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ORIGINAL

Decision No. 40501

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
CALIFORNIA STREET CABLE RAILROAD)	Application No. 28360
COMPANY for authority to increase)	
rates.)	

(No additional appearances)

POTTER, COMMISSIONER:

OPINION ON REHEARING

Applicant's present fare structure provides for an adult fare of 10¢ cash or 8-1/3¢ tokens sold in blocks of three for 25¢. The adult fare carries with it a free transfer privilege with the intersecting and connecting lines of the Municipal system of the City of San Francisco.

In the original application authority was sought to eliminate the token fare which would leave only the 10¢ cash fare for adult passengers. No change was proposed in school fares or the free transfer privilege.

In the Commission's Decision No. 40335, dated May 27, 1947, which was a permissive interim order, the Commission authorized applicant to discontinue the free transfer arrangement but did not authorize the company to abolish the token. In reaching this conclusion the Commission stated, among other things, in its opinion that:

"3. The final determination of the request of the Cable Company to eliminate the token fare should be held in abeyance and instead the present universal transfer arrangement between applicant and the Municipal system should be discontinued on an interim basis, subject to further review by the Commission."

In this Order the Commission announced:

"II. The Commission hereby retains jurisdiction of this proceeding for the purpose of entering such other and further orders as experience under this order shall show to be meet and proper in the premises."

On June 4, 1947, applicant filed its petition for a rehearing in this matter alleging, among other things, that:

". . . Although applicant was of the opinion, as expressed in a memorandum filed with the Commission, that the proposal to retain the present fare and discontinue the transfer privilege would not provide revenue sufficient to meet the cost of applicant's service and would in fact decrease such revenue, nevertheless applicant endeavored in good faith to put the proposal into effect for the purpose of giving it a trial. However, the Public Utilities Commission of the City and County of San Francisco has declined to permit the discontinuance of the transfer privilege without 60 days advance notice as required in the agreement for the exchange of transfers, and thus applicant is unable to put the proposal into effect without unreasonable delay."

By its order of June 18, 1947, the Commission granted applicant's request for a rehearing which was held at San Francisco, June 20, 1947. At the rehearing applicant offered testimony to show what efforts had been made to carry out the Commission's order of said Decision No. 40335, with respect to discontinuing the transfer arrangement. Exhibit No. 4 is a copy of a letter from the applicant to the Public Utilities Commission of the City and County of San Francisco, under date of June 2, 1947, and Exhibit No. 5 is a reply from that Commission to applicant, dated June 3, 1947. Exhibit No. 6 is a copy of Resolution No. 6390, passed by the Board of Public Utilities of the City and County of San Francisco, agreeing to the transfer arrangement between the lines of the City and those of applicant, effective October 15, 1944, which contains a provision that:

"This arrangement will continue until termination by either party on the giving of sixty days' notice."

Applicant's Exhibit No. 7 shows that the company sustained

an operating loss of \$13,687 for the period January to May, 1947. The operating loss for the month of May, 1947, is shown by Exhibit No. 8 to be \$1,347.

The President of the Cable Company testified that the wage scale for platform employees on the Municipal lines for the 2-man operation would be increased from \$1.24 to \$1.35 per hour, effective July 1, 1947, and that in the past the wage scale was the same on his system as that applying on the Municipal system. He concluded that, if applicant was required to meet the Municipal wage scale of \$1.35 per hour, it would increase the annual operating expenses approximately \$30,000 a year.

The record shows that even without any increase in labor costs applicant's revenue is not now sufficient to meet the operating costs of providing the service without any allowance for return on a reasonable rate base.

In view of the fact that the Board of Public Utilities of the City and County of San Francisco has elected not to relieve applicant from the transfer arrangement on less than 60 days' notice, together with the fact that it is now operating at a loss, it appears that applicant's request should be granted. On the other hand, if financial relief is not granted, it may have the effect of seriously interfering with the continuance of service to the public.

Upon this complete record, we find that the application should be granted as originally prayed for. The following form of order is recommended.

ORDER ON REHEARING

Application as above entitled having been filed, a public hearing having been held thereon, the matter having been submitted, the Commission being fully advised in the premises and hereby finding

that the fare increase herein authorized is justified.

IT IS HEREBY ORDERED that:

California Street Cable Railroad Company is authorized to modify its present fare structure by eliminating the token fare of 8-1/3¢, sold in blocks of three for 25 cents. The single adult cash fare is to be 10¢, carrying with it a free universal transfer with intersecting and connecting lines of the Municipal system of the City and County of San Francisco. All other fares on applicant's system are to remain unchanged. The authority herein granted is subject to the following conditions:

(a) The revised fare structure may become effective upon not less than 5 days' notice to the Commission and the public.

(b) The authority herein granted shall be void except to the extent that the rates and charges published pursuant to this order are filed and made effective within 90 days from the date hereof.

The foregoing opinion and order on rehearing are approved and ordered filed as the opinion and order of the Public Utilities Commission of the State of California.

The effective date of this order shall be five (5) days from the date hereof.

Dated at San Francisco, California, this 8th day of July, 1947.

Harold P. Hull
Justice J. C. ...
Chas. P. ...
A. J. ...
... ..
COMMISSIONERS