

Decision No. _____.

ORIGINAL

Decision No. 5741

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

-000-

In the matter of the application
of the Ocean Shore Railroad Com-
pany for permission to increase
rates for the transportation of
manure.

} Application No. 4014.

J.W. Crosby and J.A. Walden, for applicant.

LOVELAND, Commissioner.

O P I N I O N

This is an application of the Ocean Shore Railroad Com-
pany for permission to increase carload rates for the trans-
portation of manure from San Francisco to various stations on
its line. Present and proposed rates are set forth in the
following tabulation and are stated per ton of 2000 pounds.

From San Francisco To	Present	Proposed
Daly City	\$.44	\$.70
Paoli	.44	.70
Crosby	.44	.70
Thornton	.44	.70
Mussel Rock	.56½	.75
Salada	.56½	.75
Vallemar	.56½	.75
Rockaway	.56½	.75
Fleming	.56½	.80
Pedro Valley	.56½	.80
McNee	.59	.85
Parallone	.59	.85
Moss Beach	.59	.85
Marine	.59	.85
Martini Spur	.59	.85
North Granada	.59	.85
South Granada	.59	.85
Pilarcitos	.69	.90
Half Moon	.69	.90
Arleta	.69	.90
Cowell Spur	.69	.90
Seal Rox	.69	.90
Lobitos	.69	.90
Tunitas	.69	.90

Petitioner, in support of its request, alleges that present rates are unduly low, being originally established to nourish the truck garden industry and develop a return haul of vegetables; that while it has had the desired effect in the first instance, applicant's expectations respecting the outbound movement of vegetables have not been realized, owing to the active competition of auto trucks.

Testimony was to the effect that since the beginning of this traffic in 1911 the manure tonnage has steadily advanced, but while the vegetable movement showed an increase up to 1913 results for the subsequent period have been unsatisfactory and that the vegetable movement outbound has failed to keep pace with the enlarged tonnage of manure inbound, although a steady increase is shown in vegetable production.

Witness for applicant offered in evidence a statement of rates for this commodity applying over the Southern Pacific Company's lines, showing that the rates proposed are in most instances lower than those prevailing on that road. It is unnecessary to discuss this comparison other than to state that the Ocean Shore Railroad Company is entitled to a much more favorable rate basis, owing to its small volume of traffic and other elements entering into the consideration of rates.

Applicant stated that cars for the transportation of this commodity are in use from four to six days at an expense to carrier, figured on the present per diem charge, of 65 cents per day or from \$2.60 to \$3.90 per car. Figures were also submitted showing that the average car revenue derived from manure shipments amounts to \$17.00 which is lower than for other low grade commodities, the revenue per car for rock averaging \$22.00, demonstrating that the former is not bearing its proper burden of the cost of transportation.

The Auditor of this company presented figures and the annual reports on file with the Commission show that it has been operating at a loss, the net corporate deficit as of December 31, 1917 being \$256,227.72 or an average of approximately \$40,000

per year since the present company was organized, following the receivership of its predecessor.

Applicant has not only failed to show a return on investment, notwithstanding there is no bond issue on which interest payments are required, but is unable to earn operating revenue sufficient in amount to defray the expenses of operation.

Although the usual publicity was given and notice of hearing mailed by the Commission to the various parties interested, no one appeared in opposition.

After careful consideration of the evidence submitted and giving due thought to applicant's financial condition together with showing made of inequality in the existing rate structure, I am of the opinion that applicant has justified its request and same should be granted.

The following form of order will be entered.

O R D E R

The Ocean Shore Railroad Company having applied under Section 63 of the Public Utilities Act for permission to increase certain freight rates as set forth in the opinion which precedes this order, a public hearing having been held and the Railroad Commission being fully apprised in the premises, the Railroad Commission hereby finds as a fact that the existing rates of petitioner are insufficient and unreasonable and that the following are just and reasonable rates.

Basing this order on the foregoing finding of fact and on the further findings of fact contained in the opinion which precedes this order,

IT IS HEREBY ORDERED that the Ocean Shore Railroad Company be and the same is hereby authorized to publish and file in tariff within twenty days from the date of this order the following rates.

Manure, carloads, minimum weight 50,000 pounds,

From
San Francisco
To

Rate per ton of 2000 lbs.

Daly City	\$.70
Paoli	.70
Crosby	.70
Thornton	.70
Mussel Rock	.75
Salada	.75
Vallepar	.75
Rockaway	.75
Fleming	.80
Pedro Valley	.90
McNee	.95
Farallone	.85
Moss Beach	.85
Marine	.85
Martini Spur	.85
North Granada	.85
South Granada	.85
Pilarcitos	.90
Half Moon	.90
Arleta	.90
Cowell Spur	.90
Seal Rox	.90
Lobitos	.90
Tunitas	.90

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 this 13th day of September 1918.

Elwin A. Edgerton
H. B. Loveland
Wm. Gordon
Frank R. Decker

Commissioners.