

ORIGINALDecision No. 54897

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of HELEN C. McQUIGGIN,)
 Administratrix Estate of NICHOLAS) Application No. 38842
 CAPRARO DBA PALO ALTO TRANSIT to)
 establish increase in fares.)

O P I N I O N

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

Applicant's fares were last adjusted in July, 1954, when basic fares were increased by 5 cents and certain other increases were made.² Apart from that adjustment applicant's fares have not been changed since 1934. According to the application, the increases sought herein are made necessary by increased costs of operation and by the loss of revenue which applicant formerly received under a contract arrangement with Southern Pacific Company.

Increased costs assertedly have been experienced in connection with wages, fuel, tires, materials and supplies. According

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The present 15 cent fare in the San Jose area and the maximum zone fare of 55 cents would remain unchanged. Round-trip fares would be canceled, except that for the 55 cent zone, which would remain at \$1.00. The 10-ride weekly commutation ticket would be discontinued because of non-use. The 20-ride monthly commutation ticket and 30-ride school ticket would be increased by approximately 15 per cent. These tickets presently reflect, per ride, about 65 per cent of the one-way fare.

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Decision No. 50247, dated July 6, 1954, in Application No. 35398.

to the carrier's book records her revenues and expenses for the calendar year 1956 were \$53,488 and \$53,635, respectively, reflecting a deficit of \$147.³

The above-mentioned revenue from Southern Pacific Company was derived from a joint tariff honoring arrangement under which applicant served a portion of the territory between Palo Alto and Los Gatos in lieu of Southern Pacific train service. This arrangement was placed in effect in 1933 but was canceled by Southern Pacific Company effective January 31, 1957, without authorization by this Commission. During the latter part of 1956 the revenue received by applicant under the joint arrangement amounted to about \$1000 per month. The record herein discloses that Southern Pacific Company has been directed to reinstate the joint honoring tariff.

The Commission's staff has made a detailed study of applicant's operations. The results of that study are set forth in a document which is hereby incorporated in the record herein as Exhibit No. 1. The operating results, under present and proposed fares, as estimated by the staff are summarized as follows:

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These figures include non-operating revenues and expenses in connection with public repair work in which applicant also engages. According to the record, no separation of these revenues and expenses from the utility operations is available from the carrier's records.

Estimated Results of Operations for
Rate Year Ending March 31, 1958.

	Present Fares	Proposed Fares
Total Operating Revenues	\$ 46,800	\$ 52,100
Operating Expenses (ex- cluding Depreciation, Taxes and Rents)	\$ 42,750	\$ 42,670
Depreciation	1,340	1,340
Taxes	3,910	4,070
Rent	<u>1,040</u>	<u>1,040</u>
Total Operating Expenses	\$ 49,040	\$ 49,120
Net Before Income Taxes	\$ <u>(2,240)</u>	\$ 2,980
Income Taxes	---	\$600
Net After Income Taxes	\$ <u>(2,240)</u>	\$ 2,380
Operating Ratio	104.8%	95.4%

() - Indicates loss.

In developing its estimate of revenues under both present and proposed fares the staff assumed that applicant's agreement with Southern Pacific would be reinstated under the same conditions as existed prior to the cancellation of the joint honoring arrangement. The estimate excludes, however, any revenues derived from applicant's public repair work. Likewise, all costs attributable to that activity were excluded from the staff's estimate of operating expenses.

The public has been adequately informed of the proposed increase in fares. Copies of the application, as amended, were served on local authorities and public notice was given by announcements posted in applicant's vehicles and terminals. No one has opposed the granting of the application.

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. The application, as amended, will be granted. A public hearing is not necessary.

In view of applicant's urgent need for increased revenues, the order which follows will be made effective ten days from the date of its issuance and applicant will be authorized to publish the proposed fare on less than statutory notice.

O R D E R

Based upon the evidence of record and upon the conclusions and findings set forth in the preceding opinion,

IT IS ORDERED that Helen C. McQuiggin, administratrix for the 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.

IT IS FURTHER ORDERED that, in addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in her buses and terminals a printed explanation of her fares. Such notice shall be posted not less than five days before the effective date of the fare changes, and shall be posted for a period of not less than thirty days.

IT IS FURTHER ORDERED that the authority herein granted shall expire unless exercised within sixty days after the effective date of this order.

This order shall become effective ten days after the date hereof.

Dated at San Francisco, California; this 22nd day of APRIL, 1957.

[Signature]
President
[Signature]
[Signature]

Commissioners