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Decision No. 86974

ORIGINAL

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 and
to increase its' express rate. }

Application No. 56704
(Filed August 20, 1976)

O P I N I O N

Peerless Stages, Incorporated, is an intercity passenger stage corporation (PSC-21) serving the Cities of Oakland, San Jose, Santa Cruz, Palo Alto and certain intermediate points. Applicant also operates as a passenger charter-party carrier (TCP-18A) in both intrastate and interstate transportation. Applicant seeks authority to increase its passenger stage fares and express rates on its passenger stage operations as follows:

- (a) Increase all one-way fares in the Oakland, San Jose, Santa Cruz and Palo Alto Divisions by 30 percent; increase all round-trip fares to 190 percent of one-way fares; and raise such adjusted fares to the nearest "0" or "5" cents.
- (b) Increase all 20-ride commute book fares and 30-ride school book fares in the Oakland, San Jose, Santa Cruz and Palo Alto Divisions by 30 percent and raise such adjusted fares to the nearest "0" or "5" cents.
- (c) Increase express rates to the level of Greyhound Lines, Inc. local and joint express rates.
- (d) Increase round-trip fare from San Jose to Golden Gate Fields from \$4.05 to \$5.60.

The staff of the Transportation Division has made an analysis of applicant's operations and submitted a report on the estimated results of operations based on the future year ending June 30, 1978 under present and proposed fares which is summarized as follows:

Item	Passenger Stage Operations		
	1975 Historical Year	Rate Year 1977-1978 Present Fares: Proposed Fares:	
Revenues	\$464,017	\$464,017	\$577,139
Expenses	633,791	632,666	636,801
Operating Income	-169,774	-168,649	- 59,662
Income Taxes	96	94	48
Net Income	-169,870	-168,743	- 59,710
Operating Ratio %	136.61	136.37	110.35

The report is hereby received as Exhibit 1. The analysis shows that since the present fares and express rates were authorized by Decision 81365 dated May 8, 1973, there have been marked increases in the cost of wages, fuel, insurance, supplies and materials. The results of operations show that even with the proposed 30 percent rate increase, the operating ratio of the intercity passenger stage service would be over 110 percent with a net loss of \$59,710.

In accordance with Sections 730.3 and 730.5 of the Public Utilities Code, the State and local agencies operating or planning public transit systems were notified and asked for comments regarding the proposed rate increase. The Santa Cruz Metropolitan Transit District responded with the comment that the matter should be decided by the Commission.

Notice of the filing of this application appeared in the Commission's Daily Calendar on August 24, 1976. No protests or requests for public hearing have been received.

After consideration, the Commission finds that:

1. The requested rate increase would result in additional annual revenue of approximately \$113,000.
2. The proposed rate increase is justified.
3. 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 rates proposed in Application 56704. Tariff publications authorized to be made as a result of this order may be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and to the public.
2. The authority shall expire unless exercised within 90 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 rates. Such notice shall be posted not less than five days before the effective date of the rate changes and shall remain posted for a period of not less than 30 days.

In view of the extreme operating losses, even with the increased rates, the effective date of this order is the date hereof.

Dated at San Francisco, California, this 15th day of FEBRUARY, 1977.

Robert Bateman
President

William S. ...

Richard D. ...
Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.