

Decision No. 53737**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Walter M. Wood, dba
 REDDING-LAKEVIEW STAGES for authority
 to abandon service between Alturas,
 California, and the California-Oregon
 State Line near New Pine Creek,
 California.) Application No. 38139

In the Matter of the Application of
 WALTER M. WOOD, an individual, doing
 business as REDDING-LAKEVIEW STAGES,
 for authority to increase passenger
 fares and express rates and charges.) Application No. 38095

O P I N I O N

Applicant is engaged in the operation of a passenger stage service between Redding, Bieber, Alturas and the California-Oregon State Line near New Pine Creek and also Shasta Dam under authority of this Commission as acquired by applicant pursuant to the provisions of Decision No. 41574, dated May 11, 1948, in Application No. 29291, and to the provisions of Decision No. 48934 dated August 6, 1953 in Application No. 34540.

By Application No. 38095 filed June 4, 1956 an increase in passenger fares is requested of approximately 15%, except in certain instances where competitive conditions exist. An increase for express, newspapers and commodity charges is also sought as follows:

STATEMENT SHOWING PROPOSED EXPRESS,
NEWSPAPER AND COMMODITY RATES

<u>Miles</u>	<u>Pounds</u>					
	Not Over 10	11-20	21-40	41-60	61-80	81-100
1-75	.90	1.10	1.30	1.50	1.70	2.00
76-125	1.00	1.30	1.50	1.70	2.00	2.30
126-up	1.10	1.40	1.60	1.90	2.30	2.70

COMMODITY RATES

Bread: Same as express rates.

Newspapers: 2¢ per pound (any distance). Minimum charge on any shipment - 35¢.

Exception: When aggregate weight of shipment from one shipper during a calendar month exceeds 2,000 pounds, minimum charge does not apply.

Motion Picture Film and Accessories:

2¢ per pound (any distance). Minimum charge - 35¢.

The increases are alleged to be justified because of a serious decline in patronage and an increase in operating expenses.

Application No. 38139 filed June 15, 1956, requests authority to discontinue and abandon all service between Alturas and the California-Oregon State Line near New Pine Creek, and intermediate points along U. S. Highway 395. It is alleged that applicant's total operation has been carried on at a loss for a long time, with the greatest loss being suffered in the area sought to be abandoned. By eliminating the loss in this area applicant is of the opinion that with the fare and rate increases requested by Application No. 38095 the balance of the service can be continued.

From a passenger count conducted it appears that there is not a sufficient use by the public to justify a continuance of the service north of Alturas. A passenger count covering 77 days shows that for 16 days no passengers were carried. On 62 days no more than three passengers were transported. On only 15 days were more than three carried, and at no time were there more than six passengers per day. The Commission finds that there is insufficient public need for the service between Alturas, California, and the California-Oregon State Line to justify its continuance. Applicant will be authorized to abandon this portion of his passenger stage service as requested in Application No. 38139.

According to the applicant's income statement attached as Exhibit C, during 1955 his total operating revenues including carriage of the mail, film, newspapers and other express as well as passenger revenue amounted to \$40,877.58, while his total expenses for the operation came to \$48,649.14, resulting in a net operating loss of \$7,771.56 for the year. The staff estimates that the abandonment to be authorized will result in a net saving of approximately \$2,000 per year. This will be insufficient to eliminate the need for the fare and rate increase requested.

Exhibits attached to Application No. 38095 show the estimates of operating results to be experienced under the proposed rates and fares on an annual basis with existing operations. According to Exhibit F revenues will amount to \$40,877 under present fares and \$46,331.81 with the proposed increases. Expenses are predicted as \$48,649.14 under present fares and \$47,950.74 with the increases as requested. The result would be a \$7,771.56 loss under present fares and \$1,618.93 with the proposed increased rates. Exhibit D attached to Application No. 38139 indicates a net saving of \$1,326 for a 3-month period or approximately \$5,300 per year resulting from the requested curtailment of service. This would produce a net income after taxes of \$2,912 under proposed fares and with the reduced service.

The Commission's staff made an independent study of applicant's operations. According to this study the staff estimates that during the 12-month period ending June 30, 1957, under present fares and under the operation as reduced herein applicant will receive \$37,490 under present fares and \$40,130 under proposed increased charges. The operating expenses as estimated by the staff will come to \$39,260 under present fares and \$39,440 under proposed increased fares. This would result in a net loss of \$1,770 under present fares and a net income of \$690 under proposed

fares before income tax which would be \$80, leaving a net operating income of \$610. The operating ratio would be 104.7% under present fares and 98.5%, after income taxes, under those proposed.

The public has been adequately informed of the proposed abandonment and increase in fares. Local authorities were notified by the service of copies of the application upon them. Public notice was given by announcement posted in the buses and terminals of applicant. No protests have been made to either application.

The record consisting of the application, and attached exhibits and the staff study dated July 12, 1956 which will be considered as received in evidence, clearly shows that if present passenger fares and express charges remain in effect, and if the operation is continued as at this time, applicant will sustain additional substantial operating losses. Upon careful consideration of both applications the Commission is of the opinion and finds as a fact that the proposed increases in rates, fares and charges have been justified. The applications will be granted. To remove an inconsistency applicant's Rule No. 3 in its tariff should provide that round trip fares shall be determined to be 180 per cent of one-way fares but that the resulting figure shall be increased to end in either "0" or "5". A public hearing is not necessary.

O R D E R

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

IT IS HEREBY ORDERED:

(1) That Walter M. Wood is authorized to abandon and discontinue passenger stage service between Alturas, California, and the California-Oregon State Line near New Pine Creek over and along U. S. Highway 395.

(2) That applicant is authorized to cancel all fares, rates, rules, regulations and schedules applying to the service herein

authorized to be abandoned by ordering paragraph (1) herein.

(3) That Decision No. 24162 dated October 26, 1931 in Application No. 17673 is amended by deleting therefrom the description of route numbered 1, between Alturas and the California-Oregon State Line along U. S. Highway 395.

(4) That, at least ten days prior to the abandonment of service herein authorized, applicant shall post notice thereof in a conspicuous place in his buses and terminals.

(5) That Walter M. Wood is hereby authorized to establish, on not less than five days' notice to the Commission and to the public, the passenger fares and express rates and charges as proposed in Application No. 38095 filed in this proceeding.

(6) That, in addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in his buses and terminals a printed explanation of his fares and rates. Such notice shall be posted not less than five days before the effective date of the fare and rate changes and shall remain posted for a period of not less than thirty days.

(7) That the authority herein granted shall expire unless exercised within sixty days after the effective date of this decision.

This decision shall become effective five days after the date hereof.

Dated at San Francisco, California, this 4th day of SEPTEMBER, 1956.

[Signature]
President
[Signature]
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Commissioners