

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

Application No. 7250

Application No. 7359

Application No. 7360

Application No. 7361

Application No. 7362

C. W. Davison for Residents of Keyes Street;  
Protestants in Application No. 7250.

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on that portion of its street railway system in the City of San Jose located on Keyes Street from its intersection with Tenth Street to the end of the track on said Keyes Street; also to substitute a single track line for its present double track line on Tenth Street, San Jose, from Reed Street to Keyes Street.

San Jose Railroads, a corporation, in Application No. 7359 petitions the Railroad Commission for an order authorizing the abandonment of franchise and operation of bus service over Hobson Street, in the City of San Jose, from its intersection with First Street to Walnut Street.

Peninsular Railway Company, a corporation, in Application No. 7360 petitions the Railroad Commission for an order authorizing the abandonment of its franchise upon and service over San Carlos Street in the City of San Jose, from First Street to Fifteenth Street, for the removal of its rails and equipment from San Carlos Street between Seventh Street and Fifteenth Street at the present time, and to remove its rails and equipment from San Carlos Street between First Street and Seventh Street when such portion of the street is improved by the City of San Jose or by the property owners on such street.

San Jose Railroads, a corporation, in Application No. 7361 petitions the Railroad Commission for an order authorizing the abandonment of service on Saratoga Avenue from the southerly limits of the Town of Santa Clara to Bellomy Street, upon Bellomy Street from its intersection with Saratoga Avenue to its intersection with Lincoln Street, upon Lincoln Street from its intersection with Bellomy Street to its intersection with Franklin Street, upon Franklin Street from its intersection with Lincoln Street to its intersection with Jefferson Street; and to suspend operation of the so-called Depot Line service upon Franklin Street from the Southern Pacific Station

in Santa Clara to the intersection of Franklin Street with Jefferson Street.

San Jose Railroads, a corporation, in Application No. 7352 petitions the Railroad Commission for an order authorizing the suspension of operation of its Seventh Street (San Jose) line over Third Street, San Antonio Street, Second Street and St. John Street between Reed Street and First Street and to operate said line from Keyes Street over Seventh Street to Reed Street, over Reed Street to First Street, and over First Street to the Southern Pacific Depot in San Jose.

A public hearing on the above entitled applications was conducted by Examiner Handford at San Jose, the matters were consolidated by stipulation for the receipt of evidence and for decision, were duly submitted, and are now ready for decision.

It was stipulated at the hearing that the "Report on Service Operating and Financial Conditions of San Jose Railroads Company and Peninsular Railway Company" of the Commission's engineering department, filed as an exhibit (Commission's Exhibit No. 2) in Applications 6413 and 6414 would, as far as applicable, be considered as evidence in these proceedings. Applications 6413 and 6414 are applications filed by Peninsular Railway Company and San Jose Railroads Company, respectively, asking authority to increase passenger rates.

As applicable to all the matters herein considered, exhibits were filed by the San Jose Railroads and Peninsular Railway Company showing operating revenues, operating expenses and income account for an eleven months' period ending November 30, 1921, identified as applicants Exhibit "A".

This exhibit is a regular periodical report of applicant, similar, except as to period, to exhibits filed in Applications 6413 and 6414 and the conclusions to be drawn from it must, and have been, considered along with the conclusions drawn from similar reports as discussed in Commission's Exhibit No.2 in the rate cases, Applications 6413 and 6414, and with Decisions 9823 and 9824, respectively, in these applications.

An exhibit furnished by applicant, San Jose Railroads, in Application No. 7250 shows the result of a check of passengers alighting or boarding street cars on Keyes Street for the period August 3rd to August 9th, 1921, inclusive, each exhibit showing an average of 133  $\frac{5}{7}$  passengers per day. A check made on December 30, 1921, and covering traffic between Tenth and Keyes Streets and Keyes Streets and the terminus of the line showed ninety-

five passengers to have been carried or which number forty-eight boarded or left the cars at the terminal of the line and the other forty-seven passengers were carried to or from some point between the terminus and the intersection of Tenth and Keyes Streets. The total number of one way trips operated on this line daily is one hundred fifty two the schedule being on a fifteen minute headway between the hours of 6.00 A.M. and 3.30 P.M., on a twelve minute headway between the hours of 3.30 P.M. and 8.00 P.M., and on a fifteen minute headway between the hours of 8.00 P.M. and 12.00 P.M.

One of the reasons alleged by applicant in its prayer for the granting of this application is the desire to relieve itself of the obligation for the payment of its proportion of the paving of Keyes Street should same be authorized including the necessary reconstruction incident to paving work being the sum of \$44,615.96, and applicant claims that it is not in a financial condition to make the capital expenditure required having no money on hand with which to meet such expense nor is it in position to borrow to meet the investment that would be required and which is apparently not justified by the limited amount of traffic offering over Keyes Street where it is proposed to suspend service and abandon its tracks. Applicant estimates that an annual saving by the granting of this application will accrue in amount \$7,063.58 and an estimate made by the Engineering Department of this Commission indicates that a saving of approximately \$3,595.00 per annum may be expected should the proposed abandonment be authorized by the Commission.

The granting of Application No. 7250 is opposed by resi-

dents of Keyes Street and adjacent territory served by the line and petitions were presented signed by ninety-one property owners objecting to any change in the number of cars operated, the time of operation or the removal of tracks and abandonment of franchise.

The automobile bus service for which authority for abandonment is requested by applicant, San Jose Railroads, in Application No. 7359 is the service established by order of this Commission in Decision No. 5160 on Application 2361 as decided February 26, 1918, such bus service having been established in lieu of the former narrow-gauge street car operation conducted over Hobson Street between First and Walnut Streets. A statement filed as an exhibit by applicant and covering the months of January to November, inclusive, 1921, shows the total receipts of this bus line to have been \$732.93, the expense of operation during this same period was \$5,584.38 or a net operating loss of \$4,851.45. It is apparent that the serious operating loss occasioned by the continuance of this bus service on Hobson Street does not indicate an active demand on the part of patrons of this applicant for a continuation of the service in that the patronage accorded does not even approximate the expense of conducting the operation although patrons using such line have the benefit of transfers to and from other lines of applicant's system of street railways in San Jose. There was no evidence introduced at the public hearing protesting the proposed abandonment of bus service although statements were made by residents served by the Hobson Street bus line objecting to the discontinuance of service even though its continued operation resulted in substantial loss.

In Application No. 7360 applicant, Peninsular Railway Company, presented an exhibit showing the number of persons alighting from and boarding Naglee Park car on East San Carlos Street, between First and Fourteenth Streets during the period from October 11th to October 21, 1921, inclusive. This car operates sixty-seven trips daily with an average number of passengers per trip in the district between First and Fourteenth Streets of  $4 \frac{1}{8}$ , the average number of trips upon which no passengers were carried between First and Fourteenth Streets was eight trips per day, the average maximum load carried between First and Fourteenth Streets was sixteen passengers per day.

No evidence was introduced in protest of this application and the substitute service therein proposed is apparently satisfactory to the patrons of applicant.

In Application No. 7361 applicant, San Jose Railroads, introduced as an exhibit a check of the passengers carried on the car operating from the Southern Pacific Company's station in Santa Clara along Franklin Street to the intersection of Franklin and Jefferson Streets, such car also operating from Jefferson and Franklin Streets to the end of the line at Saratoga Avenue three round trips per day, such exhibit showing that for the period November 15th to December 31, 1921, inclusive, a total of 1,011 passengers were transported with a revenue of \$54.87 being an average of 22 passengers per day and an average revenue of \$1.20 per day. On this basis the estimated gross receipts per annum would be the sum of \$438.00 against which must be charged the expense of operation amounting to \$2,985.70 per annum or a net loss

of \$2,547.70. The operation of this car has been intended to serve all the principal Southern Pacific Company's trains arriving at or departing from the station of Santa Clara.

The granting of this application is opposed by residents and business men of the town of Santa Clara and a petition was filed at the hearing signed by sixty-six business men protesting against the suspension of operation of the so-called "Depot Car" and also petitioning that the Peninsular Railway Company and San Jose Railroads be compelled to operate street cars on the lines in Santa Clara in accordance with franchise requirements and on a regular schedule.

The operation of this line, notwithstanding that same is conducted by a one-man car, indicates that no patronage sufficient to justify the continuance of operation is being accorded by the public and there was no evidence offered at the hearing which would indicate that any re-arrangement of schedules or service could be made which would result in the line operating on a basis that would at least meet the bare operating costs.

In Application No. 7362 applicant, San Jose Railroads, offered no evidence other than the financial statement covering results of operation for the eleven months period as hereinabove referred to and a reference to the report of the Engineering Department of the Railroad Commission. This application is for the re-routing of certain cars, originally recommended by the Engineering Department of the Commission and such recommendation was referred to in the opinion preceding the order on Application No. 6414 (Decision No. 9824 as decided November 29, 1921) in the following language:

"In the first quotation it is noted that \$3,606.00 additional revenue is estimated as resulting from the recommendation to route the Seventh Street Line along First Street. The general manager for applicant, a witness, took exception to this and stated that in his opinion no additional revenue could be so obtained. The engineer responsible for this particular estimate explained how he had arrived at this figure and it was arranged that the matter should be jointly reviewed. As a result, it is estimated that \$1,000.00 per year additional revenue could be expected."

In Decision 9824 the amount of \$1,000.00 above is restated at approximately \$500.00.

No protest to the granting of this application was made at the hearing and the matter is one in which no track abandonment is contemplated applicant proposing to re-route certain of its lines in the city of San Jose and such re-routing being proposed following a recommendation of the Engineering Department of this Commission which was made in connection with a detailed traffic and service study following the application of San Jose Railroads for increased passenger fares. It was the conclusion of the Engineering Department, following such detailed study, that a re-routing of cars as herein proposed by applicant would reduce operating expenses and without inconvenience to the public served by the line proposed to be re-routed and the instant application is made for authority to so re-route cars in accordance with the recommendation of this Commission's Engineering Department.

The Commission has carefully considered the evidence and exhibits as presented in connection with the foregoing applications and although there is some protest against the granting of some of the applications we are of the opinion that a satisfactory showing has been made justifying the Commission in granting all of the applications herein.

Ordinarily the Commission is slow to authorize any change or adjustment of service conditions or abandonment of track, when such change or abandonment is objected to by the patrons of the respective companies. In these instances, however, we have a condition where this Commission has recently denied an application of San Jose Railroads for an increase in passenger fares (Decision No. 9824 in Application No. 6414) and has in its denial, directed the attention of applicant, San Jose Railroads, to certain suggested economies which might be effected by a change in operating methods, re-routing of lines, and possible abandonment of some portions of unprofitable service.

The changes contemplated in Applications 7359, 7361 and 7362 were among these. The continuance of branch lines where such a great disparity exists between the operating revenues and the cost of conducting such operation as appears in some of the instances now before the Commission results in an undue burden being placed upon the users of the transportation system as a whole and militates against the company's ability to properly serve its patrons.

All the applications herein, excepting Application No. 7362, contemplate the abandonment of franchise, suspension of operation and removal of tracks, and applicant companies will necessarily <sup>be</sup> required to secure from the proper authorities the requisite permission for abandonment of tracks and relief from the provisions of their franchise obligations as may be necessary to comply with existing ordinances and the order in these proceedings will be so conditioned.

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Public hearings having been held in the above entitled proceedings, the matters having been duly submitted and the Commission being fully advised,

IT IS HEREBY ORDERED that these applications be and the same hereby are granted subject, however, to the following condition:

That applicants, San Jose Railroads and Peninsular Railway Company, before abandoning or removing any tracks or suspending any operation thereover as may be required by franchise conditions, shall first secure permission from the grantor of such franchise rights and privileges for the suspension of operation; abandonment or removal of tracks and for a relinquishment of such portions of franchises under which abandonment and removal of tracks are herein proposed and applicants, San Jose Railroads and Peninsular Railway Company, shall file with this Commission certified copies of ordinances or resolutions granting such relinquishment of portions of franchises or relief from franchise obligations prior to exercising the approval of the Commission granting the applications herein.

The Railroad Commission reserves the right to make such other and further orders in these proceedings as to it may seem right and proper or as the public convenience and necessity may require.

Dated at San Francisco, California, this 12<sup>th</sup> day of <sup>April</sup> ~~March~~, 1922.

J. H. Brown de la

William Martin

J. F. Anderson