

ORIGINAL

Decision No. 45051

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.
A. R. Linn for Concord Area Chamber of Commerce; I. S. Wilson
 for The Order of Railroad Telegraphers; Clarence W. Ellsworth
 for The Diamond Match Company; Berl D. Bales for Bales' Mill
 and Lumber Company, protestants.

O P I N I O N

By Decision No. 44088, dated April 15, 1950, in the above-entitled application, the applicant was authorized to discontinue agency service at Concord Station, Contra Costa County. On May 4, 1950, Concord Area Chamber of Commerce filed a petition for rehearing. A reply to this petition was filed on June 3, 1950, by Sacramento Northern Railway.

The Commission, by order dated July 11, 1950, reopened the proceeding for further hearing for the purpose of determining whether said Decision No. 44088 should be altered, amended or revoked. Pursuant to this order a further hearing was held, before Examiner R. K. Hunter, at Concord on August 18, 1950, at which time the matter was taken under submission.

At the further hearing applicant introduced several exhibits concerning its experience at Concord, and at Meinert and Bancroft adjacent nonagency stations.

The agent at Concord handled some of the traffic moving through these nonagency stations, but not all of it. The protestant,

Concord Area Chamber of Commerce, contended that the revenue on the portion of the traffic of these two adjacent nonagency stations which was handled by the agent at Concord, should be considered in determining whether the agency service at the latter station should be discontinued. With this contention we cannot agree. From the viewpoint of public convenience and necessity it does not appear that the shipping public using Meinert and Bancroft will be adversely affected if agency service is discontinued at Concord. Such traffic will be handled in the same manner as previously, but by another agency station, Walnut Creek, and it appears with little if any change in efficiency. In addition, the amount of revenue actually creditable to Concord on account of such traffic is relatively so small that it would not affect the outcome of our consideration of the merits. Consequently the revenue derived on traffic originating at or destined to Meinert and Bancroft will not be considered in arriving at our decision in this application.

Applicant's Exhibit No. 4, introduced at the further hearing shows the following traffic and financial experience at Concord:

<u>Business Handled</u>	<u>Year Ended May 31, 1949</u>	<u>Year Ended May 31, 1950</u>
Number of Waybills made	64	34
Number of Freight Bills made	458	342
Number of Passenger tickets sold	-	-
Pieces of Baggage handled	-	-
Carload Traffic (cars)	140	220
L.C.L. Traffic (tons)	93	40
 <u>Operating Revenue and Expense</u>		
<u>Revenues</u>		
1. Carload freight - local (x)	\$ 421.	\$ 591.
2. Carload freight - interline	6,154.	10,693.
3. L.C.L. freight - local (x)	326.	116.
4. L.C.L. freight - interline	332.	244.
5. Total freight revenue (Lines 1 to 4 incl.)	<u>\$7,233.</u>	<u>\$11,644.</u>

Operating Revenue and Expense (Con't)Revenues

6. Passenger ticket revenue	-	-
7. Demurrage	-	347
8. Total passenger and incidental revenue	-	\$ 347.
9. Total revenue - Concord Station	\$7,233.	\$11,991.

(x) Figures represent 50% of revenue on local traffic.

<u>Expenses</u>	<u>Year Ended May 31, 1949</u>	<u>Year Ended May 31, 1950</u>
10. Wages - Agent	\$ 3,838.	\$ 3,865.
11. Payroll Taxes	325.	334.
12. Stationery	31.	55.
13. Light, Fuel & Telephone	89.	93.
14. Miscellaneous Supplies	46.	35.
15. Total Expenses - Concord Station	\$ 4,329.	\$ 4,382.

Total Company Operating Revenues, Expenses
and Ratios

16. Total Railway Operating Expenses	\$2,377,987.	\$1,871,600.
17. Total Railway Operating Revenues	2,193,977.	2,273,188.
18. Total Station Expense - All Stns.	220,850.	190,383.
19. Operating Ratio (Ln 16+Ln 17)	108.39%	82.33%
20. Operating Ratio (Ln 16-Ln 18+ Ln 17) (Excluding Stn. Exp.)	98.32%	73.96%

Amount By Which Cost of Handling Concord
Traffic Exceeds Revenue on Such Traffic

21. Calculated cost of handling Concord traffic excluding Stn. Exp. (Line 9 x Line 20)	\$7,111.	\$8,879.
22. Calculated total cost of handling Concord traffic including Station expense (Line 21 + Line 15)	\$11,440.	\$13,251.
23. Calculated amount by which total cost of handling Concord traffic exceeds revenue on such traffic (Line 22 - Line 9)	\$ 4,207.	\$ 1,260.

Ratio of Station Expense To Revenue

	<u>Year Ended May 31, 1949</u>	<u>Year Ended May 31, 1950</u>
24. Ratio station expense all stations to revenue all stations (Line 13 + Line 17)	10.07%	8.38%
25. Ratio station expense Concord to revenue Concord (Line 15+ Line 9)	59.85%	36.54%

Amount by Which Concord Station Expense
Exceeds Revenue other than Carload

26. Revenue Concord Station excluding carload revenue (Line 9 - Lines 1 and 2)	\$ 658.	\$ 707.
27. Amount by Which Concord Station Expense exceeds revenue other than carload revenue (Ln 15 - Ln 26)	\$ 3,671.	\$ 3,675.

The foregoing figures speak for themselves and need little comment to bring out their significance. Suffice it to say that they reflect a far from satisfactory revenue situation from the viewpoint of the applicant. The weight to be given such figures and the other factors to be considered in an application of this kind were fully set forth in the original decision referred to previously and need not be repeated here.

Exhibit No. 5, introduced by Applicant shows the number of carloads of each type of commodity handled at Concord. A large proportion of these carloads consist of building materials as shown by the following figures:

	<u>Year Ended</u> <u>May 31, 1949</u>	<u>Year Ended</u> <u>May 31, 1950</u>
Total Carloads Handled at Concord	140	220
Carloads of Building Materials, viz:		
Lumber	28	87
Posts	25	17
Veneer	0	1
Forest Products N. O. S.	1	2
Nails	0	2
Plaster	8	7
Wall Board	15	41
Building Woodwork	1	0
Total Carload Building Material	<u>78</u>	<u>157</u>

Protestants relied on the increase in home building activity in the Concord area as a reason for opposing the elimination of agency service. In the face of Federal regulations, the avowed purpose of which is the curtailing of this type of building activity, it is unlikely that the previous volume will be maintained.

The annual financial reports, filed with this Commission by the applicant indicate an unsatisfactory operating ratio for the past several years. The operating ratio for the year ended May 31, 1949, was 108.39% (Exhibit No. 4) and for the same period ended

May 31, 1950, the said ratio was improved to 82.23%. The applicant's President and General Manager testified that this improvement had been brought about only by effecting economies in various departments throughout the railroad which resulted in a saving in payroll of approximately \$400,000 per year, and that such savings resulted from consolidations or elimination of work, services and employees which could be dispensed with without being detrimental to the applicant's service to the public.

At the further hearing only two public shipper witnesses appeared although all who appeared at the original hearing were notified. As mentioned in the original decision previously referred to, no one appeared specifically representing the City of Concord or Contra Costa County authorities.

Both public shipper witnesses testified that it would be more convenient to have agency service continued. It appears from their testimony, however, that neither of the firms they represent would be affected seriously if the agency service were discontinued. The record shows that pursuant to the decision after the original hearing agency service was discontinued on June 20, 1950. The evidence introduced failed to show that any shipper had suffered material handicap or inconvenience as a result thereof.

It is our conclusion, after carefully considering the entire record, including the testimony and evidence introduced at both the original and the further hearings, that public convenience and necessity will not be adversely affected by permitting Concord to continue to operate as a nonagency station as authorized in Decision No. 44088 and we so find. It is our further conclusion, therefore, the said decision should not be either altered, amended

or revoked.

ORDER ON REHEARING

The petition of Concord Area Chamber of Commerce for a rehearing in the proceeding, having been granted, such rehearing having been held, and based upon the entire record and the conclusions and findings set forth in the foregoing opinion, .

IT IS ORDERED that Decision No. 44088, dated April 25, 1950, be and it is hereby affirmed.

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

Dated at San Francisco, California, this 21st day of November, 1950.

R. E. Anderson
Justus F. Palmer
Robert F. Farrell
Harold P. Kula
Francis P. Potter
 COMMISSIONERS