Decision No. 18219

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BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of ) Pacific Electric Railway Company, ) a corporation, for an order granting ) permission to increase passenger ) rates and fares between points in ) the State of California.

Application No. 13460.

Frank Karr and C. W. Cornell, for the Applicant.

Leonard A. Diether, Deputy City Attorney, for Protestant City of Pasadena.

Frank L. Perry, City Attorney of the Cities of Redondo Beach and Manhattan Beach, for protestants City of Redondo Beach and City of Manhattan Beach.

- Clyde Bishop, City Attorney, for Protestant City of Newport Beach.
- Jess E. Stephens, City Attorney; Milton Bryan, Deputy City Attorney; J. L. Ronnow, Deputy City Attorney; J. O. Marsh, Manager and Chief Engineer, Board of Public Utilities; Fred F. Ball, Special Engineer, Board of Public Utilities of the City of Los Angeles, for Protestant City of Los Angeles.
- H. E. Vedder, City Attorney, for Protestant City of South Pasadena.
- A. M. Pence, City Attorney, for Protestant City of Covina.
- Charles J. O'Connor, City Attorney, for Protestant City of Colton.
- E. F. Bogardus and Carl Bush, for Protestant Hollywood Chamber of Commerce.
- D. C. Gould, City Attorney, for Protestant City of Alhambra.
- Bruce Mason, City Attorney, for Protestant City of Long Beach.

A. G. Wray, City Attorney, for Protestant, City of Whittier.

Walter M. Dunn and John A. Sturgeon, for Protestants Cities of Aroadia and El Monte.

- W. H. Engle. for Protestant Northwest Chamber of Commerce.
- Ray L. Morrow, City Attorney, for Protestant City of Glendale.

W. E. Woodard and Earl W. Porter, for Protestants Venice Branch of the Los Angeles Chamber of Commerce, Citizens Rate Committee of Venice, and the citizens of Venice.

- Clyde Woodworth, City Attorney, Inglewood, El Segundo and Hawthorne, for Protestants Cities of Inglewood, El Segundo and Hawthorne.
- James E. Mitchell, City Attorney, for Protestant City of Burbank.
- Charles A. Rolfe, Chairman of Transportation Committee, City of Redlands, for Protestant City of Redlands.
- Jess E. Stephens and Milton Bryan for Protestant, Committee of City Attorneys Association of Southern California.
- George A. French, City Attorney, for Protestant City of Riverside.
- Carson B. Hubbard, City Attorney, for Protestant City of Huntington Park.

Davenport R. Phelps, Secretary-Manager, West Hollywood Chamber of Commerce, for Protestant West Hollywood Chamber of Commerce.

- Herb H. Shiels, for Protestant Culver City and for Protestants Citizens Rate Committee of Venice.
- R. C. Waltz, City Attorney, for Protestant City of Beverly Hills.
- Chester L. Coffin, City Attorney of Santa Monica, for Protestant City of Santa Monica.
- C. A. Bland, for Protestant Chamber of Commerce of Long Beach.
- E. H. Jolliffe, City Attorney, for Protestant City of Ontario.
- Mrs. Sarah M. Skinner, for Protestant Harriman Avenue, South Pasadena.
- J. J. Deuel, for Protestant California Farm Bureau Federation.

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Joseph A. Allard, City Attorney, City of Pomona, Claremont and LaVerne for protestants Cities of Pomona, Claremont and LaVerne.

Leopold Jacobson, protestant, pro se.

C. A. Bridge, City Attorney, for Protestant Hermosa Beach. Frank W. Forester, for Protestant Knights of Pythias 107 California Pomona Lodge.

W. H. Powell, for Protestants East Hollywood Improvement Association, Bus Committee of Hyperion Avenue and Silver Lake Glendale Boulevard Motor Coach.

WHITSELL, COMMISSIONER:

## OPINION ON SUPPLEMENTAL APPLICATION

The Pacific Electric Railway Company, on January 11th, 1927, filed an application with this Commission for an order granting permission to increase passenger rates and fares over practically all of its interurban and local railway system. On March 8th, 1927, applicant filed a supplemental application in this proceeding in which authority was asked to put into effect, as a temporary experiment and for purposes of observation during the hearings on the main rate case, a schedule of reduced one-way, round-trip and 30-ride rates, with an elimination of all other commutation rates. The lines included in the supplemental application consisted of a group of the shorter interurban lines.

Public hearings were held in Los Angeles on the original application, on March 10th and 11th, 1927, and on the supplemental application on March 11th and 30th and April 5th, 1927. At the hearing on April 5th the record, insofar as it related to the supplemental application, was submitted and is now ready for decision.

During the hearings on the supplemental application, many of the communities protested the placing in effect of the proposed trial rates. Agreement was reached, however, between applicant and representatives of the Cities of Los Angeles, Glendale and Burbank that an experimental rate schedule might be placed in effect on the Glendale-Burbank line of applicant, the basis of determining the rates to be as follows:

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One-way fare - Based on rate of 2¢ per mile, but with the nearest 5¢ multiple. Minimum fare 10¢ except where the present fare is 6¢ no changes shall be made in such fare.

Round-trip fare - To be 5¢ less than twice the one-way fare between all points where one-way fare is 15¢ or greater, no reduction where fare is 10¢ or less.

A 30-ride, 90-day family commutation book - To be sold at 20% less than 30 one-way fares, except that this form of ticket will not be sold between points where the one-way fare is 10¢ or less.

A 60-ride, 40-day individual commutation book -To be sold at all points where it is now in effect, at an increase of 20% above existing rates, except that this form of ticket will not be sold between points where the one-way fare is 10¢ or less.

Ton-ride, week-day and monthly commutes to be discontinued.

It was further agreed that these rates should remain in effect for a period of at least four months and longer if it is found that the revenue on this line does not lessen more than \$4,000.00 per month, as compared to the present revenue but in no event are the temporary rates to remain in effect beyond the effective date of the decision on the original application.

The City of Burbank stressed the necessity for improved service on this line, referring particularly to a needed decrease in the running time. Both Applicant and the SCities of Los Angeles, Glendale and Burbank agreed to assist in every reasonable manner in the improvement of the service on the line.

No party to the record in this proceeding protested the granting of authority to put into effect the experimental rates on the said Glendale-Burbank line as above stated. Applicant stipulated that the supplemental application be amended to apply only to this line and in accordance with the agreed plan.

From a consideration of the evidence, I am of the opinion that the fare schedule, as agreed to between the parties, and as outlined above, is worthy of trial and should temporarily be placed in effect for experimental or test purposes. Suitable records should

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be kept by applicant in order that results of such an experimental rate structure may be observed. All reasonable betterments in the service on this line, including lessened running time between terminals, should also be made and to this end our engineering department has been instructed to proceed to a consideration of the service on this line as promptly as possible in connection with the study now being undertaken on applicant's entire system.

> The following form of order is proposed:

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

Pacific Electric Railway Company having applied to the Commission for permission to put into effect, for a limited period, certain experimental rates on a portion of its interurban system for the purpose of determining the effect upon traffic, public hearings having been held, the Supplemental Application having been amended to provide for an experimental rate structure to apply on the Glendale-Burbank line, the parties having stipulated their willingness to accept this modified plan, and no protests having been entered in opposition to the placing in effect of such rate schedule, therefore

IT IS HEREBY ORDERED that applicant, Pacific Electric Railway Company be and it is hereby authorized to establish and file on one day's notice to the Commission and to the public, one-way, round-trip, 30-ride family commutation fares and 60-ride individual commutation fares on its Glendale-Burbank interurban line, upon the following plan:

1. One-way fares shall be based on 2 cents per mile, using the nearest 5¢ multiple, minimum fare 10 cents, except where the present one-way fare is 6 cents no change shall be made in such fare.

2. Round-trip fares shall be double the one-way fare where the one-way fare authorized herein is less than 15 cents. Where the one-way fare authorized herein is 15 cents or greater, the round-trip fare shall be 5 cents less than double the one-way fare.

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3. 30-ride family commutation fares shall be 80 per cent of thirty one-way fares except that no 30-ride family commutation fares will be published between points where the one-way fare authorized herein is less than 15 cents.

4. 60-ride individual commutation fares shall be 120 per cent of the present 60-ride individual commutation fares except that no 60-ride individual commutation fares will be published between points where the one-way fare authorized herein is less than 15 cents.

5. Adjustments not specifically authorized in this order may be referred to the Commission for determination.

6. These rates to remain in effect for a period of four months and longer if it is found that the revenue on this line does not lessen more than \$4,000.00 per month, as compared to the present revenue but in no event are the temporary rates to remain in effect beyond the effective date of the decision on the original application.

IT IS HEREBY FURTHER ORDERED that applicant, Pacific Electric Railway Company, be and it is hereby authorized to suspend, on one day's notice to the Commission and to the public, concurrently with and during the period the fares authorized in the preceding paragraph remain in effect, all 10-ride, week-day and monthly commutation fares now in effect on the Glendale-Burbank Interurban Line.

IT IS HEREBY FURTHER ORDERED that applicant, Pacific Electric Railway Company shall keep a record of the revenue received from the fares herein authorized in such manner that the effect of such fares readily may be analyzed. Monthly reports showing the results obtained from the fares herein authorized shall be filed with the Commission.

The Commission reserves the right to make such further orders in this matter as to it may seem right and proper.

The authority herein granted shall become effective on the date hereof.

IC. Dated at San Francisco, California, this day , 1927. Q Commissioners. -6-