Decision No. <u>17792</u>

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of ) Tidewater Southern Railway Company and ) Central California Traction Company to ) Make Certain Changes in Joint Rates be- ) tween points on their respective lines ) PIRAL

APPLICATION NO. 13248

James S. Moore, Jr., for Tidewater Southern Railway Company, W. P. Jennings and F. L. Carsner, for Central California Traction Company.

BY THE COMMISSION:

## <u>o p i n i o n</u>

This is an application filed jointly by Central Cakifornia Traction Company and Tidewater Southern Railway Company for permission to cancel joint rates, rules and regulations published in Central California Traction Company's Tariff No.10, C.R.C.24, also Supplements 1, 2, 4 and 5 thereto, and to publish and maintain in lieu thereof a tariff designated as Tidewater Southern Railway Company's Joint Freight Tariff G.F.D. No.100, as per a proof copy of same marked Exhibit "A" attached to and made a part of the application. The proposed tariff contains rates, rules and regulations for the transportation of

-1-

BGq

freight between Sacramento, Lodi, Sheldon and intermediate points on the line of Central California Traction Company on the one hand and on the other, Manteca, Turlock, Modesto, Hilmar and intermediate points on the line of Tidewater Southern Railway Company.

The proposed rates, rules and regulations as set forth in Exhibit "A" and as amended will result in both increases and reductions in the present rates.

A public hearing was held before Examiner Geary at San Francisco December 2,1926 and the application having been duly submitted is now ready for our opinion and order.

A number of the points served by applicant are also served by the Southern Pacific Company and subsequent to August 26,1920 the rates published in tariffs of the Southern Pacific Company have been, in most cases, higher than those shown in Tariff C.R.C.No.24 from and to the common points. The proposed rates will be equal to and harmonize with those now in effect via Southern Pacific Company direct.

This Commission, in Decision No.7983, August 17,1920, authorized, effective August 26,1920, practically all steam and electric rail carriers to increase intrastate freight rates, including switching and special charges, 25 per cent. The rates for interstate transportation in the territory known as the Mountain-Pacific Group were likewise increased 25 per cent August 26,1920, in accordance with Ex Parte No.74, decided by the Interstate Commerce Commission July 29,1920, 58 I.C.C.220.

This Commission also issued informal authority, dated

305

-2-

October 14,1920, in compliance with a 63rd section application of J.C.Stone, Traffic Manager Central California Traction Company, to increase the freight rates to the basis authorized in Decision No.7983, but applicant's tariff was never amended as provided for in the decision.

Witness for the applicant submitted a statement showing tonnage moved on the joint rates during the period September 1, 1925 to and including August 31,1926. This statement shows that the southbound tonnage to points on the Tidewater Southern Railway consisted of nine carloads, total weight 148.2 tons, and the northbound tonnage to points on the Central California Traction Company of four carloads weighing 107.2 tons. The less than carload shipments southbound weighed 26% tons and the northbound movement weighed 4.3 tons; total tonnage for the year 286.9 tons, the gross revenue being less than \$1000. A witness testified further that the applicant carriers' earnings were materially below 5% per cent, the rate of interest fixed by the Interstate Commerce Commission as a reasonable return.

There were no appearances in opposition, although shippers were notified of the hearing. A witness for the applicant testified that interested shippers located at Sacramento, Lodi and Modesto had been interviewed in connection with the adjustment sought and no objections were offered.

Upon consideration of all the facts of record, we find that applicant's present rates for the transportation of freight shown in Central California Company's Tariff No.10, C.R.C. 24 and supplements thereto are unjust and unreasonable; that the just and reasonable rates are those shown in Exhibit "A" attached to and made a part of the application and as amended.

-3-

306

## $\underline{O \ R \ D \ \underline{E} \ R}$

This application having been duly heard and submitted, 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 and which said opinion is hereby referred to and made a part hereof,

IT IS HEREBY ORDERED that the applicants, Tidewater Southern Railway Company and Central California Traction Company, be and they are hereby authorized to publish and file in a tariff designated as Tidewater Southern Railway Company's Joint Freight Tariff G.F.D. No.100, the rates, rules and regulations shown in Exhibit"A" attached to the application and as subsequently amended.

Dated at San Francisco, California, this <u>2126</u> day of December, 1926.

-4-

Commissioners.