

ORIGINAL

Decision No. 44282

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation)
into the rates, rules, regulations,)
charges, allowances and practices)
of all common carriers, highway)
carriers and city carriers relating)
to the transportation of property.)

Case No. 4808

Appearance

Frank Loughran, for Yreka Western
Railroad Company.

SUPPLEMENTAL OPINION

The Yreka Western Railroad Company operates as a highway common carrier between Yreka, Fort Jones, Green View and Etna, all located in Siskiyou County.¹ By petition in this proceeding it seeks authority to reduce its minimum charges, applicable to small shipments, below those prescribed for highway carriers generally.

A public hearing was had before Examiner Lake at San Francisco on May 16, 1950.

Petitioner's superintendent testified in support of the authority sought. He stated that the territory in which operations are conducted is sparsely settled; that the need for common carrier freight service is fulfilled by a daily, except Sunday, service with a one-truck operation; and that there is no for-hire carrier competition for the traffic herein involved. According to the witness, the present minimum charges have caused considerable diversion of shipments from his line to proprietary operations. He asserted that the loss of traffic due to these charges was not confined to shipments subject to minimum charges but included shipments of greater weight.

¹It also conducts railroad operations between Montague and Yreka. These operations are not involved in this proceeding.

The witness testified that the gross operating income of \$546 in March of this year had dropped to \$447 in April notwithstanding that business conditions in the area were somewhat better during that month than those experienced in the preceding month. Despite the handling of fewer shipments during April, the witness testified there had been no decrease in the cost of performing the scheduled operations. He claimed that should the loss in revenue continue it would prejudice the company's ability to continue to render common carrier service. The present charges and those proposed are as follows:

| <u>Weight of Shipment</u> <u>(In Pounds)</u> | | <u>Minimum Charge</u> <u>(In Cents)</u> |
|---|-----------------|--|
| <u>Present (1)</u> | | |
| Less than 15 | | 70 |
| 15 and over | | 105 |
| <u>Proposed</u> | | |
| <u>Over</u> | <u>Not Over</u> | |
| 0 | 25 | 49 |
| 25 | 50 | 62 |
| 50 | 75 | 75 |
| 75 | 100 | 87 |
| 100 | - | 93 |

(1) The present charges were established effective April 1, 1950, pursuant to Decision No. 43861 dated February 28, 1950.

The witness was of the opinion that the reduced charges would return the cost of providing the service, and that the establishment thereof would permit the company to retain its present business and to recover that which had been lost.

No one opposed the granting of the application.

The record shows that the proposed charges may reasonably be expected to return greater net revenues than the charges presently applicable and that this traffic is not competitive with other carriers.

Upon careful consideration of all of the facts and circumstances of record the Commission is of the opinion and finds as a fact that the proposed reduced charges sought by the petitioner in this proceeding are reasonable and justified by transportation conditions. The petition will be granted.

ORDER

Based upon the evidence of record, and upon the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that the charges proposed in the above referred to petition may be established within sixty (60) days after the effective date of this order, and on not less than five (5) days' notice to the Commission and to the public.

This order shall become effective twenty (20) days after the date hereof.

Dated at San Francisco, California, this 7th day of June, 1950.

R. E. [Signature]
Justin F. Caswell
James Lawrence
Harold P. Kile
Kenneth R. Potter
 Commissioners