

Decision No. 7114

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of)
the Rodeo-Vallejo Ferry Company, a)
corporation, for authority to increase) APPLICATION NO. 5089.
charge for carrying passenger auto-)
mobiles between Rodeo and Vallejo.)

Peter tum Saden, for Applicant,
John S. Partridge, for Martinez-Benicia Ferry
& Transportation Company.
Henry A. Jacobs, for Richmond & San Rafael Ferry
& Transportation Company.

LOVELAND, COMMISSIONER:

O P I N I O N

In this application the Rodeo-Vallejo Ferry Company seeks authority to increase from 75 to 94 cents the rate for transporting passenger automobiles between Rodeo and Vallejo.

The reasons given in the application for desiring to make the increase is that since the rate was first established operating expenses have advanced; also that the rate of 94 cents would place applicant's charge on the same basis as that of the Federal controlled lines having ferry systems across San Francisco Bay. At the hearing, as a further justification, it was claimed that the facilities should be enlarged to properly accomodate the traveling public and that new capital could not be secured unless there was an assurance of an increase in rates.

The assets of the company on September 1, 1919, as set forth in an exhibit, totalled \$234,778.42. This valuation was not checked by the Commission, for the reason that an exact appraisal of the property is not necessary in reaching a conclusion in this proceeding.

The financial condition of the company is now very favorable. Statements presented at the hearing indicate that after allowance for depreciation and all other expenses, the net results on the property devoted to the public service in the year 1919 approximated 12%. The granting of this application without a betterment of the service would permit net returns estimated between 15 and 20%.

The present proceeding presents precisely the same situation as that existing in connection with the Richmond & San Rafael Ferry & Transportation Company, Application No. 5174, decided today, in which the following language is employed.

"The service of applicant is good, considering its facilities. The increase of such facilities will, according to testimony of applicant, probably result in largely increased business, and while, as before stated, the Commission desires to be helpful in furnishing the public with adequate service, it cannot advance the rates of a company which is admittedly doing a profitable business to aid such company in financing further capital expenditures. The record of this Commission should satisfy applicant that if further additions to capital are made, a request that the Commission adjust applicant's rates to a compensatory basis based upon such additions to capital, after a thorough investigation of results flowing from added facilities by the investment of such additional capital, will receive careful consideration."

For the same reasons as set forth in Application No. 5174,

I recommend that this application be denied without prejudice, and submit the following form of order:

O R D E R

A public hearing having been held in the above entitled proceeding, testimony having been presented, the case having been submitted for decision and the Railroad Commission basing its conclusions on the statement of facts which appears in the opinion preceding this order,

IT IS HEREBY ORDERED that the application be denied without prejudice.

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 11th day of February, 1920.

E. O. Edgerton
H. D. Loveland
Frank P. Perkins
H. T. B. Budge
Quincy Martin
Commissioners.