

ORIGINAL

Decision No. 44088

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
SACRAMENTO NORTHERN RAILWAY for)	Application No. 30781
authority to discontinue agency)	
service at Concord, California.)	

E. L. Van Dellen, for applicant.

I. S. Wilson, for Order of Railroad Telegraphers;
A. R. Linn, Concord Chamber of Commerce; A. W. Harris,
Brotherhood of Railroad Trainmen; Lloyd Milne,
Diamond Match Company; D. T. Baldwin, Concord
Mercantile Company; J. H. Herriman, in propria
persona; John B. Atwood, Boy Scouts of America,
Concord; George Soares, Concord Ice and Fuel,
protestants.

O P I N I O N

By this application Sacramento Northern Railway seeks authority to change Concord, Contra Costa County, from an agency to a nonagency station. A public hearing was held at Concord on January 20, 1950, before Examiner R. K. Hunter, at which time the matter was submitted.

Concord is located on the main line of the Sacramento Northern Railway. The nearest agency stations are, to the east, Port Chicago, distant 5.29 miles, and to the west, Walnut Creek, distant 6.3 miles.

Notices were sent to everyone who indicated an interest in the proceeding. Among those notified were the California Fruit Exchange, the Pacific Gas & Electric Company, Concord Lumber Company, California Water Service Company, Almond Growers' Association Exchange and the City Clerk of the City of Concord, none of whom appeared at the hearing.

Concord is also on the San Ramon branch of the Southern Pacific Company, which railroad maintains an agent at this station.

The president and general manager of the Sacramento Northern Railway testified that the usual procedure would be followed in the event the Commission authorized Concord to be changed from an agency to a nonagency station. Responsible shippers and consignees, upon application, would be placed on the credit list and would thereby be able to forward both carload and less-than-carload shipments prepaid and receive such shipments collect at Concord. Orders for cars would be placed through the agent at Walnut Creek and the applicant has indicated that it would handle these calls on a collect basis. Consignees would be informed of arrival of both carload and less-than-carload shipments by notices mailed from Walnut Creek. In the handling of less-than-carload shipments, the applicant would arrange to have a key available so that shipments, on the outbound movement, could be locked in the station awaiting pickup by the train crews. On the inbound movement, the shipments would be locked in the station and the consignee could secure the key and then pick up the shipments. Those appearing on the credit list would be shown in the list of open and prepaid stations so that all shippers would be informed of their situation. On shipments consigned to the shipper's order, the original bill of lading would have to be surrendered at Walnut Creek before delivery is taken.

Several public witnesses testified. All indicated that it would be more convenient for them to have an agent present at Concord; however, it appears that none of them would be seriously handicapped if the agent were removed, particularly in view of the fact that if agency service proved to be absolutely essential

in some particular instance, such service could be secured through the agent for the Southern Pacific Company. There was no evidence introduced indicating that any of the commodities involved could not be handled without an agent being present. On cross examination it was brought out that the shipper witnesses use highway carriers for the handling of the vast majority of their less-than-carload shipments.

The applicant introduced an exhibit showing expenses and revenues at Concord for the calendar year 1948. For 1949 the exhibits introduced at the hearing covered the first ten months revenues and the first eleven months expenses. The annual reports of the Sacramento Northern Railway filed with this Commission for the years 1948 and 1949, were included in the record by reference. In order to have the complete and comparable figures for the year 1949, the revenue figures for November and December and the expense figures for December were secured from the official records of applicant. They are substantially the same as and less favorable to applicant than these figures submitted in the exhibit. The following tabulation reflects these figures for the two full years:

	<u>1948</u>	<u>1949</u>
Carload freight revenue	\$ 8,645	\$ 8,758
Less-carload freight revenue	<u>1,909</u>	<u>579</u>
Total freight revenue	\$10,554	\$ 9,337
(There appears to have been no revenue from the sale of passenger tickets or other sources)		
Total expenses	\$ 4,152	\$ 4,413

From the annual statements of the applicant, the following

figures were secured:	<u>1948</u>	<u>1949</u>
Total system railway operating expenses	\$2,376,219	\$2,092,008
Total system operating revenues	2,235,702	2,169,471
Total station expenses all stations	221,506	185,702
Operating ratio	106.29%	96.43%
Operating ratio, excluding all station expenses	96.38%	87.87%

In considering applications of this kind, this Commission has laid down certain criteria to be used in arriving at a decision. In the application of the Southern Pacific Company to discontinue agency service at McKittrick (48 Cal PUC 407), which application was denied, the Commission stated,

"While volume of revenue from other than carload traffic (i.e. less-than-carload, express, storage, demurrage, and telegraph messages in this instance), has been considered as a convenient means of measuring the necessity for maintaining an agent at a railroad station, it is not necessarily the sole controlling factor. In determining whether a given station should be changed from agency to non-agency, other factors of equal importance must be considered. Among these are the financial condition of the entire railroad, financial results of operations at the station, ratio of station expense to revenue for all stations and for the particular station under consideration, geographical location of the station and its relation to the surrounding area, history of the agency, proximity of and accessibility to other agency stations, volume and trend of business at the station, whether cost of furnishing service is commensurate with or out of proportion to the revenue derived, and, of course, public convenience and necessity."

Applying these tests to the application under consideration, it appears that for the year 1948, the less-than-carload revenue amounted to \$1,909 while the expenses were \$4,152, the expenses exceeding the revenue by \$2,243. For the year 1949, the less-than-carload revenue amounted to \$579 while expenses at Concord were \$4,413, exceeding the revenue by \$3,834.

As to the financial condition of the railroad, the

operating ratio was 106.29% in 1948, and 96.43 in 1949, neither of which indicates a satisfactory result from the profit viewpoint.

As to the financial results of the operation at Concord, the records indicate that the ratio of expenses at all stations to revenue at all stations was 9.1% in 1948, and 8.56% in 1949. The ratio of station expenses at Concord to revenue credited to this station was 39.34% in 1948, and 47.26% in 1949. Applying the system operating ratio with all station expenses excluded would indicate that the total cost of handling Concord traffic including station expenses would be \$14,324 for 1948 and \$12,617 for 1949. Comparing this with the revenue credited to Concord (and it should be noted here that the total revenue received by the applicant is included; that is, the sometimes customary deduction on local business was not made) would indicate that the cost of handling traffic at this station exceeds the revenue on such traffic by \$3,770 in 1948 and \$3,280, in 1949.

It must be emphasized here that the foregoing calculation is based upon a system average and does not necessarily show the actual financial result of the operation of this station. This calculation is not controlling but is only one of the factors to be considered in arriving at a decision.

A representative of the Concord Chamber of Commerce, at the conclusion of the taking of evidence, made a plea that this city not be reduced to the "ignominy" of having the status of a nonagency station. This argument is not convincing in view of the record and of the fact that the Southern Pacific Company does provide agency service at Concord.

Upon a careful consideration of the entire record and of the testimony and evidence introduced at the hearing, it is our

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conclusion that public convenience and necessity will not be adversely affected by authorizing the discontinuance of agency service at Concord.

O R D E R

A public hearing having been held and based upon the evidence adduced and the conclusions and findings set forth in the opinion,

IT IS ORDERED that Sacramento Northern Railway is hereby authorized to discontinue agency service at Concord, Contra Costa County, subject to the following conditions:

1. Applicant shall continue said station as a nonagency station.
2. Applicant shall give not less than 10 days' notice to the public of the discontinuance of said agency service by posting a notice at said station.
3. Applicant shall provide storage under lock at said station for less-than-carload freight shipments and shall provide a key to said storage space to be kept at a convenient location nearby and shall maintain notice at such station advising patrons where the key may be secured.
4. Applicant shall within 30 days thereafter notify this Commission in writing of the discontinuance of the agency service authorized herein and of the compliance with the conditions of this order.
5. The authorization herein granted shall lapse if not exercised within 90 days after the effective date of this order unless an extension of time is subsequently granted.

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

Dated at San Francisco, California, this 25th day of April, 1950.

R. Z. [Signature]
Justice Z. [Signature]
[Signature]
Harold P. [Signature]
[Signature]
 COMMISSIONERS