

Decision No. 62840

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.)

Application No. 43611
(Filed July 19, 1961)

OPINION AND ORDER

Applicants provide passenger stage service in Palo Alto, Menlo Park, Redwood City, Atherton, San Carlos and in certain unincorporated areas adjacent to those cities. They propose to increase the adult fare from 25 cents to 30 cents and to eliminate the present 10-cent charge for transfers so that the latter will be issued free of charge.

Copies of the application were sent to the cities served. Notices of the proposed fare increase were posted in buses on September 1, 1961.

Applicants allege that because of declining patronage and increases in expenses they have been operating at a loss. According to the application, no further economies can be made by modifications and curtailments of routes consistent with the maintenance of adequate service. They have exhausted all possible means of obtaining financial assistance or support from the cities served.

Financial statements attached to the application show that for the first five months of 1961, applicants had an operating loss of \$8,150, and that their ability to continue service will be impaired unless they receive additional revenues.

An engineer of the Commission's staff prepared a study of the operation of applicants. His report has been received as Exhibit No. 1. According to the report, applicants incurred a loss of \$15,488 from operations conducted during the 12-month period ended July 31, 1961. It was estimated that the proposed increase in fares will provide additional annual revenues of \$13,100. The report contains estimates of the results of operations under present fares and under proposed fares.

TABLE 1

Estimated Results of
Operations of Peninsula Transit Lines
For Twelve Months Ending October 31, 1962.

Under Present Fares

Passenger Revenues	\$141,400	
Special Bus Revenues	41,800	
Other Operating Revenue	<u>12,200</u>	
Total Operating Revenue		\$195,400
Maintenance Expense	\$ 33,900	
Transportation Expense	104,400	
Traffic Expense	7,100	
Insurance & Safety	14,100	
Administration Expense	20,900	
Depreciation Expense	8,100	
Taxes & Licenses	<u>20,200</u>	
Total Operating Expense		<u>208,700</u>
Operating Income		\$(13,300)
Operating Ratio - Present Fares	106.8%	

Under Proposed Fares

Additional Passenger Revenue		<u>13,100</u>
Operating Income		\$ (200)
Operating Ratio - Proposed Fares	100.1%	

(Red Figure)

We find that the proposed fare increases will result in reducing the operating losses incurred by applicants. The increases, together with the request that applicants be authorized to make the increased fares effective on five days' notice are justified. A public hearing is not necessary.

Because of the continuing losses being incurred, the order herein will be made effective ten days after this date.

Good cause appearing,

IT IS ORDERED that:

1. John P. Demeter and Evelyn M. Knapp are authorized to establish, on not less than five days' notice to the Commission and to the public, the increased fares proposed in the application filed in this proceeding.

2. The authority granted hereinabove shall expire unless exercised within sixty days after the effective date of this order.

3. 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.

The effective date of this order shall be ten days after the date hereof.

Dated at San Francisco, California, this 31st day of NOVEMBER, 1961.

[Signature]
President
[Signature]
[Signature]
George E. Trover
Frederick B. Hallock
Commissioners