

ORIGINALDecision No. 50247

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
HELEN C. McQUIGGIN, Administratrix)
Estate of NICHOLAS CAPRARO dba PALO)
ALTO TRANSIT to establish increase)
in fares.)

Application No. 35398

O P I N I O N

Helen C. McQuiggin, administratrix of the estate of Nicholas Capraro, doing business as Palo Alto Transit, renders service as a passenger stage corporation between San Jose, Los Altos, Palo Alto and intermediate points.¹ By this application, as amended, she seeks authority to increase her basic one-way fares generally by 5 cents, and to increase certain other fares. She also proposes to make certain zone changes.²

Applicant points out that the fares here in issue have not been changed since the operation started in 1934. She alleges that the sought increases are made necessary by increased operating costs, which have been accentuated by the advanced age of her equipment.

The record shows that for the calendar year 1953 applicant experienced an operating deficit of \$7,220. Applicant estimates that under present fares she will sustain a loss of \$8,620 during the

¹ As a part of her service applicant transports passengers for Southern Pacific Company between certain points on the Palo Alto-Los Gatos line of the latter carrier.

² The present first and second zone fares of 6 cents and 10 cents, respectively, would be increased to 15 cents; the present last zone fare of 55 cents would remain unchanged. All other basic fares would be increased by 5 cents. Increases are also proposed in round trip, commutation and school fares. The proposed fares are set forth in detail in the application.

12-month period ending June 30, 1955. Even under the proposed fares applicant estimates that, during the same period, the service will be operated at a loss, which she has calculated as \$4,070.

The Commission's staff made a detailed study of applicant's operations. The operating results under the present and proposed fares as estimated by the staff are summarized as follows:

Estimated Results of Operations for
Rate Year Ending June 30, 1955

	<u>Present Fares</u>	<u>Proposed Fares</u>
Total Operating Revenues	\$31,390	\$34,920
Operating Expenses (excluding Depreciation and Taxes)	\$31,680	\$31,680
Depreciation	1,360	1,360
Taxes	1,610	1,720
Total Operating Expenses	<u>\$34,650</u>	<u>\$34,760</u>
Net Before Income Taxes	<u>(\$ 3,260)</u>	\$ 160
Income Taxes *	-	-
Net After Income Taxes	<u>(\$ 3,260)</u>	\$ 160
Rate Base	\$ 5,840	\$ 5,840
Rate of Return	-	2.7%
Operating Ratio	110.4%	99.5%

(Red Figures)

* No income tax is shown under proposed fares because estimated net before taxes is offset by tax deductions in the form of interest obligations.

Applicant served copies of the application, as amended, upon officials of the County of Santa Clara and of the Cities of San Jose, Los Altos and Palo Alto. No one opposed the granting of the authority herein sought.

It is clear from the record that continuance of operations under present fares will result in additional losses. After consideration, the Commission is of the opinion and so finds that the proposed fares and zone changes have been justified. A public hearing does not appear to be necessary.

O R D E R

Application having been filed and the Commission being informed in the premises,

IT IS ORDERED:

(1) That Helen C. McQuiggin, administratrix, estate of Nicholas Capraro, doing business as Palo Alto Transit, be and she is hereby authorized to establish, on not less than five days' notice to the Commission and to the public, the passenger fares and fare zone adjustments as proposed in the application, as amended, filed in this proceeding.

(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 its fares. Such notice shall be posted not less than five days before the effective date of the fare changes and shall remain posted for a period of not less than thirty days.

(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 6th day of July, 1954.

Edward E. Mitchell
President

Justus J. Palmer

Kenneth Lott

Deane Higgins

Commissioners