

# ORIGINAL

DECISION NO. \_\_\_\_\_

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application )  
of OAKLAND, ANTIOCH & EASTERN )  
RAILWAY COMPANY to discontinue )  
service on SACRAMENTO VALLEY )  
ELECTRIC RAILROAD. )

APPLICATION NO. 2937.

Decision No. 1419

Jesse Steinhart, for Applicant.  
Goodfellow, Eells, Moore and Orrick  
by C. J. Goodell for Palmer &  
McBride.

J. L. Smith for Sacramento Valley  
Electric Railroad.

Walter Shelton and B. T. Blake for a  
committee of creditors of Sacra-  
mento Valley Electric Railroad.

EDGERTON, Commissioner.

## O P I N I O N

This is an application by the Oakland, Antioch & Eastern Railway Company, under the provisions of General Order No. 36 of this Commission, requesting authority to discontinue operation over the line of the Sacramento Valley Electric Railroad from Dixon Junction to Dixon, for the reason that the operating cost has always been in excess of the revenue received.

A public hearing was held in San Francisco on May 31, 1917, the matter was submitted and is now ready for decision.

The line of the Sacramento Valley Electric Railroad extends from Dixon Junction to Dixon, a distance of 11.8 miles.

This line has been operated since January 1, 1915, by the Oakland, Antioch & Eastern Railway as a branch line and under a verbal arrangement whereby the latter company agreed to operate one car per day for the total receipts, and by which all operating costs were to be assumed and track maintenance charges to the extent of supplying not in excess of four track men. All additional track maintenance charges were to be assumed by the Sacramento Valley Electric Railroad Company together with any construction costs that might accrue. The verbal agreement was made with the understanding that it might be terminated by the Oakland, Antioch & Eastern Railway at its option.

A service of eight trains per day in each direction has been maintained, making connection at Dixon Junction with the main line passenger trains of the Oakland, Antioch & Eastern Railway. Carload freight has been handled in mixed trains.

Record of receipts and operating expenses shows the following data:

<u>Period</u>	<u>Receipts</u>	<u>Operating Expenses</u>	<u>Net Deficit</u>
Year ending Dec. 31, 1915	\$4320.87	\$13,744.38	\$9,423.51
" " Dec. 31, 1916	4797.59	14,155.67	9,358.08
Five months ending May 31, 1917	1792.08	5,631.25	3,839.17
Monthly Average	376.22	1,156.25	780.03

It is evident from the showing in the foregoing statement that the operation of the line of the Sacramento Valley Electric Railroad by the Oakland, Antioch & Eastern Railway is conducted at a considerable financial loss, the deficit shown above including no taxes or depreciation. An analysis of the operating

expense accounts does not indicate that any excessive charges have been made against the operation of the line; in fact, a less expense per car mile has accrued on the Dixon Branch than on the main line of the Oakland, Antioch & Eastern Railway.

An investigation by the Service Department of the Commission indicates that the traffic handled and the possibility of increased traffic does not warrant the recommendation that the line be continued in operation.

In view of the fact that the Oakland, Antioch & Eastern Railway is not in a financial position warranting the continued operation of branch lines which are unprofitable and that no relief from present conditions on the Dixon Branch is to be expected, I am of the opinion that this application should be granted and submit the following form of order:

O R D E R

Oakland, Antioch & Eastern Railway Company having made application to discontinue operation of the Line of the Sacramento Valley Electric Railroad, heretofore operated as the "Dixon Branch", a public hearing having been held, the matter being duly submitted, and the Commission being fully advised in the premises and of the opinion that the operation of the line cannot be continued except at a large operating deficit,

IT IS HEREBY ORDERED That the application be and the same hereby is granted.

This order is to become effective after ten days notice

will have been given to the public by the posting of notices at all stations on the line of the Oakland, Antioch & Eastern Railway including the Dixon Branch.

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 23<sup>rd</sup> day of July, 1917.

Max Thelen

Edwin O. Edgerton

Edwin O. Edgerton

Frank R. DeWine

Commissioners.