

ORIGINAL

Decision No. 48023

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
THE ATCHISON, TOPEKA & SANTA FE)
RAILWAY COMPANY, a corporation,)
(hereinafter called The Atchison)
Company), UNION PACIFIC RAILROAD)
COMPANY, a Utah corporation, (here-)
inafter called Union Pacific), and)
RAILWAY EXPRESS AGENCY, INC.,)
(hereinafter called Express Agency),)
for authority to discontinue agency)
service at the station of Highgrove,)
California, and to thereafter operate)
same as a nonagency station.)

Application No. 32968

R. W. Walker, William F. Brooks and Henry M. Moffatt
for applicants. William O. Mackey and Ray T. Sullivan, Jr.
for County of Riverside; Lee White and Anne Walter for
Highgrove Civic Association; P. W. Everington, for Dahl House;
and John Stone for Sieck Packing Co., protestants.

OPINION AND ORDER ON REHEARING

By Decision No. 47478, dated July 15, 1952, in Application
No. 32968, The Atchison, Topeka and Santa Fe Railway Company, Union
Pacific Railroad Company and Railway Express Agency, Inc. were
authorized to discontinue their agency station at Highgrove, Riverside
County, California. ⁽¹⁾ The evidence adduced at the original hearing
showed that the agency stations were operating at a loss, that
revenues were not keeping pace with expenses, that two superior
agency stations are situated at Colton and Riverside, each less than
four miles distant from Highgrove, that the closing would result in
no material change in the manner of handling carload shipments, and
that less-carload shipments would be handled by a daily store-door

(1) The order became effective August 4, 1952. The station has been
closed since August 15, 1952.

pickup and delivery truck service in place of the then existing agency station service.

The Highgrove Civic Association, a protestant at the original hearing, petitioned for a rehearing upon the grounds that business at the Highgrove station for the first six months in 1952 had increased substantially over the same periods in 1950 and 1951 and upon the further ground that business and industry in the community was growing rapidly.

The petition having been granted, the matter was reheard at Riverside on October 9, 1952. Additional evidence having been adduced, the matter was again submitted for decision.

No evidence was presented at the rehearing which would justify a revision of the statements and findings pertaining to business transacted by applicants in the years 1950-1951 as set forth in our original opinion in Decision No. 47478.

The evidence shows the number of shipments forwarded and received at Highgrove via The Atchison, Topeka & Santa Fe Railway Company and Union Pacific Railroad Company for the respective periods of January to June, 1950, 1951 and 1952, to be as follows:

CARLOAD SHIPMENTS

| | 1950 | | 1951 | | 1952 | |
|-----------|-------|---------|-------|--------|-------|--------|
| | AT&SF | U.P. | AT&SF | U.P. | AT&SF | U.P. |
| Forwarded | 5 | 4 | 12 | 5 | 9 | 0 |
| Received | 16 | 8 | 11 | 0 | 8 | 0 |
| Totals | 21 | 12 (33) | 23 | 5 (28) | 17 | 0 (17) |

LESS-CARLOAD SHIPMENTS

| | | | | | | |
|-----------|----|--------|-----|---------|-----|---------|
| Forwarded | 28 | 0 | 104 | 0 | 126 | 0 |
| Received | 27 | 0 | 69 | 7 | 148 | 6 |
| Totals | 55 | 0 (55) | 173 | 7 (180) | 274 | 6 (280) |

It is apparent that there has been a gradual decrease in the number of carloads moved and an increase in the less-carload business. However, on the basis of five business days per week, the average number of less-carload shipments moving from and to this station in the 1952 period was only 2.1 shipments per day.

There were 37 passenger tickets sold at Highgrove the first six months of 1952, all by The Atchison, Topeka and Santa Fe Railway Company, as compared with an average of 123 tickets for each of the two preceding years.

The revenues and expenses of the two applicant railroads for the period January to June 1952, applicable to Highgrove, are as follows:

| | AT & SF (Ex. No. 8) | U.P. (Ex. No. 9) | Consolidated (Ex. No. 10) |
|---|------------------------|---------------------|------------------------------|
| * Revenues | \$ 7,845 | \$ 44 | \$ 7,889 |
| Operating expense other than station | 6,532 | 33 | 6,565 |
| ** Station Expenses | 1,338 | 892 | 2,230 |
| Net Loss | (25) | (881) | (906) |

(Red figure)

* Includes passenger revenue, express commissions and other miscellaneous revenues.

** Does not include each railroad's share of wages paid to an apprentice telegrapher (AT&SF, \$777.34, U.P., \$518.66) whose services, the record shows, were not indispensable to the operation of the Highgrove Station. This employee was added to station personnel in January 1952, and was paid \$1,296 through June 1952.

Again applicant railroads allocated one-half of both interline and local traffic revenue and expense to Highgrove, contending that station expenses occur at both ends of every revenue traffic movement. A 50 percent division of local traffic was

considered equitable since shipments both originate and terminate on The Atchison, Topeka & Santa Fe Railway Company or Union Pacific Company rails. As interline shipments are handled both at the point of origin or termination (Highgrove) and at the interchange point, it is contended that a 50 per cent division of such expense is also justified. Nevertheless, a company witness testified that "the exact percentage of interline revenue which allocates to interchange station expense can only be determined through an exhaustive expensive study which does not appear warranted at this time. However, in the light of our experience, it is safe to say that the percentage will range between 25 per cent and 50 per cent." Adjusting the consolidated results hereinabove shown to include 75 per cent of interline revenue, instead of the allocation of 50 per cent, the result would be:

| | 1952 (6 months) <u>January to June</u> |
|---|---|
| Revenues (75% of interline, plus 50% of local, plus passenger, express and miscellaneous) | \$ 11,161 |
| Operating Expenses, other than station | 9,286 |
| *Actual Station Expenses | 2,230 |
| Net Loss | <u>(355)</u> |

(Red figure)

* Apprentice telegrapher's wages omitted.

Projecting the latter tabulation to an annual basis, a comparison with the 1950-1951 figures will show that, regardless of the upward trend in revenue, the loss is greater percentage-wise. This is accounted for by a like trend upward in the ratio of System

Operating Expenses to System Revenues (Item 6, Exhibits Nos. 5 and 10).

The figures for the three years are:

| | <u>1950</u> | <u>1951</u> | <u>1952</u> (Projected) |
|--|--------------|--------------|----------------------------|
| Revenues (75% of inter-line, plus 50% of local, plus passenger, express, no miscellaneous) | \$13,566 | \$16,236 | \$22,322 |
| Operating Expenses, other than station | 9,833 | 12,787 | 18,572 |
| *Actual station expenses | 4,197 | 3,745 | 4,460* |
| Net Loss | <u>(464)</u> | <u>(296)</u> | <u>(710)</u> |

(Red figures)

*Apprentice telegrapher's wages omitted.

Having considered the testimony of the protesting witnesses, we are unable to find that the new daily store-door pickup and delivery truck service for less-carload shipments has been, on the whole, unsatisfactory. One witness, a protestant and substantial shipper of less-carload traffic, stated that he had experienced no difficulties since the station was closed. A carload shipper testified that a car had been spotted at the wrong place (this was the only carload shipment between August 15 and October 9, 1952). Evidence was also presented showing that the number of registered voters in the Highgrove precincts for the years 1948, 1950, and 1952, were 806, 859 and 963, respectively.

A review of the entire evidence leads us to the conclusion that the closing of the Highgrove station will not materially inconvenience the public generally, nor the shippers or consignees formerly served through said station. On the other hand, we find

that the community of Highgrove can be adequately and conveniently served from applicants' stations at Colton and Riverside, which stations are each less than four rail miles distant from the Highgrove station.

As applicants' requests appear justified, our previous order will be affirmed.

O R D E R

A rehearing having been held, the Commission being fully advised in the premises, and good cause appearing,

IT IS ORDERED that the Order in Decision No. 47478, dated July 15, 1952, in Application No. 32968, be, and the same hereby is, affirmed.

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

Dated at San Francisco, California, this 9th day of December, 1952.

R. J. Dineen
 President

Justice F. Cassin

Harold P. Hull

Samuel Pittel

Edw. E. Whitcomb
 Commissioners