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ORIGINAL

Decision No. 69650

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application)
of Peerless Stages, Incorporated)
requesting authority to increase)
certain of its' rates of fare.)

Application No. 47641
(Filed June 4, 1965)

OPINION AND ORDER

Applicant is a passenger stage corporation engaged in operations between the cities of Oakland, San Jose and Santa Cruz and intermediate points and between Oakland and Palo Alto via Dumbarton Bridge. Under the provisions of Section 454 of the Public Utilities Code it seeks authority to increase certain of its passenger fares and express rates as follows:

1. To increase all one-way fares and roundtrip fares in the Oakland, Santa Cruz and Palo Alto Divisions by ten percent.
2. To raise such fares to the nearest "5" or "0".
3. To increase the present price of 20-ride commute book fares by ten percent.
4. To increase package express rates by nineteen percent.

In justification of its proposal applicant states that it operated at a loss during the year 1964. Its present fares became effective November 1, 1958. Applicant states that since that time it has been burdened with numerous and substantial increases in expenses, included among which are the following:

1. Wages of shop personnel have increased 31 percent by union contract.
2. Wages of drivers have increased 26 percent by union contract.

3. Prices of gasoline and oil products have increased substantially.

4. The cost of tires has increased substantially.

5. Health and Welfare Plan payments have increased 50 percent since January, 1958.

6. Costs of materials used by applicant have increased.

In addition to the increases in expenses, applicant has suffered a continuous loss in patronage which has adversely affected its earnings.

Exhibits attached to the application disclose that during the year 1964 applicant's operating expenses exceeded its operating revenues by \$49,180 for its total operation. (Applicant operates charter service as well as common carrier service. The 1964 charter revenue was approximately 50 percent of the common carrier revenue.) It estimates that the operating expenses will exceed revenues by \$53,600 for a future year under the present rates and fares. It estimates that the proposed increases will provide it with \$41,700 additional gross revenue which will be insufficient to keep the company from operating at a loss.

The proposed express rates are the same as those maintained by Greyhound Corporation. Peerless Stages, Inc. is a party to joint rates with Greyhound and on joint traffic presently is authorized to charge the Greyhound rates, whereas on local traffic it charges different rates. Peerless states that not only are the increases in rates justified from a financial standpoint, but the establishment of the proposed rates will eliminate the confusion that now exists because of separate and different rates on local and joint express traffic.

The Engineering Economics Branch of our Transportation

Division has made a study of applicant's records and operations and prepared a memorandum report which is hereby received in this record as Exhibit 1. The results of operation estimated by the staff under proposed fares show a net loss of \$7,650 and an operating ratio of 101.5 percent for applicant's common carrier operations.

Copies of the application were served upon officials of the municipalities and counties served by applicant. There are no protests.

We find that the proposed increases have been shown to be justified and that a public hearing is not necessary.

We conclude that the application should be granted and that applicant should be authorized to establish the proposed rates and fares on not less than ten days' notice to the Commission and to the public.

IT IS ORDERED that:

1. Peerless Stages, Incorporated is authorized to establish the increased passenger fares and express rates proposed in Application No. 47641. Tariff publications authorized herein may be made effective not earlier than ten days after the effective date hereof on not less than ten days' notice to the Commission and to the public.
2. The authority herein granted shall expire unless exercised within ninety days after the effective date of this order.
3. 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

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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.

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

Dated at San Francisco, California, this 8th day of SEPTEMBER, 1965.

Fredrick B. Hallock
President
George J. Trover
Attorney
William L. Arnold
Commissioners