

ORIGINAL

Decision No. 47794

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
CHARLES A. RISHER for certificate of)
public convenience and necessity to)
operate automotive passenger service) Application No. 28549
in and about the vicinity of Chico,)
California.)

In the Matter of the Application of)
SACRAMENTO NORTHERN RAILWAY for)
authority to discontinue the oper-)
ation of street car service within) Application No. 28651
the City of Chico and within the)
County of Butte, State of California.)

JEAN MORONY, for applicant in Application No. 28549.
ERNEST I. SPIEGL, for applicant in Application No. 28651.

O P I N I O N

These two matters, as entitled above, were heard on a common record before Examiner Cannon at Chico on September 26, 1947. Application No. 28549 embodies a request for a certificate of public convenience and necessity by Charles A. Risher, doing business as Risher Lines, to establish and operate a passenger stage service in and about the City of Chico. Application No. 28651, as amended, is filed by Sacramento Northern Railway and seeks authority to discontinue the operation of street car service within and adjacent to the City of Chico. Because of the relationship between the two proposals it is appropriate that both applications be considered in a single decision. The application of Risher will first be considered.

Application No. 28549

This applicant presently operates a motor coach service for the transportation of passengers as a common carrier exclusively

within the limits of the incorporated City of Chico, pursuant to a franchise granted by the said City. The City Council has, by resolution duly passed on May 23, 1947, offered to amend the franchise, if necessary, to conform to the service authorized by the certificate which may be issued by the Commission.⁽¹⁾

The testimony of public witnesses indicates a need for additional transportation service in and adjacent to Chico. Seven such witnesses testified that they would utilize the service and that they had no objection to the abandonment of the street car service.

Chico is a fast-growing community with a population of 18,000, one-third of which is beyond, but adjacent to, the corporate boundaries. According to applicant's testimony the community does not now have adequate public transportation facilities. The proposed expansion of applicant's service would serve the fair grounds, various schools and churches, parks and public buildings, and a number of well-developed residential areas outside the city limits.

Applicant has available for the proposed service three 1942 Ford 3 buses, each having a seating capacity of 27. Fares are fixed at 10 cents per ride including free transfers to points in one general direction on any of the routes. The proposed service would establish five separate routes over a total route distance of 25 miles as against 12.3 miles traversed at present. Time schedules are attached to the application. A 40-minute headway will be maintained on two of the routes and hourly schedules on the other three. Applicant estimates that, with the discontinuance of street car service, he will transport 1,800 passengers daily.

(1) Exhibit No. 3.

The application is endorsed by the Chico City Council, the Chamber of Commerce, Chico Boosters Club, Board of Education, the 3rd District Agricultural Association and the Board of Supervisors of Butte County. No one appeared in protest to the granting of the application.

The testimony leaves no doubt that, with the discontinuance of street car service in Chico, and the normal growth of that community, the area proposed to be served by applicant does not have adequate local public transportation facilities, and that there is need for an expanded service. The application will accordingly be granted.

Charles A. Risher is hereby placed upon notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate-fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be changed or destroyed at any time by the State, which is not in any respect limited to the number of rights which may be given.

Application No. 28651

In Application No. 28651, as amended, Sacramento Northern Railway requests authority to discontinue the operation of its street car service within, and in the vicinity of, the City of Chico. This operation consists of a shuttle service between the southerly city limits at 20th Street and Park Avenue, northerly through the city on Park Avenue and Main Street and The Esplanade

to the intersection of the latter thoroughfare with 11th Avenue, a short distance north of the northerly city limits. A basic 40-minute headway is provided between approximately 6 a.m. and 7 p.m., with additional tripper service in the morning and evening peaks, and occasional side trips on Del Norte Street to the plant of the Diamond Match Company.

The tracks over which the operation is conducted are used primarily for freight service and are maintained under franchises granted by the City of Chico and the Board of Supervisors of Butte County. Some of these franchises require that a certain amount of passenger service be provided. A portion of the proposed Risher operations for which a certificate is being granted will be over the identical streets and route of the Sacramento Northern Street Car service, and it is alleged that there is insufficient business to support both operations.

A witness for the company submitted a statement showing the financial results of this street railway operation for the past twenty years, which indicates that with the exception of the war years, 1942 to 1946 inclusive, the service has not paid the out-of-pocket cost of its operation, without including any portion of the track or overhead maintenance, or of the general expenses of the company. While an increase in the present 5 cent fare to fares comparable to those proposed by the bus operator might reduce the losses, it is evident that the service provided by the railway company is entirely inadequate for the needs of the community in that it provides merely a single line extending in one direction across the city without any lateral crosstown lines to serve the outlying areas to the east and west.

The freight operations of Sacramento Northern Railway within the City of Chico are now conducted with electrically operated motor power, this being a franchise requirement. Most of the remainder of the company's lines have been converted to diesel operation. The present franchises also limit the number of cars which can be moved through the City of Chico to three. The City Council has by resolution declared its intention that if this Commission finds that the bus operations proposed by applicant Risher should be substituted for the street railway operations, it will amend the franchises to permit diesel operation over the tracks and city streets, and also to permit movements of trains of six cars. The franchises will also be amended to eliminate the requirement that passenger service be provided.

This change in the method of operation will enable the company to effect several economies, permit removal of the trolley overhead construction, including numerous poles, and materially reduce the number of train movements along city streets.

The proposal has the support of various civic organizations in the City of Chico, including the Chamber of Commerce, and the only opposition which developed was that of a single witness who appeared as an individual objecting to the removal of the street cars. The principal contention of this witness was that residents outside of the City of Chico use the street car line to reach a branch County Library located near the northerly city limits. Inasmuch as the proposed Risher operation serves much more of the incorporated territory than is served by the street car line, the position of this witness is not supported by the evidence.

In view of the advantages hereinabove stated, and the fact that the proposed bus operations will provide a superior substitute service, it appears desirable that the application of Sacramento Northern Railway to abandon street car service should be granted.

O R D E R

Application as above entitled having been made, a public hearing having been held thereon, the matters having been submitted, the Commission being fully advised in the premises, and hereby finding that public convenience and necessity so require,

IT IS HEREBY ORDERED:

(1) That a certificate of public convenience and necessity is hereby granted to Charles A. Risher authorizing the establishment and operation of a service as a passenger stage corporation, as defined in Section 24 of the Public Utilities Act, for the transportation of passengers between Chico and points adjacent thereto, and intermediate points, over and along the following routes:

- a. Route #1 - "A" Line. Commencing at the intersection of Main and Fourth Street, south on Main Street to Park Avenue, south on Park Avenue to Twelfth Street, east on Twelfth Street to Mulberry Street, south on Mulberry Street to Chico Avenue, south on Chico Avenue to Centerville Road, northwest on Centerville Road to Highway 99E, north on Highway 99E to Park Avenue, north on Park Avenue to Main Street, north on Main Street to Esplanade Avenue, north on Esplanade Avenue to Tenth Avenue, west on Tenth Avenue to Magnolia Avenue, north on Magnolia Avenue to Eleventh Avenue, east on Eleventh Avenue to Esplanade Avenue, south on Esplanade Avenue to Fourth Avenue, west on Fourth Avenue to Warner Avenue, south on Warner Avenue to First Avenue, east on First Avenue to Esplanade Avenue, south on Esplanade Avenue to Main Street, and south on Main Street to the point of commencement.

- b. Route #2 - "B" Line. Commencing at the intersection of Main and Fourth Streets, north on Main Street to Second Street, east on Second Street to Vallombrosa Avenue, east on Vallombrosa Avenue to Arbutus Avenue, north on Arbutus Avenue to Ninth Avenue, west on Ninth Avenue to Spruce Avenue, south on Spruce Avenue to Sacramento Avenue, west on Sacramento Avenue to Esplanade Avenue, south on Esplanade Avenue to Main Street, south on Main Street to Park Avenue, south on Park Avenue to Twenty-First Street, west on Twenty-First Street to Salem Street, north on Salem Street to Fourteenth Street, west on Fourteenth Street to Chestnut Street, north on Chestnut Street to Eleventh Street, west on Eleventh Street to Ivy Street, north on Ivy Street to Ninth Street, east on Ninth Street to Main Street, and north on Main Street to the point of commencement at Fourth Street.
- c. Route #3 - "C" Line. Commencing at the intersection of Fourth and Broadway Streets, south on Broadway Street to Oroville Avenue, southeast on Oroville Avenue to the intersection of Main Street and Humboldt Avenue, east on Humboldt Avenue to Boucher Avenue, southwest on Boucher Avenue to Cleveland Avenue, southeast on Cleveland Avenue to Fetter Street, northeast on Fetter Street to Virginia Street, northwest on Virginia Street to Bruce Street, northeast on Bruce Street to Humboldt Avenue, west on Humboldt Avenue to the intersection of Main Street and Oroville Avenue, northwest on Oroville Avenue to Broadway Street, and north on Broadway Street to the point of commencement at Fourth Street.
- d. Route #4 - "D" Line. Commencing at the intersection of Broadway and Fourth Streets, east on Fourth Street to Woodland Avenue, easterly on Woodland Avenue to Tulip Street, south on Tulip Street to Eighth Street, west on Eighth Street to Broadway Street, and north on Broadway Street to the point of commencement at Fourth Street.
- e. Route #5 - "E" Line. Commencing at the intersection of Broadway and Fourth Streets, north on Broadway Street to the intersection of First Street and Esplanade Avenue, north on Esplanade Avenue to Sacramento Avenue, west on Sacramento Avenue to Nord Avenue, south on Nord Avenue to First Street, west on First Street to Walnut Street, south on Walnut Street to Seventh Street, west on Seventh Street to the intersection of Hickory and Almond Streets, southwest on Almond Street to Pomona Avenue, northwest on Pomona Avenue to Miller Avenue, northeast on Miller Avenue to Fifth Street, east on Fifth Street to Salem Street, north on Salem Street to Fourth Street, and east on Fourth Street to the point of commencement at Broadway Street, and return by same route reversed.

(2) That in providing service pursuant to the certificate herein granted, applicant shall comply with and observe the following service regulations:

- a. Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed 30 days from the effective date hereof.
- b. Within 60 days from the effective date hereof and on not less than 5 days' notice to the Commission and the public, applicant shall establish the service herein authorized and comply with the provisions of General Order No. 79 and Part IV of General Order No. 93-A, by filing, in triplicate, and concurrently making effective, appropriate tariffs and time tables.

(3) That Sacramento Northern Railway is authorized to abandon all of its street railway passenger operations in, and in the vicinity of, the City of Chico, coincidently with the establishment of the bus operations of Charles A. Risher, authorized herein, and to cancel all rates, tariffs and schedules pertaining thereto, providing that for a period of ten days previous to such abandonment, notices to that effect be maintained in its street cars.

The effective date of this order shall be 20 days from the date hereof.

Dated at San Francisco, California, this 10th day of October, 1947.

Harold P. Kule
Justin F. Green
John H. Russell
A. E. Dwyer

COMMISSIONERS