicant's suburban passenger service has deteriorated to a point where further fare adjustments are unwarranted. The pursuit of such allegations should be directed through established Commission complaint procedures.

Findings

1. By Public Law 93-69 the Congress of the United States on July 10, 1973 amended the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Interstate Commerce Act (collectively referred to as the Railroad Retirement Amendments of 1973).
2. The Railroad Retirement Amendments of 1973 expanded the benefits available to the nation's railroad employees, reduced the required contributions of beneficiaries into the railroad retirement program so as not to exceed the level otherwise applicable under the Social Security Act, and increased the railroad retirement taxes assessed the nation's railroads.
3. The Railroad Retirement Amendments of 1973 amended Section 15a of the Interstate Commerce Act by the addition of paragraph 15a(4). Section 15a(4)(d)(A) of the Act provides that a state authority of competent jurisdiction over petitions for intrastate rate increases by carriers subject to Part I of the Act shall, within 60 days of the carriers' filing for rate increases to offset increases in carriers' railroad retirement taxes, act upon said petitions.

4. In Application No. 54267 filed August 24, 1973, it was shown that the railroad retirement payroll taxes attributable to applicant's suburban passenger service between San Francisco and San Jose and intermediate points have materially increased as of October 1, 1973 and January 1, 1974, respectively.

5. By Decision No. 82004 issued October 16, 1973 in this proceeding, a retirement tax offset interim increase of 6 percent in applicant's suburban fares was found justified pending public hearing for the receipt of evidence relative to Application No. 54267 and full disposition thereof.

6. The evidence presented by applicant and the Commission staff shows that the interim relief granted by Decision No. 82004 will generate approximately \$250,458 in additional annual revenues to offset related increases in applicant's retirement payroll taxes attributable to its San Francisco Peninsula passenger operations.

7. Applicant's original sought increase in the level of fares established by Decision No. 82004 was adjusted upward from approximately 2 percent to 3 percent due to a subsequent increase in the maximum taxable wage base per month per employee from \$900 in 1973 to \$1,100 in 1974.

8. Applicant's further sought fare increase of approximately 3 percent was expected to generate \$121,277 in additional retirement tax offset revenues, thereby making a total of \$371,735 in additional annual revenues available to offset the increase in its 1974 retirement payroll taxes assignable to its suburban service, which applicant estimates will amount to \$373,600.

9. The Commission's Transportation Division staff field investigation and payroll audit of employees effectively engaged in applicant's suburban service show that the estimated increase in applicant's retirement payroll taxes assignable to such service will amount to only \$182,676 for the year 1974. The staff recommends that the existing level of applicant's suburban fares established pursuant to Decision No. 82004 in this proceeding be reduced so as not to reflect an effective fare increase in excess of 4.3 percent.

10. Applicant's computation of the estimated increase in its retirement payroll taxes attributable to its suburban service for the year 1974 of \$373,600 was shown to be substantially overstated.

11. The Commission staff payroll audit of the estimated increase in applicant's retirement payroll taxes assignable to its suburban service for the year 1974 of \$182,676 was shown to be materially understated.

12. Based on the erroneous assumption that an estimated 460 employees effectively engaged in applicant's suburban service earn the maximum taxable salary of \$1,100 per month, applicant now estimates its increase in railroad retirement payroll taxes attributable to such service will amount to \$288,420 for the year 1974, in lieu of its previous estimate of \$373,600.

13. Applicant now requests its proposed increase of 3 percent in suburban fares established by Decision No. 82004 be reduced to approximately 1 to 1-1/2 percent. This latter fare adjustment is expected to generate \$37,651 in additional revenues, in lieu of the previous sought revenue increase of \$121,277, thereby making a revised total of \$288,109 in additional revenues available to offset a like increase in applicant's retirement payroll taxes of \$288,420 for the year 1974.

14. Applicant's maximum railroad retirement payroll tax computations and revised suburban fare increase proposal predicated thereon are overstated to the extent that employees effectively engaged in its suburban service do not earn the maximum taxable monthly salary of \$1,100 per month. In addition, applicant has not established with a sufficient degree of certainty that 460 of its employees are, in fact, effectively engaged in the suburban passenger service involved herein.

15. Applicant has not sustained the burden of proof essential to a finding that the sought further increase in its San Francisco Peninsula fares, in addition to the overall 6 percent increase in such fares previously authorized by Decision No. 82004 in this proceeding, is justified. Authority for such further sought relief should not be granted.

Conclusions

1. Decision No. 82004 dated October 16, 1973 in Application No. 54267 is fully responsive to the federal statutory mandate set forth in Section 15a(4) of the Interstate Commerce Act.

2. Applicant's further sought increase in the level of fares established pursuant to Decision No. 82004 in this proceeding has not been shown to be justified or otherwise reasonable as required by Section 454 of the California Public Utilities Code, Section 15a(4)(d)(A) of the Interstate Commerce Act, and other pertinent state and federal statutory provisions related thereto.

3. Applicant's further relief sought in addition to that previously authorized by Decision No. 82004 in this proceeding should be denied.

O R D E R

IT IS ORDERED that the authority sought by Southern Pacific Transportation Company to further increase the level of its existing passenger fares applicable between San Francisco and San Jose and intermediate points, established pursuant to Decision No. 82004 of October 16, 1973 in Application No. 54267, is denied.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 29th
day of MAY 1, 1974.

Laurel L. Stinson
President
William J. Sproule
Arthur J. [illegible]
[illegible]
Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

ADULT FARES*
ONE-WAY AND ROUND-TRIP FARES
MONTHLY AND WEEKLY COMMUTATION FARES
20-RIDE FAMILY FARES

<u>Between</u>	<u>San Francisco</u> (3rd St. 23rd St. Paul Ave. Bayshore)	<u>Class of Tickets</u>	<u>One Way</u>	<u>Round Trip</u>	<u>Zone 1</u> \$ 0.70
<u>And</u> San Francisco (3rd St.) 23rd Street Paul Avenue Bayshore		One Way	\$ 0.70	1.40	
		Round Trip			
<u>Zone 1 (Red)</u>		One Way	1.10		\$ 0.70
Butler Road		Round Trip	2.20		1.40
South San Francisco		Mo. (5-Day Week)	24.75		-
San Bruno		Monthly	27.00		22.00
Millbrae		Weekly	7.15		5.60
		20-Ride	18.00		12.00
<u>Zone 2 (Green)</u>		One Way	1.30		1.00 \$ 0.70
Broadway		Round Trip	2.60		2.00 1.40
Burlingame		Mo. (5-Day Week)	29.00		-
San Mateo		Monthly	31.75		26.25 22.00
Hayward		Weekly	8.20		6.75 5.60
		20-Ride	20.65		17.00 12.00
<u>Zone 3 (Orange)</u>		One Way	1.60		1.30 1.00 \$ 0.70
Hillsdale		Round Trip	3.20		2.60 2.00 1.40
Belmont		Mo. (5-Day Week)	33.25		-
San Carlos		Monthly	36.50		31.00 26.25 22.00
Redwood City		Weekly	9.25		7.90 6.75 5.60
		20-Ride	23.30		19.90 17.00 12.00
<u>Zone 4 (Blue)</u>		One Way	1.95		1.60 1.30 1.00 \$ 0.70
Atherton		Round Trip	3.90		3.20 2.60 2.00 1.40
Menlo Park		Mo. (5-Day Week)	37.50		-
Palo Alto		Monthly	41.25		36.00 31.00 26.25 22.00
California Ave.		Weekly	10.85		9.30 7.90 6.75 5.60
		20-Ride	27.20		23.40 19.90 17.00 12.00
<u>Zone 5 (Yellow)</u>		One Way	2.25		1.95 1.60 1.30 1.00 \$ 0.70
Castro		Round Trip	4.50		3.90 3.20 2.60 2.00 1.40
Mountain View		Mo. (5-Day Week)	41.75		-
Sunnyvale		Monthly	46.25		40.75 36.00 31.00 26.25 22.00
		Weekly	12.25		10.45 9.30 7.90 6.75 5.60
		20-Ride	30.70		26.20 23.40 19.90 17.00 12.00
<u>Zone 6 (Brown)</u>		One Way	2.40		2.25 1.95 1.60 1.30 1.00 \$ 0.70
Santa Clara		Round Trip	4.80		4.50 3.90 3.20 2.60 2.00 1.40
College Park		Mo. (5-Day Week)	45.00		-
San Jose		Monthly	49.25		46.25 40.75 36.00 31.00 26.25 22.00
		Weekly	13.70		12.20 10.45 9.30 7.90 6.75 5.60
		20-Ride	34.35		30.60 26.20 23.40 19.90 17.00 12.00

* Total fare includes increases granted in Decision No. 82242, Application No. 53666, and current increase granted in Decision No. 82004, Application No. 54267, in effect October 25, 1973.

APPENDIX A
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STUDENTS' WEEKLY AND MONTHLY COMMUTATION FARES[#]
(Without Saturday and Sunday)

<u>And</u>	<u>Between</u>	San Francisco (3rd St. 23rd St. Paul Ave. Bayshore)	<u>Zone 1</u>	<u>Zone 2</u>	<u>Zone 3</u>	<u>Zone 4</u>	<u>Zone 5</u>	<u>Zone 6</u>
Zone 1	Monthly*	\$15.50	\$12.40					
	Weekly	4.80	4.05					
Zone 2	Monthly*	18.50	15.50	\$12.40				
	Weekly	5.60	4.80	4.05				
Zone 3	Monthly*	21.45	18.50	15.50	\$12.40			
	Weekly	6.40	5.60	4.80	4.05			
Zone 4	Monthly*	24.35	21.45	18.50	15.50	\$12.40		
	Weekly	7.10	6.40	5.60	4.80	4.05		
Zone 5	Monthly*	27.40	24.35	21.45	18.50	15.50	\$12.40	
	Weekly	7.85	7.10	6.40	5.60	4.80	4.05	
Zone 6	Monthly*	30.35	27.40	24.35	21.45	18.50	15.50	\$12.40
	Weekly	8.55	7.85	7.10	6.40	5.60	4.80	4.05

* Monthly commutation tickets without Saturdays and Sundays.
Stations located in each zone will be the same as shown on
Appendix A, page 1 of 2.

Total fare includes increases granted in Decision No.
82242, Application No. 53666, and current increase granted
in Decision No. 82004, Application No. 54267, in effect
October 25, 1973.