

Decision No. 13419

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA
- - - - -

In the Matter of the Application of)
Lloyd's Transportation Company for) APPLICATION NO. 9700.
permission to change passenger rates.)

J. W. Smith. for Applicant.

D. H. Smith. for the Railroad Commission.

BY THE COMMISSION:

O P I N I O N

This is an application filed January 15, 1924, by Lloyd's Transportation Company, a corporation, for an order granting permission to increase the one way passenger fares between Santa Barbara and Montecito from 20 cents to 25 cents; between Santa Barbara and Summerland from 25 to 30 cents and between Santa Barbara and Carpinteria from 35 to 40 cents. It is also proposed to limit the use of the 15-ride tickets to 30 days from date of sale instead of issuing such tickets without an expiration date.

A hearing was held at Santa Barbara on Tuesday, April 1, 1924, before Examiner Geary, and the application having been duly submitted is now ready for a decision.

The stages of applicant are operated upon practically

an hourly service from 6:30 a.m. until 7:30 p.m., the last two cars leaving Santa Barbara at 9:15 and 11 p.m. This service appears to be sufficient to meet all requirements, for a greater part of the route passes through territory offering but little traffic, due to the fact that the people employ their own automobiles. The approximate distance from Santa Barbara to Montecito is 6 miles; to Summerland 7, and to Carpinteria 12, but the fares cover defined territory or zones and, therefore, are not on a strictly mileage basis.

The following figures, taken from the annual reports, are pertinent as showing the financial situation for the two years period ending December 31, 1923:

	<u>INCOME ACCOUNT</u>	
	<u>1922</u>	<u>1923</u>
Passenger Revenue	\$ 27,678.91	\$ 22,814.25
Other Transportation Revenue	296.65	15.00
Station and Other Privileges	2,050.50	-
Total Revenue	<u>\$ 30,026.06</u>	<u>\$ 22,829.25</u>
Total Expenses	<u>\$ 31,640.03</u>	<u>\$ 23,238.84</u>
Net Operating Loss	\$ 1,613.97*	\$ 409.59*
Revenue from other Operations		
(Garage)	24,212.64	-
Miscellaneous Income (Car Adv. 24.00		
(Rent 2,026.50		
(Sale		
(Junk 296.65		
	<u>2,347.15</u>	<u>-</u>
Net Income	\$ 24,945.82	\$ 409.59*
<u>Deductions</u>		
Interest - - -	2,529.56	2,158.16
Expenses other than operations		
(Garage)	27,946.54	-
Miscellaneous (Loss on Auto, etc.)	2,272.38	-
Total Deductions	<u>\$ 32,748.48</u>	<u>\$ 2,158.16</u>
 LOSS FOR YEAR	 \$ 7,802.66*	 \$ 2,567.75*

*Credit.

During the year 1922 the applicant did not keep books in conformity with this Commission's prescribed rules for uniform classification of accounts, and the net operating loss of \$1,613.97

cannot be accepted as the positive result. In this same year the total loss is given as \$7802.66, which amount includes the non-operating property, consisting mainly of a garage, since disposed of. It will be noted that the passenger revenue decreased from \$27,678.91 in 1922 to \$22,814.25 in 1923, or a loss of \$4,864.66. This is mainly attributable to the fact that the school children formerly transported by this applicant are now handled free by the busses of the School Department. The loss of this revenue and the 4 per cent gross revenue tax, effective January 1, 1924, are the principal reasons for the filing of this application.

The plant and equipment of this applicant, as shown by the annual report December 31, 1923, is valued at \$12,679.64, made up of four revenue passenger cars \$12,179.64 and floating equipment \$500.00, the cars being listed at their depreciated book value.

There was filed at the hearing Exhibit No. 1, giving the financial results for three months, ending March 31, 1924. This exhibit, with the interest charge eliminated, is reproduced below:

Ticket Sales	\$ 4,853.50	\$
Loss	1,468.43	
601 Car Operators Wages	\$ 1,468.55	
662 Gen. Office Supplies and Expenses	107.40	
604 Gasoline	642.97	
605 Oil	97.49	
608 Rent, Waiting Room	163.95	
608 Station Expense	3.26	
610 Garage Labor and Expense	225.00	
611 Other Operating Expenses	1.00	
632 Tires and Tubes	286.07	
632 Maintenance of Equipment	680.04	
651 Advertising	10.00	
660 Salaries	600.00	
661 Salaries, General Office	150.00	
663 Stationery and Printing	14.00	
665 Insurance	65.32	
667 Law Expenses	12.00	
668 Taxes	84.52	
668 State Tax Due	194.17	
669 Rent, Garage and Office	300.00	
600 Superintendence of Operation	455.00	
633 Reserve for Depreciation	\$ 5,560.74	
	761.19	
	\$ 6,321.93	

The operating loss during these three months was \$1,468.43, or at the rate of \$5,873.72 for a twelve months' period. Total expenses average about the same as in 1923, including depreciation on a 25 per cent basis. We believe, in view of past performances, that the amount claimed for depreciation is excessive and should not exceed 20 per cent per annum, to which basis the account should be adjusted.

Subsequent to the hearing applicant presented a travel check, giving a segregation of the passengers handled in the three fare zones, during February and March, which check showed that approximately 70 per cent of the travel is in the first zone, covering a district of 7 miles from the central depot, where the Montecito fare governs; this fare is to be increased from 20 to 25 cents.

The present 15-ride commutation ticket is sold without time limit and it is now proposed to limit these tickets to 30 days from date of sale. The fares are - Santa Barbara to Montecito \$2.75, to Summerland \$3.00 and to Carpinteria \$4.00, or at rate per ride, to Montecito 18-1/3 cents, Summerland 20 cents and Carpinteria 26-2/3 cents. To the regular riders the adjustments proposed will mean no increase in charge by use of the 15-ride tickets.

There was no opposition to the adjustment, although notice of the hearing was given to interested parties.

From the facts developed it is manifest applicant should be given the relief sought, for unless the fares are increased the service will deteriorate, if not entirely cease.

We conclude and find, in view of the circumstances of record in the proceeding, that the present one-way passenger fares between Santa Barbara and Montecito, Summerland and Carpinteria, are unjust, unreasonable and insufficient, and that the

just and reasonable one way fares are: Between Santa Barbara and Montecito 25 cents; between Santa Barbara and Summerland 30 cents and between Santa Barbara and Carpinteria 40 cents.

We further find that the present practice of selling 15-ride commutation tickets without time limit is unreasonable and that a time limit of thirty days for these tickets is reasonable.

O R D E R

A public hearing having been held in the above entitled proceeding, the matter having been submitted, the Commission having been duly advised, and basings its order on the findings of fact set forth in the preceding opinion.

IT IS HEREBY ORDERED that Lloyd's Transportation Company be authorized to establish within twenty (20) days from the date of this order, one way fare of 25 cents between Santa Barbara and Montecito; 30 cents between Santa Barbara and Summerland, and 40 cents between Santa Barbara and Carpinteria, which fares are found to be just and reasonable.

IT IS HEREBY FURTHER ORDERED that the 15-ride commutation ticket be issued with a time limit of thirty (30) days.

Dated at San Francisco, California, this 15th day of April, 1924.

C. Seamy
H. B. ...
Dwight Martin

J. E. Whitting