

Decision No. 48331**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 EVELYN M. KNAPP and JOHN P. DEMETER,)
 dba PENINSULA TRANSIT LINES, for)
 authority to increase rates.)

Application No. 33847

In the Matter of the Application of)
 EVELYN M. KNAPP and JOHN P. DEMETER,)
 dba PENINSULA TRANSIT LINES, for)
 certificate to operate passenger)
 stage service between Palo Alto,)
 North Palo Alto, San Carlos,)
 Redwood City, Atherton, Menlo Park,)
 Woodside and Toyon Knolls.)
 Re: Extension and revision of)
 existing stage service in)
 Redwood City and vicinity.)

Application No. 33897

Lorenz Costello, for applicant.
Thomas A. Hopkins, for the Commission's Staff.
Donald Church, Dr. Nancy Cross, propria personae,
 interested parties.

O P I N I O N

By their applications filed October 31, 1952 and November 25, 1952, respectively, applicants Evelyn M. Knapp and John P. Demeter, doing business as Peninsula Transit Lines and presently rendering a passenger service between points on the San Francisco Peninsula, request authority to amend several of their existing routes and to increase certain of their rates.

Public hearing was held on February 13, 1952 at Palo Alto before Commissioner Huls and Examiner Daly and the matter was submitted. Evidence was introduced by applicants and by transportation engineers of the Commission's staff. No appearances were made in protest to the authority sought. Notices of the public hearing in these proceedings were published in newspapers of general circulation.

PROPOSED REROUTINGS

By their Application No. 33897 applicants propose to eliminate a portion of an existing route between Woodside Road and Emerald Lake over Canada Road, Jefferson Avenue and Vista Drive. In addition applicants propose to extend two of their present routes to newly developed areas in Redwood City.

Applicants' general manager testified that the Emerald Lake route is over very narrow and steep roads which constitute a hazard. At the present time, he stated, two schedules are operated over this route daily and due to the sparsely inhabited area there is little or no use made of the service. Exhibit No. 1, which consisted of a passenger count on the Emerald Lake route for the periods December 12, 1952 to and including December 16, 1952 and February 4, 1953 to and including February 7, 1953, indicate that a total of 34 passengers were transported.

An engineer for the Commission's staff testified that he had studied the extensions and revision proposed by applicants and was of the opinion that if authorized, said proposals would better serve the traveling public.

After full consideration of the evidence the Commission is of the opinion that the authority sought in Application No. 33897, as amended, should be granted.

PROPOSED FARE INCREASE

By their Application No. 33847 applicants request a change in all one-way adult fares from 15 cents to 17 cents and commute fares from 15-trips for \$2.00 to 20-trips for \$3.00. The new fares are specifically set forth in an exhibit attached to Application No. 33847.

Applicants assert that as a result of an increase in operating costs, fluctuation of traffic and general change of

conditions, fares presently in effect are non-compensatory and fail to meet operating costs.

Applicants and members of the Commission's staff introduced in evidence exhibits consisting of actual revenues and expenses for past periods as well as anticipated revenues and expenses covering specified test periods under both present and proposed rates. The Commission's staff, in addition thereto, considered estimates based on both existing and proposed routings, it being conceded that the proposed extensions would result in increased revenues.

With the exception of the estimated revenue to be derived from the sale of the commute cards, the figures as set forth by the applicant and the Commission's staff were substantially similar. The difference between the estimated revenues to be derived from commute fares was based upon applicants' expectation that greater use of commute cards would be made, whereas the Commission's staff was of the opinion that the percentage of income to be derived from commute fares would not vary. This difference was offset to a great extent by the fact that the Commission's staff took into account estimated partnership income tax for the test year, whereas no such provision was made in applicants' estimate.

The Commission's staff estimated a straight 3% diminution for the whole operation as the result of the fare increases. Applicants estimated a 3% diminution in Palo Alto and 2% in Redwood City. Applicants' general manager attributed the variation to the fact that Redwood City has indicated a gradual, but steady, increase in passenger stage patronage and consequently they do not expect the diminution in Redwood City to be quite as much as in Palo Alto.

The Commission's exhibit, received in evidence as Exhibit No. 4, discloses the following:

ESTIMATED RESULTS OF OPERATIONS UNDER APPLICANTS'
PRESENT AND PROPOSED FARE STRUCTURE

	<u>Present Fare</u>	<u>Proposed Fare</u>
Total Revenue	\$271,212	\$297,160
Total Expenses	272,471	274,761
Net Operating Income		
Before Income Tax	(\$1,259)	22,399
(1)		
Income Tax	---	7,209
Net Operating Income		15,190
Operating Ratio	100.46%	94.89%

(1) Calculated on the basis of two individuals with no deductions.

Although no protest was made to the authority sought, two appearances were made by individuals as interested parties. One individual testified that a more complete service could be rendered if applicants would operate their buses to the local high schools and the Palo Alto Community Center during the evening hours to accommodate individuals wishing to attend adult educational classes and those wishing to attend the Center. She also suggested that time schedules and route maps be made available on the buses and at the Southern Pacific and Greyhound stations. The other witness suggested that shelters be maintained at or near the Southern Pacific station for bus patrons. Applicants' general manager stated that he would go into the matter further with the parties and explore the possibilities of adopting some of the suggestions.

The record made in this proceeding establishes that the revenue under the present fares is insufficient to defray the cost

of operation. It is clear that the additional revenue from the proposed fares is needed to assure the maintenance of satisfactory and dependable service to the public.

Upon consideration of the facts, the Commission is of the opinion and hereby finds that the increased fares sought have been justified. Because of the evident need for additional revenue, applicants' request for authority to establish the increased fares on less than statutory notice will be granted.

O R D E R

Applications having been filed, public hearing having been held thereon and based upon the evidence adduced therein,

IT IS ORDERED:

(1) That route descriptions 10, 15 and 16, as described in Decision No. 42934 dated June 1, 1949, in Application No. 30172, are hereby amended to read as follows:

"Route 10. Beginning at the intersection of El Camino Real and Broadway, thence along El Camino Real, Jefferson Avenue, King Street, James Avenue, Ruby Street, Jefferson Avenue, Upton Street, Roosevelt Avenue and Adams Street, to its intersection with Jefferson Avenue. Also, from the intersection of Jefferson Avenue and El Camino Real, along Jefferson Avenue to Broadway.

"Route 15. Beginning at the intersection of Main Street and Broadway, thence along Main Street, Woodside Road, Alameda De Las Pulgas, Maddux Drive, Alameda De Las Pulgas, Roosevelt Avenue, Connecticut Drive, Goodwin Avenue, Virginia Avenue, Woodside Road, Canada Road to its intersection with Glenwood Avenue.

"Route 16. Beginning at the intersection of Alameda De Las Pulgas and Oak Knoll Drive, thence along Oak Knoll Drive to its intersection with Vista Drive.

(2) That in all other respects Decision No. 42934 shall remain in full force and effect.

(3) That Evelyn M. Knapp and John P. Demeter, doing business as Peninsula Transit Lines, are hereby authorized to establish, on not less than five days' notice to the Commission and to the public, the increased fares proposed in Application No. 33847.

(4) That applicants are hereby directed to post and maintain in their vehicles a notice of the increased fares herein authorized. Such notice shall be given not less than five days prior to the effective date of such fares, and shall be maintained for a period of not less than thirty days.

(5) That the authority herein granted in paragraph (3) 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 2nd day of March, 1953.

[Signature]
President
[Signature]
[Signature]
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Commissioners