



At the hearing applicant showed gross operating revenue amounting to \$15,829.59 for the fourteen months period ended July 31, 1920 and other revenue amounting to \$1320 and total operating expenses of \$19,307.37, thus indicating an operating deficit of \$3477.78 for the period, including depreciation at 25% a year and return of 7% upon investment, which is stated to be \$6111.89. This deficit appears to have been incurred because of increases during the period in the cost of gasoline, oil, tires and wages, estimated respectively at 33%, 40%, 16% and 40%.

The proposed tariff includes changes in classifications and provides an extra charge for pick up and delivery service and one of the proposed rules fixes zones for such service in Los Angeles and Long Beach. In the other cities the service extends throughout the city limits. In the territory west of Los Angeles the proposed rates are the same as those in force by Fletcher and Tremble in that part of the territory where they serve, these rates having been recently authorized by the Commission.

It is estimated that the proposed new tariff will produce an increase in revenue sufficient to cover the deficit.

#### O R D E R

A public hearing having been held upon the above described application, the matter being submitted and ready for decision,

IT IS HEREBY FOUND that the present rates of applicant are not remunerative and that the rates hereinafter referred to are just and reasonable rates.

BASED on its conclusion on the above finding of fact and upon all of the findings of facts contained in the opinion preceding this order,

IT IS HEREBY ORDERED that E. G. Rice, engaged in the business under the fictitious name of Rice Auto Delivery, be and he is hereby authorized to establish on one day's notice by publication, posting and filing with the Railroad Commission a new tariff of rates with rules and regulations as set forth in Exhibit "A" attached to the application herein.

Dated at San Francisco, California, this  
15<sup>th</sup> day of October, 1920.

Philip C. Edgerton  
Frank D. Miller  
Hotchkiss  
James M. Martin  
Commissioners.