

Decision No. 9850

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application)
of the PACIFIC ELECTRIC RAILWAY)
COMPANY for certificate of public)
convenience and necessity to oper-)
ate motor coach lines in the)
City of Santa Ana, State of Cal-)
ifornia.)

APPLICATION NO. 14478.

C. W. Cornell and H. O. Marler, for
Applicant.

BY THE COMMISSION:

O P I N I O N

This is an application of Pacific Electric Railway Com-
pany for a certificate of public convenience and necessity to
operate motor coach lines within the city of Santa Ana, Cal-
ifornia. A public hearing was conducted before Examiner Wil-
liams at Santa Ana on May 9, 1928, at which time the matter
was submitted.

Operation of motor coach lines within Santa Ana city
limits was inaugurated August 1, 1922. The operations were at
that time and have subsequently been conducted under franchise
from the city.

Applicant now desires, as shown by the record and by
exhibits filed subsequent to the hearing, to re-route its
lines, change its service, reduce the present 7-cent fare
(four tickets for 25 cents) to 5 cents, and interchange trans-
fers with the rail lines within local limits of Santa Ana.

The record shows that the existing service is carried on at a heavy operating loss, the results of operation for the years 1926 and 1927, on an out-of-pocket basis, being as follows:

	<u>1926</u>	<u>1927</u>	<u>Estimated After Changes</u>
Operating Revenues,	\$34,417.96	\$32,614.66	\$32,378.00
Operating Expenses,	<u>52,691.72</u>	<u>43,826.22</u>	<u>31,888.57</u>
Net	18,273.76*	11,211.56*	489.43
Taxes,	<u>2,617.51</u>	<u>2,671.03</u>	<u>2,510.42</u>
Total Loss,	\$20,891.27*	\$13,882.59*	\$ 2,020.99*

*Red figure.

The changes in routes and readjustments in service proposed by applicant, it is estimated, will not materially affect its revenues, but will reduce the expense of operation to a point where, together with the fact that the coaches assigned to this service have practically been fully depreciated, the operation will be placed on a better financial basis. There will still remain, however, a loss of \$2,020.99 for the year. It should be pointed out, also, that when renewals of the motor coaches are necessary and a depreciation allowance again made, the loss will be greater than that estimated.

While no appearance was entered at the hearing on behalf of the City of Santa Ana, the record shows that the changes in routes and service have been discussed with and are acceptable to the City Council of Santa Ana.

Applicant amended its application subsequent to the hearing to provide for a reduction in the present fares of 7 cents, or four tickets for 25 cents, to a flat 5-cent basis,

including transfer to or from the rail line, for the purpose of determining whether sufficient additional business would result to justify the reduction.

We find that the public convenience and necessity warrant the granting of the application.

O R D E R

Pacific Electric Railway Company, a corporation, having applied to the Railroad Commission for a certificate of public convenience and necessity to operate motor coach lines in the city of Santa Ana, California, a public hearing having been held, the matter having been duly submitted and now being ready for decision,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the establishment and operation by applicant Pacific Electric Railway Company, of motor coach lines in the city of Santa Ana, California, over and along the following routes:

Commencing at Washington and Lincoln Avenues, west on Washington Avenue, south on French and Minter Streets, west on Fourth Street, south on Parton Street, west on Camille Street, south on Garnsey Street, east on Fairview Avenue, south on Van Ness Avenue, east on St. Gertrude Place, north on Main Street, west on Fourth Street, south on Parton Street, west on Second Street, north on Artesia Street to Fourth Street.

Returning, from Fourth and Artesia Streets, thence south on Artesia Street, east on Second Street, north on Parton Street, east on Fourth Street, south on Main Street, west on St. Gertrude Place, north on Van Ness Avenue, west on Fairview Avenue, north on Garnsey Street, east on Camille Street, north on Parton Street, east on Fourth Street, north on Minter and French Streets, thence east on Washington Avenue to Lincoln Avenue.

A tripper service to be operated, commencing at Fourth and Artesia Streets via Artesia Street to Second Street, thence Second Street to Parton Street, Fourth Street, French Street, First Street to Santa Fe Street, returning reverse of said route; and

IT IS HEREBY ORDERED that a certificate of public convenience and necessity for such service be and the same is hereby granted to applicant Pacific Electric Railway Company, a corporation, subject to the following conditions:

- I. Applicant shall file with this Commission, within a period of not to exceed ten (10) days from date hereof, its written acceptance of the certificate herein granted.
- II. Applicant shall file, in duplicate, within a period of not to exceed twenty (20) days from date hereof, time schedules, such time schedules to be identical with those attached to the application herein or time schedules satisfactory to the Railroad Commission, and shall commence operation of said service within a period of not to exceed sixty (60) days from the date hereof.
- III. The rights and privileges herein authorized may not be sold, leased, transferred nor assigned, nor service thereunder discontinued, unless the written consent of the Railroad Commission to such sale, lease, transfer, assignment or discontinuance has first been secured.
- IV. No vehicle may be operated by applicant under the authority herein granted unless such vehicle is owned by applicant or is leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.

IT IS HEREBY FURTHER ORDERED that Pacific Electric Railway Company, a corporation, be and it is hereby authorized to establish, on one day's notice to the Railroad Commission and to the public, a 5-cent fare on the motor coach lines herein authorized, including transfer to and from applicant's rail lines within the local fare limits of Santa Ana.

For all purposes except as hereinabove specified,
the effective date of this order shall be twenty (20) days
from and after the date hereof.

Dated at San Francisco, California, this 1st
day of June, 1928.

Leon Whittell

C. J. Sweeney

Frank J. ...

Thos. J. ...

M. A. ...

COMMISSIONERS.