

JH

Decision No. —

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

- - oOo - -

.
: In the Matter of the Appli- :
: cation of Glendale and :
: Montrose Railway for an :
: order authorizing change :
: of rates. :
:

Application No. 1517

William T. Blakeley, for Glendale and
Montrose Railway.

Trustin P. Dyer, for the town of La
Crescenta.

LOVELAND, Commissioner:

O P I N I O N

These proceedings grew out of an application
filed on February 1, 1915, by the Glendale and Montrose
Railway seeking authority under Section 63 of the Public
Utilities Act to increase certain passenger fares on its
line.

The following tables set forth the present and
proposed fares which are under consideration:

ONE-WAY AND ROUND-TRIP -- PRESENT FARES.

MILES FROM EAGLE ROCK (CENTRAL AVE.)	MILES FROM GLENDALE (BROADWAY & BRAND BLVD.)	BETWEEN AND	GLENDALE (Broadway & Brand Blvd.)	EAGLE ROCK (Central Ave.)	GLENDALE (Avenue F)	MONTROSE (Honolulu Ave.)
			One Rd. way trip	One Rd. way trip	One Rd. way trip	One Rd. way trip
2.6	--	Glendale (Broadway & Brand Blvd.)	--	--	--	--
--	2.6	Eagle Rock (Central Ave.)	.05	--	--	--
5.0	3.5	Glendale (Avenue F)	.05	.05	--	--
6.4	4.9	Montrose (Honolulu Ave.)	.10	.15	.05	--
7.6	6.2	La Crescenta (Los Angeles Ave.)	.10	.15*	.05	.05

* Round-trip limit - three days.

ONE-WAY AND ROUND-TRIP -- PROPOSED FARES.

MILES FROM EAGLE ROCK (CENTRAL AVE.)	MILES FROM GLENDALE (BROADWAY & BRAND BLVD.)	BETWEEN AND	GLENDALE (Broadway & Brand Blvd.)	EAGLE ROCK (Central Ave.)	GLENDALE (Avenue F)	MONTROSE (Honolulu Ave.)
			One Rd. way trip	One Rd. way trip	One Rd. way trip	One Rd. way trip
2.6	--	Glendale (Broadway & Brand Blvd.)	--	--	.05	--
--	2.6	Eagle Rock (Central Ave.)	.05	--	.05	.10
5.0	3.5	Glendale (Avenue F)	.05	--	--	--
6.4	4.9	Montrose (Honolulu Ave.)	.10	--	.05	--
7.6	6.2	LaCrescenta (Los Angeles Ave.)	.15	.25*	.10	.05

* Round-trip limit - ten days.

PRESENT COMPUTATION FARES.

MILES FROM EAGLE ROCK (CENTRAL AVE.)	MILES FROM GLENDALE (BROADWAY & BRAND BLVD.)	BETWEEN AND	GLENDALE (Broadway & Brand Blvd.)		EAGLE ROCK (Central Avenue)	
			46-RIDE	52-RIDE	46-RIDE	52-RIDE
			RATE PER FARE	RATE PER FARE	RATE PER FARE	RATE PER FARE
5.0	3.5	Glendale (Avenue F)	1.15	.025	--	--
6.4	4.9	Montrose (Honolulu Ave.)	2.30	.05	3.50	.0673
7.6	6.2	LaCrescenta (Los Angeles Ave.)	2.30	.05	3.50	.0673
	2.6	Eagle Rock (Central Ave.)	1.15	.025	--	--

PROPOSED COMPUTATION FARES.

MILES FROM		BETWEEN	GLENDALE (Broadway & Brand Blvd.)								EAGLE ROCK (Central Avenue)							
to	Glendale (Broadway & Brand Blvd.)		10-RIDE		30-RIDE		46-RIDE		52-RIDE		10-RIDE		30-RIDE		46-RIDE		52-RIDE	
k			RATE		RATE		RATE		RATE		RATE		RATE		RATE		RATE	
ntrol			PER		PER		PER		PER		PER		PER		PER		PER	
ve.)		AND	FARE	RIDE	FARE	RIDE	FARE	RIDE	FARE	RIDE	FARE	RIDE	FARE	RIDE	FARE	RIDE	FARE	RIDE
0	3.5	Glendale (Avenue F)	--	--	--	--	1.15	.025	--	--	--	--	--	--	1.15	.025	--	--
4	4.9	Montrose (Honolulu Ave.)	.90	.09	2.70	.09	3.10	.067	4.05	.0775	.90	.09	2.70	.09	2.65	.0575	4.05	.0775
6	6.2	LaCrescenta (Los Angeles Ave.)	1.00	.10	3.00	.10	3.45	.075	4.40	.085	1.00	.10	3.00	.10	3.00	.065	4.40	.085
	2.6	Eagle Rock (Central Ave.)	--	--	--	--	1.15	.025	--	--	--	--	--	--	--	--	--	--

To more clearly illustrate the situation, the increases requested are concisely set forth in the succeeding table:

BETWEEN	AND	PROPOSED INCREASES IN FARES			
		One-way	Rd. trip	46-ride Child. Comm.	52-ride Indiv. Comm.
Glendale	Montrose	--	.05	.80	.55
"	La Crescenta	.05	.10	1.15	.90
Eagle Rock	Montrose	--	.05	.35	.55
"	La Crescenta	.05	.10	.70	.90
Glendale (Ave. F)	"	.05	--	--	--

In the application the applicant alleges general inadequacy of revenue as a reason for the increase in fares and presented testimony and exhibits to the effect that, based on actual figures for a period of nine months and estimated figures for three months, the total receipts of the company from all sources for the fiscal year ending June 30, 1915, will amount to about \$17,929.45, while the expenditures, including taxes, insurance, employees' liability, interest on funded debt, and notes, will approximate \$34,119.75,- thus leaving a deficit for the year of between \$15,000.00 and \$16,000.00. These figures cover necessary current expenses only, and do not include any allowance for depreciation or betterments.

Applicant further alleges that the capital stock, with the exception of two shares, and all of the bonds, are owned by J. Frank Walters, President of the Glendale and Montrose Railway, that no interest has ever been paid on the bonds and, needless to say, no dividends have ever been declared on the stock; also that during the past eighteen months four miles of the road have been reconstructed, the entire expense thereof being borne by Mr. Walters. Exhibit No. 2 introduced at the hearing shows a floating debt as of March 31, 1915, amounting to \$100,536.53; of this sum \$79,121.57 represents loans advanced by J. Frank Walters and \$10,100.00 the amount due Florence E. Walters on notes, while the balance is owing firms and individuals who are pressing the railway company for settlements.

Mr. Walters testified that if the proposed increase in passenger fares were granted he felt certain of his ability to finance the deficit for a period of years or until the increase in traffic places the property on a self-

sustaining basis, stating that additional business was expected partly from freight traffic accruing from new industries to be located along the line of the railway and partly from passenger traffic which will be augmented by the increased population.

It was further testified that negotiations with the Pacific Electric Railway Company are now progressing for the establishment of a through route and joint rates between Los Angeles and La Crescenta, which service would be of great value and convenience to patrons of the Glendale and Montrose Railway who object to the delay and necessity for transferring at Glendale under the present arrangements. In this connection, a witness controlling a stage line operating between a community beyond La Crescenta and Los Angeles testified that these auto stages would be discontinued as soon as through interurban cars were placed in operation, since it was apparent that more satisfactory service at lower fares could be given by an electric line. In view of the foregoing it seems very proper to expect substantial increases in revenue when this through traffic is diverted from the auto stage line to the railway.

A number of witnesses from the town of La Crescenta and vicinity opposed the granting of the application, basing their objections principally upon an agreement or contract made at the time the railway was built to the effect that, in consideration of certain concessions or cash contributions, the fares between Glendale and La Crescenta should not exceed 10 cents for a one-way and 15 cents for a round-trip ticket. The binding effect of such contract, however, need not be discussed in these proceedings as the principle involved was carefully considered in Application No. 738.

Glendale and Eagle Rock Ry. Co. (4 Cal. R.C. 322):

"I do not regard it as necessary to dwell at great length on this subject, as this Commission has frequently held, and is supported by authorities in such holding, that it is not bound by contracts of this kind. The duty is laid upon the Commission of seeing that the public gets adequate service at reasonable rates, but a similar obligation is on the Commission to see that public utilities receive fair and just returns for such adequate service."

A careful analysis of all testimony and exhibits thoroughly convinces me that the Glendale and Montrose Railway cannot continue to operate at a loss and that some relief from existing conditions must be granted, otherwise bankruptcy to the present company and a possible suspension of operations will result.

Beyond a doubt, the establishment of a through route and joint rates with the Pacific Electric Railway between Los Angeles and La Crescenta would be of great benefit to the traveling public, and, in the event that such an arrangement cannot be perfected informally, I would suggest that the matter be brought before the Commission as outlined in Section 33 of the Public Utilities Act for investigation as to public convenience and necessity.

The matter of granting the proposed increases in fares is now to be considered: Applicant's Exhibit No. 1 tends to show that but little demand exists for either Children's 46-ride tickets or 52-ride Individual Commutation tickets, only 38 of the former and 4 of the latter having been sold during the months of January, February and March, 1915, and, since these fares are not unreasonably low and practically no traffic is involved, I recommend that no change be made therein. The proposed one-way and round-trip fares, considering the small volume of business on the Glendale and Montrose Railway, do not appear to be ex-

cessive,- certainly not when compared with similar fares on short interurban roads in California, especially for equal-distances between certain points in outside territory on the Pacific Electric Railway.

I recommend the following changes:

ONE-WAY FARES:

Glendale (Broadway & Brand Blvd.) to La Crescenta,
increased from 10 to 15 cents,

Glendale (Avenue F) to La Crescenta,
increased from 5 to 10 cents,

Eagle Rock (Central Ave.) to La Crescenta,
increased from 10 to 15 cents.

ROUND-TRIP FARES:

Glendale (Broadway & Brand Blvd.) to Montrose,
increased from 15 to 20 cents,

Glendale (Broadway & Brand Blvd.) to La Crescenta,
increased from 15 to 25 cents,

Eagle Rock (Central Ave.) to Montrose,
increased from 15 to 20 cents,

Eagle Rock (Central Ave.) to La Crescenta,
increased from 15 to 25 cents.

These increases are granted with the understanding that applicant will concurrently publish a 10-ride fare of 90 cents and a 30-ride fare of \$2.70 between Glendale and Montrose, and a 10-ride fare of \$1.00 and a 30-ride fare of \$3.00 between Glendale and La Crescenta, and will also establish the same fares between Eagle Rock and Montrose and La Crescenta. This arrangement will give to book purchasers a one-way fare of nine cents between Glendale or Eagle Rock and Montrose as compared with the present 10-cent fare, and makes no change in the present 10-cent fare between Glendale or Eagle Rock and La Crescenta.

I submit the following order:

O R D E R.

The Glendale and Montrose Railway having filed an application with this Commission to adjust passenger fares on its line, and a regular hearing having been held,

IT IS HEREBY ORDERED, that the Glendale and Montrose Railway be and the same is hereby granted authority to cancel the present one-way and round-trip fares applying between Glendale (Broadway and Brand Blvd.), Eagle Rock and La Crescenta, the one-way fare between Glendale (Avenue F) and La Crescenta, and also the round-trip fares between Glendale (Broadway and Brand Blvd.), Eagle Rock and Montrose;

IT IS FURTHER ORDERED, that the Glendale and Montrose Railway be authorized to publish and file in a tariff to become effective within twenty (20) days from the date of this order the following passenger fares:

BETWEEN	ONE-WAY	ROUND TRIP	10-RIDE INDIV.	30-RIDE FAMILY
Glendale (Broadway & Brand) AND Montrose La Crescenta	.15	.25	.90 1.00	2.70 3.00
BETWEEN Eagle Rock (Central Ave.) AND Montrose La Crescenta	.15	.25	.90 1.00	2.70 3.00
BETWEEN Glendale (Ave. F.) AND La Crescenta	.10			

Round-trip limit - 10 days
10-ride indiv. " - 30 "
30-ride family " - 90 "

It is further ordered that as to the proposed advances in other fares, the same be and are hereby denied.

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 22nd day of May, 1915.

Max Thelen
H. L. Loveland
H. G. Gordon
Frank R. Brown
Commissioners.