

Decision No. 57861**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, co-partners doing)
business as PENINSULA TRANSIT)
LINES, for authority to increase)
rates.)

AMENDMENT TO
Application No. 40421

Lorenz Costello, for applicant.

T. J. Canty and H. H. Nichols, for
the Commission's staff.

O P I N I O N

Evelyn M. Knapp and John P. Demeter doing business as Peninsula Transit Lines, and presently rendering a passenger stage service between Palo Alto, Menlo Park, Redwood City, Atherton and San Carlos, request authority to establish a 10-cent transfer fare and to increase the price of the 10-ride school ticket from \$1.25 to \$1.50.

Public hearing was held before Examiner Thomas E. Daly on November 26, 1958, at Palo Alto.

A study prepared by applicants with 1957 as its base year and the year ending September 30, 1959, as its future rate year indicates the following:

	<u>1957</u>		<u>1959</u>
		<u>Present Fares</u>	<u>Proposed Fares</u>
Revenue	\$254,562	\$230,130	\$237,864
Expenses	261,139	250,426	250,746
Net Operating Income	(6,577)	(20,296)	(12,882)
Operating Ratio	103.0%	108.4%	105.4%

Applicants allowed for a continuing downward trend in business of 2 per cent. No diminution was allowed in cash fares,

however, a 5 per cent diminution was allowed in school fares. They estimated that they would realize approximately \$6,000 from transfers and an additional \$1 700 from school tickets.

Several public witnesses stated that they were employed at Stanford University and were of the opinion that a transfer charge of 10 cents would further discourage use of applicants' service and result in considerable loss of traffic. One witness testifying on behalf of her domestic employee stated that it would place an undue burden upon such individuals, although this witness admitted that in most cases domestic help charge and receive transportation costs from their employers.

In Decision No. 56638, dated May 6, 1958, applicant's fares were last increased. In that decision is the following statement:

"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".

Since that decision, applicant has made changes in operations through a substantial reduction in service but in spite of this reduction, applicant is still in need of relief through a further fare increase.

Upon consideration the Commission is of the opinion and so finds that the increased fares have been justified.

O R D E R

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

IT IS ORDERED:

(1) That Evelyn M. Knapp and John P. Demeter, doing business as Peninsula Transit Lines, are hereby authorized to publish and file, on not less than five days' notice to the Commission and to the public, the increased fares proposed.

(2) That, in addition to the required tariff filings, 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.

(3) That the authority herein granted in paragraph (1) 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 13th day of January, 1959.

E. L. Fox
President
W. L. [unclear]
Theodore Demeter
Commissioners