

**ORIGINAL**Decision No. 73198

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. 49321  
(Filed April 27, 1967)

O P I N I O N

Peerless Stages, Incorporated, is an urban and interurban passenger stage corporation serving the cities of Oakland, San Jose, Santa Cruz and Palo Alto and certain intermediate points via specified routes. It also operates as a charter-party carrier of both intrastate and interstate passengers. It seeks authority to increase its passenger stage fares as follows:

(a) Increase all one-way fares and round trip fares in the Oakland, Santa Cruz and Palo Alto Divisions by 5 percent and to raise such increased fares not ending in "0" or "5" to the next higher "0" or "5".

(b) Increase the prices of 20-ride commute book fares and 30-ride book school fares in the San Jose Division by 10 percent.

(c) Increase the prices of the 30-ride book school fares in Oakland, Santa Cruz and Palo Alto by 10 percent.

(d) Increase the minimum fares in the Oakland Division from \$.15 to \$.25 on the Special Rate.

(e) Increase all one-way fares in the San Jose Division by \$.05.

The present fares became effective October 1, 1965 pursuant to authority granted in Decision No. 69650, dated September 8, 1965, in Application No. 47641.

Financial statements and estimates of the results of operations under the present fares and under the proposed fares are included in the application. A study of applicant's financial condition and results of operations was made by the Commission's Division of Finance and Accounts and by the Transportation Division. The report of that study is received as Exhibit 1. The estimates set forth in Exhibit 1 of the results of operations by applicant for a future rate year under present fares and under proposed fares differ from the estimates made by applicant. Applicant estimates an operating loss under both the present and proposed fares. The staff estimates that for all of its operations applicant will have a rate of return of 2.4 percent under present fares and of 7.2 percent under the proposed fares. The staff's report, however, clearly shows that the operating expenses reasonably allocated to the passenger stage service will exceed the gross revenues for that service under the proposed fares. It is the charter-party carrier operation that maintains the financial stability of applicant. Further discussion of the estimates is not necessary. The verified application and Exhibit 1 clearly show, and we find that: during the past year applicant has conducted passenger stage operations at a substantial loss; there has been a decline in passenger stage revenues of about 5.5 percent and at the same time applicant has incurred marked increases in labor costs, depreciation expense, taxes and license expense, repair parts

expense and insurance expense; the present fares are inadequate and insufficient; the proposed fares will not provide excessive earnings; and the increases that will result from the establishment of the proposed fares have been shown to be justified.

Copies of the application were served upon the cities affected thereby. No protests or requests for public hearing have been received. We conclude that the application should be granted and that a public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Peerless Stages, Incorporated, is authorized to establish the increased fares proposed in Application No. 49321. Tariff publications authorized to be made as a result of the order 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 shall

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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 twenty days after the date hereof.

Dated at San Francisco, California, this 17<sup>th</sup> day of OCTOBER, 1967.

John E. Mitchell  
President

William L. Belmont

Avogadro

William J. ...

Neil P. Morrison  
Commissioners