

Decision No. 19916.**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the)
 SAN FRANCISCO-SACRAMENTO RAILROAD COMPANY)
 to increase monthly commutation fares be-) Application No. 14766.
 tween San Francisco and Verbena and Pitts-)
 burg and related points.)

C. W. Dillon for applicant.

BY THE COMMISSION:

O P I N I O N

This is an application filed by the San Francisco-Sacramento Railroad Company by its Traffic Manager, L. E. Rodebaugh, in the name and on behalf of all carriers parties to tariffs, for authority under Sections 15 and 63 of the Public Utilities Act to increase, effective July 1, 1928, the commutation fares between San Francisco on the Key System Transit Company on the one hand, and on the other, points on the San Francisco-Sacramento Railroad, Verbena to Pittsburg inclusive, as per Exhibit "A" attached to the application.

A public hearing was held before Examiner Geary at San Francisco Thursday June 14, 1928, and the matter having been submitted is now ready for an opinion and order.

By Decision No. 19822, dated May 29, 1928, in Application No. 11329 and Case No. 2467, the Key System Transit Company was authorized to increase its trans-bay monthly commutation fares by \$1.30 per month, or from \$5.20 to \$6.50.

The San Francisco-Sacramento Railroad Company under and in accordance with a certain contract dated January 30, 1911, with

the Key System Transit Company, has the use of the facilities of the Transit Company for the transportation of passengers between Oakland (Fortieth and Shafter Streets) and San Francisco, and the contract provides that in the division of the earnings of the joint monthly commutation fares the Key System Transit Company's proportion will be its full commutation fare in effect between the points of interchange at Oakland and San Francisco. Accordingly, beginning on July 1, 1928, the effective date of the increase between San Francisco and Oakland, this applicant must increase its allowance to the Key System Transit Company by \$1.30 for each and every monthly commutation ticket issued in connection with its line.

The financial results obtained by the San Francisco-Sacramento Railroad during a number of years past have been most unsatisfactory, and there has been a steady decline in the railway operating revenues without any corresponding reduction in the railway operating expenses. For the year ending December 31, 1926, the operating revenues were \$990,311.94, in 1927 \$908,936.41, or a decrease of \$81,375.54. The operating expenses in 1926 were \$909,782.35, and in 1927 \$919,666.34, an increase of \$9,883.99. Net revenue from railway operations (profit) in 1926 was \$80,529.59, and in 1927 a loss of \$10,729.94. In 1926 after deducting taxes there was an operating income (profit) of \$27,385.59, and in 1927 after deducting taxes, a loss of \$56,039.32. The income balance transferred to Profit & Loss in 1926 was a deficit of \$34,443.30; in 1927 a deficit of \$122,793.00; and the total debit balance at the beginning of the year 1928 was \$585,650.52.

It is apparent from the record made in this proceeding that applicant's financial condition is becoming worse year after year, and its failure to earn even the operating expenses and taxes during the year 1927 makes unwise any further reduction

in its commutation revenue.

During the year 1927 applicant sold to the points involved 905 monthly commutation tickets, an average of 76 per month, and therefore the changes in fares represent an approximate increase of \$100 per month in its payments to the Key System.

There were no appearances in opposition.

We find as a fact that the proposed commutation fares have been justified, and applicant should be authorized to increase the present commutation fares between San Francisco and all points on its line by \$1.30, as set forth in exhibit "A" attached to and made part of the application.

O R D E R

The San Francisco-Sacramento Railroad Company having filed its application for authority to increase monthly commutation fares by \$1.30 at all points Verbena to Pittsburg inclusive, a public hearing having been held on said application, and the matter having been duly submitted,

IT IS HEREBY ORDERED that the San Francisco-Sacramento Railroad Company be and it is hereby authorized to publish and file in a tariff or tariffs to become effective July 1, 1928, commutation fares \$1.30 higher than those now in effect at points between San Francisco and Verbena-Pittsburg and all intermediate points.

Dated at San Francisco, California, this 22nd day of June, 1928.

Leon Whipple

C. Seaver

Thos. B. Court

W. J. Cur
Commissioners.