

Decision No. 26125.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
BAKERSFIELD AND KERN ELECTRIC RAIL-
WAY COMPANY, a corporation, and
SAN JOAQUIN LIGHT AND POWER CORPORA-
TION, a corporation, for an order of
the Railroad Commission authorizing
the filing and making effective of
revised schedules of street railway
fares, etc.

Application No. 18314.
(Supplemental)

F. H. Pearson, for Applicants.
Walter Osborn, for City of Bakersfield.

CARR, COMMISSIONER:

SUPPLEMENTAL OPINION

In this supplemental application authority is sought to establish on a trial basis a new fare structure to apply on the lines of the Bakersfield and Kern Electric Railway Company for a period of approximately six months, beginning July 8, 1933.

A public hearing was held in this matter at Bakersfield on June 30, 1933. By stipulation it was provided that testimony introduced in Application No. 18948 would be considered in evidence in this proceeding in so far as relevant. In Application No. 18948 Bakersfield and Kern Electric Railway Company seeks authority to abandon a portion of its rail and bus operations. The two applications were heard at the same time and place.

The record shows that the carrier has not earned out-of-pocket costs of operation and depreciation since 1928. In 1931 and 1932 it failed to earn out-of-pocket costs, exclusive of

depreciation, by \$5,418 and \$17,833 respectively.

In an effort to eliminate the operating loss, the carrier has, subsequent to August 10, 1932, with the Commission's approval, been operating with different reduced fare structures on an experimental basis, as follows:

Passenger Fare Structure					
			Weekly	School	
	Cash	Tokens	Pass	Tickets	Special
Basic fare authorized by the Commission, Decision No. 13965 Aug. 27, 1924, Application No. 9550, effective September 13, 1924.	10¢	50¢	\$1.00	* 25 for \$1.00	
Experimental fare, August 10, 1932 to October 9, 1932.	10¢	50¢	\$1.00	25 for \$1.00	No fare charged between the hours of 9:30 A.M. and 3:30 P.M. except Sundays and holidays.
Experimental fare, October 10, 1932 to date.	5¢	-	\$1.00	25 for \$1.00	
Fare structure applicants propose herein, to become effective July 6, 1933 and expire December 31, 1933.	5¢	-	-	25 for \$1.00	2¢ charge for transfers.

* Voluntary reduction.

Applicants request that the experimental fare proposed herein terminates December 31, 1933, after which time it is proposed to re-establish the basic fare structure authorized by said Decision No. 13965 shown above.

No opposition developed to the granting of this application.

It is apparent from the record in this proceeding that it is in public interest to give applicants considerable latitude in their effort to work out a fare structure which will permit of the

continued operation of at least a portion of this public transportation system. As to whether or not this proposed change, which in effect is a slight increase over the prevailing experimental fare structure in that there is a 2¢ charge for transfers, usable only at two points on the system, will result in an increase in applicants' gross earnings, is a matter that can only be determined by actual experience.

In view of the fact that the present revenue is materially less than the out-of-pocket cost of operation, applicants should, in the absence of any opposition, be afforded the opportunity of testing out the plan, as proposed herein, and the following recommended order will so provide.

O R D E R

The Commission having carefully considered the above entitled application and being fully informed in the premises,

IT IS HEREBY ORDERED that applicants, Bakersfield and Kern Electric Railway Company and San Joaquin Light and Power Corporation are authorized as follows:

- (1) To file and make effective on their system for the period in said schedule specified, the fares, rules and regulations set forth in Exhibit No. 1 of the supplemental application herein, the said schedule to be made effective upon not less than one (1) day's notice to the Commission and to the public.
- (2) To file and make effective on January 1, 1934, and thereafter continue in force and effect, the schedule of fares, rules and regulations set forth and contained in Exhibit No. 2 of the supplemental application herein.

The effective date of this order shall be the date hereof.

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 5th day of July, 1933.

C. L. Harvey

W. A. Linn

M. B. Harris

Commissioners.