

Decision No. 11870

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of )  
GLENDALE AND MONTROSE RAILWAY, a )  
corporation, for an order granting )  
permission to increase rates for the )  
transportation of property between )  
points in the State of California. )

Application No. 8654.

O. T. Helpling,  
C. L. McFarland, and  
Harry W. Chase, for Applicant

BY THE COMMISSION:

O P I N I O N

The Glendale & Montrose Railway is a short line of railway, electrically operated, extending from Glendale through Verdugo, Woodlands and Montrose to La Crescenta, with a branch line extending from Glendale to Eagle Rock, all in Los Angeles County. The total mileage of the road is 8.29 miles.

On February 7th the applicant filed with us a petition asking for an increase in its proportional class and commodity rates, the class rates to be increased 10 per cent. The application was heard on March 2nd, at which time the matter was submitted and is now ready for decision.

The application sets forth that 85 per cent of the gross

revenues of the line are derived from its passenger traffic and 15 per cent from its freight traffic. The passenger revenue for 1921 and 1922 was \$24,945.23 and \$33,002.91, respectively; the freight earnings for these years were \$2,757.66 and \$5,558.56. The strictly local traffic of the applicant is small, but 29 cars were handled in 1922, and consists only of rock and gravel. The inter-line freight shipments last year amounted to 433 carloads of which 295 were lumber, 66 cement, 44 grapes and 13 automobiles. In 1921 and 1922 the earnings of the road were insufficient by \$14,000 and \$4,500, respectively, to pay operating expenses and fixed charges; and it is estimated that the revenue for this year will fall by \$10,000, to meet those items of expenditure. These figures include no allowance for interest accrued and past due on the mortgage and other indebtedness. No dividends have been paid on the capital stock or interest on bonded indebtedness of the line.

On purely local traffic, that is traffic not only originating at, but also destined to stations on the Glendale and Montrose Railway, no increases are proposed. The increases are proposed in the proportional class and commodity rates, that is, on traffic originating at or destined beyond Glendale. Such traffic actually moves, however, on through rates published in connection with the Pacific Electric or Salt Lake roads and since no increases are proposed in the through rates themselves, an increase in the proportional rates will not increase the freight charges of shippers or consignees. As stated by the traffic manager of the applicant, the proportional rates are being advanced, "with the idea of receiving larger divisions of the through rates without increasing the through rates from the connecting lines". The increases asked for are to meet increases in wages, increased cost of materials, supplies, equip-

ment and power, which mounting costs because of competitive conditions have not heretofore been reflected in freight rate increases. The wages for 1922 exceeded wages of the same number and classes of employees for 1917 by \$6900 or more than 56 per cent; the cost of power in 1922 was \$1400 more than in 1920, or an increase of 29 per cent. It will be necessary to purchase this year an electric locomotive at a cost of more than \$25,000 and to expend about \$10,000 for street paving and replacement of road bed and track. Furthermore, since October 1, 1921, the applicant which owns no equipment, has been obliged to pay per diem for car hire amounting to approximately \$80.00 per month, an expenditure which it was not required to make prior to the date named.

It is understood that in granting the increases sought by the applicant that the traffic involved is now moving, and will continue to move on through rates, and that no increase in rates to the public will follow as a result of our action in this matter. In view of the financial showing of the applicant as to its need for additional revenues and in view of the further fact that no protest was made on behalf of any of the interested lines, the application to increase its proportional class and commodity rates will be granted.

### O R D E R

The Glendale & Montrose Railway having applied to this Commission for permission to increase its local class and commodity freight rates between points located on its rails,

a hearing having been had, the Commission being fully apprised in the premises, and basing its order on the opinion which precedes this order,

IT IS HEREBY ORDERED that the Glendale & Montrose Railway be and it is hereby authorized to modify its tariffs for the transportation of freight in accordance with that part of the application marked Exhibit "C", attached to and made a part of the application.

Dated at San Francisco, California, this 30<sup>th</sup> day of March, 1925.

C. Leary  
H. B. ...  
Dwight ...

Commissioners.