

Decision No. 2817-

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of)
SAN DIEGO AND SOUTH EASTERN RAILWAY)
COMPANY for Instructions and Advice)
as to the Feasibility and Utility of) Application No. 2119.
Reconstructing Certain Parts of its)
Railway System Destroyed by Floods.)

In the Matter of the Application of)
SAN DIEGO AND SOUTH EASTERN RAILWAY)
COMPANY for an Order Authorizing a) Application No. 2197.
Reduction in the Number of Trains)
Operated.)

- R. G. Dilworth for San Diego and South Eastern Railway Company.
- J. W. Puterbaugh, City Attorney, for National City.
- F. D. Andrews, City Attorney, for Chula Vista.
- Edgar A. Luce for residents of Lakeside.
- T. B. Cosgrove, City Attorney, for San Diego.
- O. W. Cotton, Jr., for Pacific Building Company.
- A. Haines for certain residents of Chula Vista.
- S. W. Switzer, in propria persona.
- E. W. Peterson for Imperial Beach and South San Diego.
- B. J. Edmunds for certain residents of National City.
- T. B. Pierson, in propria persona.

THELEN and LOVELAND, Commissioners.

O P I N I O N.

San Diego and South Eastern Railway Company, petitioner herein, owns a line of railway which, prior to the floods hereinafter referred to, was operated south from San Diego to Tia Juana, Otay and Sweetwater Dam, and east from San Diego to a station known as Foster. The two operating divisions of the railroad are known respectively as the Southern Division and the Eastern Division. Petitioner's line of railway was operated partly by steam and partly as an interurban electric railway.

The petition, in Application No. 2119 alleges, in effect, that on or about January 27th, 1916, owing to unusual floods, various portions of petitioner's lines of railway were completely

washed out and destroyed, so that petitioner is able to operate no part of its railway except the Eastern Division from San Diego to Santee and the Southern Division from San Diego to the northern bank of the Sweetwater River. Petitioner asks the Railroad Commission for advice with reference to the reconstruction of portions of its line of railway and the resumption of operations thereon.

The petition in Application No. 2197 asks authority to reduce electric interurban service on the Southern Division from 56 to 37 one way trips per day and the service on the Eastern Division from six to five round trips per day. Petitioner's request is based on alleged heavy losses under the present operating schedules and traffic demands.

Public hearings in these proceedings were held in San Diego on April 8, 10 and 11 and May 4, 1916. By consent of all parties, these two proceedings were consolidated for hearing and decision.

The evidence shows that in the latter part of January, 1916, unprecedented floods occurred in San Diego County. On the Eastern Division, petitioner's line of railway from a point about one mile east of Santee to the end of the line at Foster, a distance of approximately 5.5 miles, was completely washed out, with the exception of short isolated portions, by the floods in the San Diego River and a tributary known as San Vicente Creek. On the Southern Division, floods in the Sweetwater River washed out the entire Sweetwater Branch below Sweetwater Dam, a distance of 5.4 miles; also the interurban electric line between National City and Chula Vista, where this line crossed the river bottom, a distance of 1350 feet; also the Coronado Belt Line between National City and Marmarosa where this line crossed the river bottom, a distance of 4700 feet. Floods in the Otay River washed out the tracks between Otay and Palm Avenue in the bed of the

river, a distance of 6500 feet; also the major portion of the track between Salt Works and South San Diego, a distance of 6600 feet; also the connecting track between these two lines, a distance of 1.22 miles. Floods in the Tia Juana River washed out two portions of track between Schnell and Tia Juana, a total distance of 2420 feet; also two portions of track on the Coronado Belt Line at South San Diego, a total distance of 2300 feet. In addition to these main tracks, totalling 14.11 miles, siding and other tracks having a length of approximately 5.5 miles on various portions of petitioner's line of railway were destroyed. Of petitioner's main track mileage, 19.2% was destroyed and of the other tracks, 27.8%.

As a result of this destruction, petitioner was compelled temporarily to abandon operation on the Eastern Division beyond Santee and on the Southern Division, steam and interurban electric systems beyond the north bank of the Sweetwater River. On the Eastern Division, Riverview, Lakeside, Dexter and Foster are now without rail communication. On the Southern Division, Chula Vista, Otay, South San Diego and the entire Sweetwater Valley are entirely without railroad service, while the waterfront from Potash to Salt Works and the towns between Palm City and Tia Juana are being served, more or less satisfactorily, over the tracks of the San Diego and Arizona Railway Company.

Petitioner's operations were reviewed by this Commission in Decision No. 2971, rendered on December 11, 1915, in Application No. 1752, being an application of petitioner herein for an order authorizing petitioner to increase certain freight and passenger rates and fares and to decrease certain passenger fares. As appears in said decision, petitioner's net deficit during the year ending June 30, 1915, was \$86,287.21, and its net operating deficit was \$59,256.20. Before the increase in rates authorized in Decision No. 2971 could be made effective, the floods came.

In addition to the loss in revenue from the communities which were isolated by the floods, petitioner has suffered further losses due to the fact that just prior to the effective date of the increase in passenger fares between San Diego and National City, beyond the City Limits, from 5¢ to 10¢, a large number of auto busses began operations between National City and San Diego. The testimony shows that during the ten day period ending April 13, 1916, petitioner operated its electric interurban ^{railway} business between San Diego and National City at a daily railway operating loss of \$50.91.

In view of the serious situation ⁱⁿ which petitioner and the communities served by it found themselves by reason of the facts hereinbefore referred to, the Railroad Commission directed assistant engineer Paul Thelen and service inspector W. J. Handford to make a detailed analysis and report on the entire situation, including costs of reconstruction, traffic estimates, operating expenses and service conditions. The Commission directed that a plan of reconstruction and operation be presented, which should provide service where justified and reduce the operating and maintenance expenses of petitioner to a minimum consistent with reasonably adequate service. It was realized that in order to prepare a plan under which petitioner could continue operations at all it would be necessary to abandon entirely certain of the most unproductive portions of the system and to authorize the continuance of the present suspension ^{of operations} on other portions of the system. In accordance with these instructions the Commission's experts prepared reports which were submitted in evidence at the hearing held in San Diego on May 4, 1916.

Assistant engineer Paul Thelen confined his report primarily to the Southern Division, while service expert W. J. Handford prepared a report on the Eastern Division.

Mr. Thelen's report was marked Railroad Commission's Exhibit No. 2. The report estimates costs of reconstruction on the

Southern Division as follows:

1. To reconstruct the Coronado Belt Line from 25rd Street and 8th Avenue, National City, to F Street in Chula Vista, a distance of 1.7 miles.....\$24,033.11
2. To construct a single track along F Street in Chula Vista connecting the Coronado Belt Line on the west with the existing tracks on 3rd Avenue, Chula Vista, on the east, a distance of 1.31 miles..... 12,100.65
3. To electrify the Coronado Belt Line from 25rd Street, National City, to F Street, Chula Vista, and the line to be constructed along F Street to connect with existing overhead construction on 3rd Avenue in Chula Vista..... 7,615.96
4. To construct an industry ~~track~~ spur from the corner of 3rd Avenue and F Street in Chula Vista to Bonita, in the Sweetwater Valley, a distance of approximately 2.932 miles..... 25,000.00

(Of said \$25,000.00, cost to the industry to be \$17,000.00 and cost to the carrier to be \$8,000.00).

The foregoing estimates contemplate the use of all available usable old material from portions of the system to be abandoned. These estimates cover all reconstruction necessary to serve the communities which are to be served on the Southern Division for the transportation of ^{both} passengers and freight.

Mr. Thelen's plan contemplates that the passenger business of National City and Chula Vista will be conducted by San Diego Electric Railway Company over the tracks of petitioner herein on the basis of a rental of 10¢ per car mile plus maintenance of track and overhead from San Diego to 24th Street, National City, and 5¢ per car mile plus maintenance of overhead only from 24th Street, National City, to 3rd Street, Chula Vista.

The following table shows revenues and expenses reasonably ~~anticipated~~ to be anticipated under said plan for the calendar year 1917, in so far as San Diego and South Eastern Railway Company's operations on the Southern Division are affected:

TABLE NO. I.

REVENUES AND EXPENSES OF
SAN DIEGO AND SOUTH EASTERN RAILWAY COMPANY,
SOUTHERN DIVISION, 1917.

I. Gross Revenue from Railway Operations -

<u>Freight:</u>		
1. Bonita	\$2,800	
2. Chula Vista	10,216	
3. Water Front	32,756	
4. Miscel. Freight	3,339 (L.C.L. etc.)	
5. Switching	<u>400</u>	
Total		\$52,500

II. Other Railway Income -

1. Income from Lease of Road	10,800
2. Income from hire of Freight Cars	<u>500</u>
Total Income	\$63,800

III. Railway Operation Expenses -

Maintenance of Way and Structures	\$14,720
Maintenance of Equipment	9,105
Traffic	1,720
Transportation	17,605
General	<u>10,575</u>
Total	\$53,725

IV. Deductions - Hire of Freight Cars

Sub-Total	800
	<u>54,525</u>
Railway Taxes	<u>3,350</u>
Total	\$57,875

Net revenue available for interest on unfunded debt
 miscellaneous
 and/~~miscel.~~ physical property expenditures \$63,800 less \$57,875
 = \$5,925 (Southern Division).

Deduct Interest on unfunded debt	\$15,000
Miscel. Physical property expen- ditures	<u>750</u>
Total	\$15,750

This leaves a net income available for dividends,
 surplus, etc. of \$9,825.00 for the 1917 operation of the
 Southern Division of the San Diego & South Eastern Railway Co.

The testimony shows that during the year ending June 30, 1915, the railway operating expenses on petitioner's Southern Division were as follows:

Maintenance of Way and Structures.....	\$44,090.81
Maintenance of Equipment.....	21,214.73
Traffic.....	1,789.45
Transportation	35,856.68
General.....	10,142.26
	<hr/>
Total.....	\$113,093.93

It will thus be observed that Mr. Tholen's plan will reduce the railway operating expenses on the Southern Division from \$113,093.93 to \$53,725.00 annually, being a reduction of over 50%. The net revenue available for interest on unfunded debt and miscellaneous physical property expenditures will be increased from a deficit of \$41,036.16 to a profit of \$5,925.00.

This favorable showing is due in part to a saving in maintenance and operating expenses on the portions of track on which operations are to be suspended or abandoned and in part to an entire change in the method of handling the passenger business.

At present, Chula Vista, as the result of the floods, is deprived of railway passenger service. National City is being served under a 35 minute headway by petitioner herein, but at a railway operating loss of approximately \$50.00 per day, as hereinbefore indicated. Petitioner herein, in Application No. 2197, has asked authority to materially reduce the existing service, which authority this Commission would be compelled to grant, unless some other solution of the problem would be found. Such a reduction in service, coupled with the existing 10% rate between San Diego and points in National City beyond the City Limits, would undoubtedly at once result in a still further large falling off of

passenger traffic, resulting in still further reductions in service, and so on. If petitioner should embark on such a course, there could be but one end--the complete abandonment of all passenger service to National City and the loss of the entire investment, with the possible exception that petitioner might continue to run a single round trip daily to hold the franchise. Needless to say, such a result would be disastrous both to petitioner and to the people of National City and Chula Vista.

With this situation in mind, the Railroad Commission suggests an entirely different solution of the problem. Mr. Thelen has worked out the details of a plan by which the San Diego Electric Railway Company would serve National City and Chula Vista at a profit to itself, after paying a reasonable rental to petitioner herein for the use of its tracks. The testimony shows that if San Diego Electric Railway Company secures the business, it can reasonably expect an annual railway operating profit of \$10,000.00 from the National City and Chula Vista business, less taxes of approximately \$3,000.00 and possible heavy contributions to street work. By reason of substantial saving in maintenance and operating expenses, including a considerable reduction in duplicate car mileage from 31st Street, San Diego, north, San Diego Electric Railway Company, with its lighter equipment, can handle the National City and Chula Vista passenger business profitably while petitioner herein would operate at a loss. The testimony shows that the cost per car mile of passenger operation by petitioner herein would be approximately 33¢ as against 23¢ for San Diego Electric Railway Company. Mr. Thelen testified that in his opinion San Diego Electric Railway Company can make the operating profit hereinbefore referred to, by giving for the present a 40 minute service between San Diego and 24th Street, National City, during 18 hours of the day, with a 40 minute service during the hours of heavy

travel and an 80 minute service during the middle of the day between 24th Street, National City, and 3rd Street, Chula Vista. The time consumed on the run between San Diego and Chula Vista would probably be reduced from 5 to 10 minutes over that consumed before the floods.

The plan herein set forth assumes a reduction in passenger fare between San Diego and National City points from the present 10¢ cash fare to a 15¢ round trip ticket purchased in strips of 10 for \$1.50, to be used during the calendar month and transferable from the purchaser to any one else.

The consummation of this plan will ensure to National City and Chula Vista good service at reasonable rates by a strong, responsible, well qualified agency, as contrasted with the almost inevitable results to ensue from a continuance of operations by the petitioner herein, as hereinbefore set forth. San Diego Electric Railway Company, however, has definitely refused to undertake this service, and we can not recommend to San Diego Electric Railway Company that it engage therein, unless the cities of National City and Chula Vista provide reasonable regulation of the auto bus traffic.

The plan herein outlined for the Southern Division contemplates temporary suspension of service from Salt Works to Tent City, Coronado, over the Coronado Belt Line, a service for which there is no longer a necessity, and from Palm Avenue to Tia Juana over the old National City and Otay Railway Company's main line. The plan contemplates the abandonment of the entire Sweetwater Branch, the National City and Otay main line from 24th Street, National City, past the Terrace, Sweetwater Junction and Chula Vista Hill to 3rd Avenue and F Street, Chula Vista, the National City and Otay main line from 3rd Street, Chula Vista, south through Otay to Palm Station, and the connecting track on the floor of the Otay Valley from National City and Otay Junction

to Coronado Junction. The communities from Palm Station to Tia Juana are already being served by the San Diego and Arizona Railway. With reference to the line between 24th Street, National City, and the north bank of the Sweetwater River, to be abandoned as hereinbefore indicated, the testimony shows that the four stations between these points, namely, Terrace, Olivewood, National Avenue and the San Diego and Arizona Railway Crossing, supplied only one passenger per trip during the nineteen day period from April 12 to 30, 1916, inclusive, the maximum revenue from this traffic being 15¢ per trip and the cost to petitioner 65¢ per trip.

Service expert W.J. Handford presented a report on the Eastern Division, which was marked Railroad Commission's Exhibit No. 3. The report was based on a contemplated service of three round trip steam trains per day, two passenger and one mixed, between San Diego, and Foster, Lakeside or Santee, respectively. The following Table shows Mr. Handford's conclusion on the basis of a resumption of service to Foster:

TABLE NO. II.

INCOME STATEMENT FOR 1917, ASSUMING CONSTRUCTION

TO FOSTER.

REVENUE FROM TRANSPORTATION:

Passenger Revenue	\$39,100.00	
Freight Revenue	96,848.00	
Excess Baggage Revenue	50.00	
Mail Revenue	2,300.00	
Express Revenue	1,850.00	
Other Passenger Train Revenue	100.00	
Milk Revenue	14,270.00	
Switching Revenue	750.00	
Station Privileges	100.00	
Storage - Freight	25.00	
Storage - Baggage	20.00	
Demurrage	50.00	
	<u>Total</u>	\$155,463.00

OTHER INCOME.

Hire of Freight Cars	750.00	
Miscellaneous Accounts	100.00	850.00
	<u>Total</u>	\$156,313.00

OPERATING EXPENSES.

Maintenance of Way & Structures	37,750.00
Maintenance of Equipment	24,150.00
Traffic Expenses	6,000.00
Transportation Expenses	48,180.00
General Expenses	20,000.00
	<u>136,080.00</u>

MISCELLANEOUS DEDUCTIONS.

Railway Taxes	8,161.00
Hire of Freight Cars	1,165.00
Interest on Unfunded Debt	9,425.00
Miscellaneous Tax Accruals	775.00
Uncollectible Railway Revenue	10.00
	<u>19,536.00</u>

Estimated Total Income		\$156,313.00
Operating Expenses	\$136,080.00	
Miscellaneous Deductions from Income	19,536.00	
		<u>155,616.00</u>
Total, All Expenses		
Estimated NET Revenue		\$ 697.00

The expense of rehabilitating the line to Foster in accordance with the estimate of the company's Engineers amounts to \$88270.74.

If this amount were spread over a five year period the annual extraordinary expense to be cared for would amount to

\$ 17,654.15

ESTIMATED NET LOSS FOR 1917.

\$ 16,957.15

The following table shows Mr. Handford's conclusions on the basis of a resumption of service to Lakeside:

TABLE NO. III
INCOME STATEMENT FOR 1917 ASSUMING RECONSTRUCTION
TO LAKESIDE

REVENUE FROM TRANSPORTATION.

Passenger Revenue	\$ 35,100.00
Freight Revenue	72,448.00
Excess Baggage Revenue	50.00
Mail Revenue	2,000.00
Express Revenue	1,610.00
Other Passenger Train Revenue	100.00
Milk Revenue	11,350.00
Switching Revenue	750.00
Station Privileges	100.00
Storage - Freight	25.00
Storage - Baggage	20.00
Demurrage	50.00
	<u>\$123,603.00</u>

OTHER INCOME.

Hire of Freight Cars	750.00	
Miscellaneous Accounts	<u>100.00</u>	850.00
	Total	<u>\$124,453.00</u>

OPERATING EXPENSES.

Maintenance of Way & Structures	34,500.00
Maintenance of Equipment	21,010.00
Traffic Expenses	5,220.00
Transportation Expenses	44,405.00
General Expenses	<u>20,000.00</u>
	<u>\$125,135.00</u>

MISCELLANEOUS DEDUCTIONS.

Railway Taxes	6,535.00
Hire of Freight Cars	1,015.00
Interest on Unfunded Debt	9,425.00
Miscellaneous Tax Accruals	675.00
Uncollectible Railway Revenue	<u>10.00</u>
	<u>\$ 17,660.00</u>

Estimated Total Income		\$124,453.00
Operating Expenses	\$125,135.00	
Miscellaneous Deductions	<u>17,660.00</u>	<u>142,795.00</u>
ESTIMATED NET LOSS		18,342.00

The expense of rehabilitating the line to Lakeside in accordance with the estimate of the company's Engineers amounts to \$45,524.98.

If this amount were spread over a five year period the annual extraordinary expense to be cared for would amount to

ESTIMATED NET LOSS FOR 1917.

9,104.99
\$ 27,446.99

Estimated Total Income

\$103,001.04

MISCELLANEOUS DEDUCTIONS.

Railway Taxes	\$ 5,933.00
Hire of Freight Cars	965.00
Interest on Unfunded Debt	9,425.00
Miscellaneous Tax Accruals	600.00
Uncollectible Railway Revenue	<u>100.00</u>
	\$17,023.00

Operating Expenses	\$114,475.00
Miscellaneous Deductions	<u>17,023.00</u>

131,498.00

Estimated NET Loss

\$ 28,496.96

The expense of providing terminal facilities at Santee provided the eastern terminus remains at such station is estimated by the company's Engineers in amount \$7692.71. Included in this amount is the erection of a passenger and a freight station, neither of which have previously been in evidence. The cost of these two structures, including allowance for contingencies, engineering and superintendence, is estimated at \$2934.75 all of which would be chargeable to Capital Account and should be deducted from an estimate dealing with extraordinary operating expense necessitated by flood damage and re-establishment of terminal. The net rehabilitation cost chargeable to operation would therefore be the sum of \$4757.96, which spread over a five year period as used previously would charge for the year 1917 the sum of

951.59

ESTIMATED NET LOSS

\$ 29,448.55

The following table shows Mr. Handford's conclusions on the assumption that petitioner herein does not for the present reconstruct any of the washed out portions of its line on the Eastern Division but confines itself to three train per day operations to Santee:

TABLE NO. IV.
INCOME STATEMENT FOR 1917 ASSUMING TERMINUS
AT SANTEE.

REVENUE FROM TRANSPORTATION.

Passenger Revenue	\$27,660.00	
Freight Revenue	68,248.00	
Excess Baggage Revenue	50.00	
Mail Revenue	1,745.00	
Express Revenue	1,403.04	
Other Passenger Train Revenue	100.00	
Milk Revenue	8,000.00	
Switching Revenue	750.00	
Station Privileges	100.00	
Storage - Freight	25.00	
Storage - Baggage	20.00	
Demurrage	50.00	
	\$102,151.04	

OTHER INCOME.

Hire of Freight Cars	750.00	
Miscellaneous Accounts	100.00	850.00
Total	\$103,001.04	

OPERATING EXPENSES.

Maintenance of Way & Structures	31,250.00
Maintenance of Equipment	18,115.00
Traffic Expenses	4,500.00
Transportation Expenses	40,610.00
General Expense	20,000.00
	\$114,475.00

In order that Tables II, III and IV shall be complete, it will be necessary to add in each case interest on the funds necessary for reconstruction.

The foregoing tables show that, even with a reduction in service from six round trips per day as at present to three round trips per day, there will be a net loss under each of the three plans. We desire, however, to draw attention particularly to the fact that the loss will be greatest if operations are terminated at Santee and least if the railway is reconstructed to Foster. The computations as far as Foster is concerned, however, are based on the assumption that petitioner will regain a considerable portion of the back country business which, subsequent to the floods, has gone to auto trucks.

We desire further to draw the attention of petitioner particularly to that portion of Mr. Handford's report which discusses the possibility of effecting substantial savings in operating expenses by substituting gasoline motor cars for the present steam passenger service. Mr. Handford testified that the continued operation of steam passenger trains on the Eastern Division can not be continued unless a very substantial loss is to be assumed. He testified that the petitioner's present steam passenger operation on the Eastern Division is costing \$1.458 per train mile, and that the comparable cost of gasoline motor car operation would be only 58¢ per car mile, both figures including a proper allowance for maintenance of way and structures.

Mr. Wm. Clayton, Vice President and General Manager of San Diego and South Eastern Railway Company and San Diego Electric Company, testified that San Diego Electric Railway Company

is willing to operate passenger service between San Diego, National City and Chula Vista in accordance with assistant engineer Paul Thelen's plan, provided that the cities of National City and Chula Vista put into effect reasonable regulations for auto busses. He thought that San Diego Electric Railway Company would be able to offer concessions over the existing rates of petitioner as follows:

(1) Between San Diego and National City points, 15¢ round trip tickets to be purchased in strips of 10 for \$1.50, all to be used within the calendar month, transferable from the purchaser to any one else, but without transfer except at 51st Street, San Diego. The present fare is 10¢ cash each way. The fare to and from the City Limits is to remain 5¢ each way.

(2) Between San Diego and National City points, 20¢ round trip tickets to be purchased in strips of 5 for \$1.00, all to be used within the calendar month, to be transferable from the purchaser to any one else, and to include transfer privileges over the entire system of San Diego Electric Railway Company.

(3) Between San Diego and Chula Vista, 40¢ round trip tickets to be purchased in strips of 5 for \$2.00, all to be used within the calendar month, to be transferable from the purchaser to any one else and to include transfer privileges over the entire system of San Diego Electric Railway Company. The single trip fare to and from Chula Vista before the floods was 20¢ cash each way.

Mr. Clayton referred to a 30 minute service during rush hours morning and evening with a one hour service at other periods of the day between San Diego and National City. This service would involve practically the same daily car mileage as the 40 minute service continuous throughout the day suggested by Mr. Thelen. The evidence does not show that the 30 minute service can be supplied economically without the construction of an additional passing track. Mr. Clayton further testified that he would try to establish a schedule which would eliminate one of the two transfers involved in the proposed Chula Vista passenger operation.

The Commission's suggestions, asked for in the petition in Application No. 2119, will be found in the order herein.

In Application No. 2197, as hereinbefore indicated, petitioner asks authority to make substantial reductions in the passenger service on the Southern Division and to reduce the service on the Eastern Division from 6 to 5 round trips per day. The need for the authority requested, in so far as the Southern Division is concerned, will have ceased when San Diego Electric Railway Company shall start operations on the Southern Division. In view of the statements of the chairmen of the boards of city trustees of National City and Chula Vista, we assume that the necessary ordinances regulating auto bus traffic will be adopted promptly. If for some unforeseen reason this should not be done, the Commission would be compelled, very regretfully, to grant this part of the prayer of the petition in Application No. 2197.

The petition, in so far as the Eastern Division is concerned, should be granted. In view of the testimony presented by service expert W. J. Handford with reference to the unprofitableness of passenger operations on the Eastern Division

and the limited traffic demands, petitioner may desire to consider a three train per day schedule until it can place in operation more economical self contained units such as gasoline or electric motor cars.

We submit the following form of order:

O R D E R .

Public hearings having been held in the above entitled proceedings, and said proceedings having been consolidated for hearing and decision and being now ready for decision,

The Railroad Commission, in accordance with the request of petitioner in Application No. 2119, hereby makes the following suggestions with reference to the reconstruction and operation of petitioner's line of railway:

1. That petitioner reconstruct the Coronado Belt Line across the Sweetwater Valley from 8th Avenue and 23d Street, National City, to F Street, Chula Vista.
2. That petitioner construct a connecting track along F Street, Chula Vista, from the Coronado Belt Line to the existing track on 3d Avenue, Chula Vista.
3. That petitioner electrify the lines to be constructed under 1 and 2 hereof.
4. That petitioner operate freight service between San Diego on the north and Salt Works and 3d Street, Chula Vista, on the south.
5. That petitioner lease to the San Diego Electric Railway Company, on the terms suggested in

the opinion herein, petitioner's existing line of electric railway from San Diego to 24th Street, National City, and the line of railway referred to in 1, 2 and 3 hereof. This suggestion contemplates the operation of said line by San Diego Electric Railway Company under substantially the service testified to by assistant engineer Paul Thelen and the concessions in rates testified to by Mr. Wm. Clayton as set forth in the opinion herein, provided that the cities of National City and Chula Vista shall adopt ordinances providing for reasonable regulation of auto busses.

6. While, in view of the new capital which would be necessary if petitioner reconstructed its line of railway to Lakeside or to Foster or constructed an industry spur to Bonita, we do not feel warranted at the present time in specifically directing such action, we draw these situations particularly to petitioner's attention and express the hope that petitioner may find it possible to reconstruct its line to serve these communities. If petitioner does not see its way clear to make such reconstruction at the present time, we hope that it will keep these situations in mind and resume service to these communities as soon as conditions warrant such action. In the meantime, the situation with reference to these communities will be left open.

IT IS HEREBY ORDERED that the petition in Application No. 2197 be granted in so far as it affects the Eastern Division, the new time table to become effective upon filing with the Railroad Commission, and that said application, in so far as it relates to the Southern Division, be held in abeyance, in accordance with the opinion herein, until the further order of the Railroad Commission.

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 8th day of May, 1916.

Max Thelen

H. D. Loveland

Max Gordon

Edwin O. Edgerton

Frank R. Decker

Commissioners.