

ORIGINALDecision No. 55072

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 EVELYN M. KNAPP and JOHN P. DEMETER,)
 co-partners doing business as)
 PENINSULA TRANSIT LINES, for)
 authority to increase rates.)

Application No. 39841

OPINION AND ORDER

Evelyn M. Knapp and John P. Demeter, doing business as Peninsula Transit Lines, operate as a passenger stage corporation in the cities of Palo Alto, Menlo Park, Redwood City, San Carlos and adjoining areas. By this application they seek authority to cancel their ten-trip adult commute fare of \$2.00. The cash fares of 25 cents and 30 cents will not be changed.

Applicants' fares were last increased effective November 1, 1957, pursuant to Decision No. 55729, dated October 22, 1957, in Application No. 39149. Applicants allege that since that proceeding there has been a decrease in passenger revenues and that operating costs have continued to rise. A profit and loss statement attached to the application shows for the year 1957, revenues of \$253,807 and expenses of \$261,238, resulting in a net loss of \$8,331.

A transportation engineer on the Commission's staff made a study of applicants' operations, which study is hereby made a part of this record and identified as Exhibit No. 1. The study shows estimated operating results for a rate year ending April 30, 1959, as follows:

	<u>Present Fares</u>	<u>Proposed Fares</u>
Operating Revenue	\$247,500	\$253,300
Operating Expenses	<u>262,019</u>	<u>262,019</u>
Net Loss	\$ 14,519	\$ 8,719
Operating Ratio	105.9%	103.4%

Applicants have notified local authorities of the proposed increase, and have posted notices in their buses. One of the patrons has protested the increase by letter.

It is clear that immediate relief is necessary and that even the granting of the sought increase, which is minor in terms of additional revenue, will not enable applicants to operate at a profit but will just reduce the loss to a slight extent. However, it should be pointed out that it is questionable whether further fare increases will help solve the financial problems of this applicant. It is evident from the facts that the earning position of the carrier is as bad, or poorer, now as it was before the last fare increase which became effective November 1, 1957. It is apparent that applicant needs to scrutinize his operations very carefully from an overall standpoint. In the circumstances, the Commission sees no alternative but to find the proposed increase is justified. A public hearing is not necessary.

In view of the operating loss being experienced, applicants will be authorized to establish the increase 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 Evelyn M. Knapp and John P. Demeter are authorized to cancel, on not less than five days' notice to the Commission and to the public, their adult ten-trip commute fare of \$2.00.

(2) That in addition to the required posting and filing of tariffs, applicants shall give notice to the public by posting in their buses and terminals a printed explanation of the increase in fares. Such notice shall be posted not less than five days before the effective date of the fare changes 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 6th day of May, 1958.

Paul L. Luter President
Michael J. ...
Theodore Jenner
Commissioners