

ORIGINAL

Decision No. 19823 .

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application
of SOUTHERN PACIFIC COMPANY, for
authority to increase one-way and
individual monthly commutation
fares, between San Francisco and
points in the County of Alameda,
California.

Application No. 11504.

G. V. Shoup and C. W. Durbrow, for the
Southern Pacific Company,
Dunne, Brobeck, Phleger & Harrison, for
the Key System Transit Company,
Preston Higgins, City Attorney, by A. N.
Nelson, Assistant City Attorney, for
the City of Oakland,
W. J. Locke, City Attorney, for the City
of Alameda,
E. J. Sinclair, City Attorney, and John
N. Edy, City Manager, for the City of
Berkeley,
D. J. Hall, City Attorney, for the City
of Richmond,
G. N. Richardson, for the City of Piedmont;
C. W. White, for the Town of Hayward,
Thomas W. Girby, for the Town of Emeryville.

SEAVEY, COMMISSIONER:

O P I N I O N

On July 27, 1925, Southern Pacific Company filed the
above entitled application with this Commission, asking for an
investigation and order authorizing reasonable fares. Upon
supplemental petition herein for interim rates, the Commission
on January 19, 1926, by Decision No. 15875, authorized certain
temporary rates.

The Commission, subsequent to the issuance of that
order, has directed its staff, in co-operation with the inter-

ested parties, to make an extensive and thorough investigation of the facts pertinent to the issues in this proceeding.

Results of these investigations together with the testimony of other interested parties, particularly the applicant, have been placed in evidence at the numerous public hearings held in this matter. A restatement and summarization of all of the evidence presented appears unnecessary and will be omitted from this opinion.

The following findings of fact clearly appear to be justified, after a complete and careful consideration of all evidence presented:

(1) The financial results of operation of the applicant's property for the year 1927 as estimated by the Commission's Engineers may be fairly stated as follows:

Operating Revenues,	\$3,423,000.
Operating Expenses, Depreciation computed on a 5% sinking fund annuity method, and Taxes,	<u>3,868,267.</u>
Net Income - Deficit,	\$445,267.

(2) It appears improbable that there can be found a schedule of rates and fares, which if established, would produce sufficient revenues to pay operating expenses together with a fair return based on any value of the property that might be found.

(3) The direct competitive conditions that exist between the trans-bay interurban system of applicant and that of the Key System Transit Company necessitate the fixing of the applicant's rates and fares at a level not higher than those of the Key System Transit Company.

It is my conclusion that such rates should be established as will put the applicant's rates on a parity with the rates authorized on the Key System Transit Company's trans-bay lines and from the evidence at present before me, I am of the opinion that the increase will not result in a return to

the company sufficient to even pay the out of pocket operating expenses.

The following form of order is recommended:

O R D E R

The Southern Pacific Company having filed the above entitled application for an adjustment of its fares, public hearings having been held, the Commission being apprised of the facts, the matter being under submission and ready for decision,

IT IS HEREBY ORDERED that applicant be and it is hereby authorized to establish within thirty (30) days from the date of this order, upon not less than three (3) days notice to this Commission and to the general public by filing and posting tariffs in the manner prescribed in Section 14 of the Public Utilities Act, and to thereafter maintain and apply monthly commutation fares as prescribed in Exhibit "A" attached hereto and made a part hereof, subject, however, to the following conditions:

(1) The applicant shall file with this Commission monthly reports of such operating and traffic statistics as the Commission may prescribe from time to time on forms approved by the Commission. Further, upon request, the applicant shall furnish copies of said operating and traffic statistics to the duly accredited representative of each community in which the applicant's lines are operated.

(2) The Commission reserves the right to abolish or to modify or change from time to time, by supplemental order herein, the rates and fares prescribed in said Exhibit "A" and to make such further orders in this pro-

ceeding as may be deemed right and proper.

IT IS HEREBY FURTHER ORDERED that these proceedings remain open for such further orders as the Commission shall find necessary in the public interest.

For all purposes the effective date of this order shall be twenty (20) days from the date hereof.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 29th day of May, 1928.

Leon White
Chairman
James M. ...
John D. ...

Commissioners.

OPINION CONCURRING IN PART AND DISSENTING IN PART

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My views on the question of transbay fares are indicated in the opinion I filed in the Key System proceeding this day decided. The views expressed there if applied here would call for an increase in transbay fares, but the increase would be applied to the one-way fares rather than to the commutation fares.



Commissioner.



EXHIBIT "A"

1. INDIVIDUAL MONTHLY COMMUTATION FARES BETWEEN SAN FRANCISCO AND STATIONS ON EAST BAY ELECTRIC LINES; ALSO STATIONS ON MAIN LINE TO AND INCLUDING STONEHURST AND VIGORIT.

Between

San Francisco
AND

Oakland Pier)	
Alameda Pier)	
Oakland (7th and 18th St. Lines))	
Alameda (via Oakland or Alameda Pier))	
Berkeley)	
Thousand Oaks)	\$6.50
University Campus)	
Berkeley (University Avenue))	
Sather)	
Seminary Avenue)	
Parker Avenue)	
Sequoiah Avenue		6.65
Dutton Avenue		7.00
Stonehurst		7.00
Vigorit		6.50

The fares authorized above will be subject to the same rules, regulations, allowances and privileges in effect under the present fares shown in Southern Pacific Company's Local Commutation Tariff D-No. 2, C.R.C., No. 4177.