

Decision No. 17255

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
C.E.Ducret for an Order Granting
Permission to Establish an Increase
in Rates for Automobile Transport-
ation of Passengers between the
City of Gilroy and Gilroy Hot Springs,
Santa Clara County, California.

ORIGINAL

APPLICATION NO. 12723

C.E.Ducret, in Propria Persona,
W.E.McDonald, for Gilroy Hot Springs,
F.C.Staniford, for Gilroy Chamber of Commerce.

BY THE COMMISSION:

O P I N I O N

This is an application filed by C.E.Ducret, operating under the fictitious name of the Gilroy Hot Springs Stage, as a common carrier of passengers, between the city of Gilroy and the Gilroy Hot Springs, for authority under the provisions of Rule 11 of our General Order No.51 to increase the one way passenger fare between Gilroy and Gilroy Hot Springs from \$1.75 to \$2.00.

A public hearing was held before Examiner Geary at Gilroy August 19, 1926 and the application having been duly submitted is now ready for our opinion and order.

The fare was originally published in Tariff No.1, C.R.C.No.1, effective September 12, 1922 and it is now alleged to be non-compensatory for the service rendered by reason of the

fact that the passenger traffic secured is seasonal and confined principally to the period April 15 to October 31 of each year. There is no local business between Gilroy and the Springs, a distance of fourteen miles; the roads are unpaved and most difficult of operation.

Applicant claims, as evidenced by his annual report, an investment of \$1800. and shows that for the year 1925 a total revenue of \$1664.01, derived as follows:

From Passenger Business	--	\$784.65
" Mail	--	814.36
" Other Sources.	--	65.00

The operating expenses, including depreciation, are shown as \$800.87, but no charges are included in these expenses for repairs to the equipment nor any compensation for applicant, who acts as driver of the vehicle. With a reasonable allowance for labor and repairs it is apparent the stage line was conducted at a loss during the year 1925. The round trip fare, now \$3.25, will not be changed and because the service is seasonal and devoted to vacation travel the greater part of the revenue is secured from this round trip business. The proposed change in the one way fare was supported by the witness for the Gilroy Hot Springs Resort and for the Gilroy Chamber of Commerce. The latter organization, by letter dated May 14, 1926, advised the Commission as follows:

"The Board of Directors of the Gilroy Chamber of Commerce offer no objection to applicant's desire to increase the one way fare to the Hot Springs from \$1.75 to \$2.00. In fact, they believe it a very reasonable request".

Under the circumstances and from all the facts before us, we are of the opinion and find as a fact that applicant should be authorized to publish a one way passenger fare of \$2.00 between

Gilroy and Gilroy Hot Springs, which fare is found to be just and reasonable.

O R D E R

Application having been made to the Railroad Commission, full investigation of the matters and things involved having been had, and basing this order on the findings of fact and the conclusions contained in the opinion which precedes this order,

IT IS HEREBY ORDERED that applicant, C.E.Ducrot, doing business under the name of Gilroy Hot Springs Stage, be and he is hereby authorized to establish on ten (10) days' notice to the Commission and to the public a one way passenger fare of \$2.00, applicable between Gilroy and Gilroy Hot Springs, which fare is found to be just and reasonable.

Dated at San Francisco, California, this 23rd day of August, 1926.

H. B. Brundage
C. E. Ducrot
Thomas D. Rowland
Commissioners.