

ORIGINALDecision No. 49594

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 DONNER SKI BUS CORP., a corporation,)
 for a certificate of public conven-)
 ience and necessity to operate as a)
 passenger stage corporation.)

Application No. 35044

In the Matter of the Application of)
 DONNER SKI BUS CORP., a corporation,)
 for authority to issue common stock.)

Application No. 35073

O P I N I O N

Donner Ski Bus Corp. seeks a certificate of public convenience and necessity authorizing it to operate as a passenger stage corporation from December 15 of each year to and including April 30 of the following year between Donner Summit Lodge and Donner Ski Ranch, and all intermediate points, via U. S. Highway 40. Authority is also requested to issue and sell capital stock and to use the proceeds for acquisition of equipment and working capital.

Applicant alleges that during the last several years the area here involved has become of increasing importance as a winter recreation and vacation area; that the number of persons visiting said area for the purpose of engaging in winter sports has been increasing year by year; that there has been a corresponding increase in accommodations, private and public, for these persons; that persons desiring to use the Sugar Bowl and other natural ski slopes reach the ski area almost entirely by use of private automobiles; that parking facilities at the higher elevations are extremely limited; that in times of heavy snowfall the parking area near the summit is completely unusable; that parking is limited to one side of the highway as the other side must be clear for the operation of

snowplows; that if the proposed service is authorized it is contemplated that persons wishing to engage in winter sport activities in the areas adjoining the upper reaches of Highway 40 will leave their cars in the more ample parking spaces at the lower elevations in the Soda Spring area and will use such service to reach destinations in the skiing area; and that such service will not only meet the needs and conveniences of such persons but will relieve much of the congestion on U. S. Highway 40 in the higher elevations.

Applicant proposes to utilize three 20-passenger Dodge gasoline buses equipped with ski racks. Service will be rendered on schedule, approximately one round trip per hour. A one-way fare of 25 cents will be charged for a passenger and his baggage and/or skiing equipment.

Applicant alleges that the common carrier services with which the proposed service is likely to compete have been notified of this application and have no objection thereto; and that the application is supported by businessmen and the residents of the area as evidenced by letters attached to the application.

Applicant's Articles of Incorporation, filed with the Secretary of State December 31, 1953, provide for a capital structure which consists of 10,000 shares of capital stock having a par value of \$1 per share, amounting in the aggregate to \$10,000. Applicant proposes to issue 3,334 shares of capital stock to J. Vind, its president, 3,333 shares to A. E. McDonald, its vice-president and secretary, and 3,333 shares to Sanford W. Small, its treasurer, for cash at \$1 per share in order to obtain funds for operating capital and the purchase of buses and equipment.

Upon consideration of the facts here involved, the Commission is of the opinion and hereby finds public convenience

and necessity require that Application No. 35044 be granted. Further, the Commission is of the opinion that applicant should be authorized to issue the shares of stock for the purposes hereinabove mentioned. A public hearing is not necessary.

Applicant 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.

O R D E R

Applications having been filed and the Commission being of the opinion that the authority requested should be granted,

IT IS ORDERED:

(1) That a certificate of public convenience and necessity is granted to Donner Ski Bus Corp., a corporation, authorizing the establishment and operation of service as a passenger stage corporation, as defined in Section 226 of the Public Utilities Code, between Donner Summit Lodge and Donner Ski Ranch, and all intermediate points, over and along U. S. Highway 40, from December 15 of each year to and including April 30 of the following year.

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

- (a) Within thirty days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted.
- (b) Within sixty days after the effective date hereof, and upon not less than five days' notice to the Commission and the public, applicant shall establish the service herein authorized and file in triplicate; and concurrently make effective, tariffs and timetables satisfactory to the Commission.

(3) That Donner Ski Bus Corp. may issue and sell, on or before September 1, 1955, at not less than \$1 per share, 10,000 shares of its capital stock for the purposes set forth in the foregoing opinion, it being hereby found that the money, property or labor to be procured or paid for by the issuance of such stock is reasonably required by applicant for the purposes herein stated, which purposes are not in whole or in part reasonably chargeable to operating expenses or to income.

(4) That applicant shall file with the Commission monthly reports as required by General Order No. 24-A, which order, in so far as applicable, is made a part of this order.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 26th day of January, 1954:

Kenneth Patten
Paul Mitchell
Gene Higgins

Commissioners