

Decision No. 75321**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 PEERLESS STAGES, INC., requesting)
 authority to increase certain of its)
 rates of fare and to increase its)
 express rate.)

Application No. 50482
 (Filed August 14, 1968)

John F. Balsam and Alex J. Gaeta, for applicant.
Kenji Tomita and Ora A. Phillips, for the Com-
 mission staff.

O P I N I O N

This application was heard and submitted January 9, 1969, before Examiner Thompson at San Francisco. Notice of hearing was served, posted and published in accordance with the Commission's procedural rules. There are no protests.

Peerless Stages, Inc., is engaged in operation as an urban and interurban passenger stage corporation serving between Oakland, Palo Alto, San Jose and Santa Cruz. It seeks authority to increase all passenger fares and express rates, with certain exceptions, by five percent and to round off the increase upwards to the next "0" or "5". The exceptions include:

- (a) No increase in the present fare between Oakland and Hayward and other points where applicant is in direct competition with Alameda-Contra Costa Transit District.
- (b) Increase in the round-trip fare from San Jose to Golden Gate Fields from \$3.30 to \$3.65, which is also the proposed round-trip fare from San Jose to Oakland.
- (c) No increase in the present express rates applicable to newspapers.

Evidence was presented by applicant and by the Commission staff.

Some of applicant's present fares and rates became effective November 1, 1963, others became effective October 1, 1965 and others were placed into effect December 1, 1967. Since those times applicant has incurred increases in the costs of labor and materials.

Applicant estimates that for a rate year its common carrier operations will have an operating loss of \$29,681 under present fares (an operating ratio of 103.3 percent) and under the proposed fares will have a loss of \$10,979 (an operating ratio of 101.2 percent).

Applicant conducts charter operations in addition to its passenger stage and express service.

The estimated results of operations prepared by the staff for a rate year ending December 31, 1969 indicate an operating ratio under present fares of 102.0 percent for the common carrier operations and an operating ratio of 95.9 percent and a rate of return of 9.4 percent on total operations including charter operations. At the requested fares the staff estimates an operating ratio of 93.5 percent and a rate of return of 3.6 percent for the common carrier operations and an operating ratio of 93.9 percent and a rate of return of 14.0 percent on total operations.

Much of the operating equipment of applicant has been fully depreciated. The staff recommends that the proposed increases in fares be authorized.

It is clear from all of the evidence that the fares and rates of applicant are insufficient and that the proposed increases are not excessive.

We find that the proposed increases in passenger fares and in express rates are justified. We conclude that applicant should be authorized to establish the fares and rates proposed in its application.

ORDER

IT IS ORDERED that:

1. Peerless Stages, Inc., is authorized to establish the increased passenger fares and the increased express rates proposed in Application No. 50482. Tariff publications authorized to be made as a result of the order herein shall be filed 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 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 Los Angeles, California, this 18th day of FEBRUARY, 1969.

William Lyons, Jr.
President

Augusta

John P. Morrissey

William

Commissioners

-3- Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.