

ORIGINALDecision No. 56416

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 THE WESTERN PACIFIC RAILROAD COMPANY)
 for authority to increase switching)
 charge in Item 634-C, WP Terminal)
 Tariff G.F.D. No. 35-J, Cal. P.U.C.)
 No. 245.)

Application No. 38882

OPINION ON REHEARING

By Decision No. 55608, dated September 24, 1957, in this proceeding, the Commission denied the application of The Western Pacific Railroad Company to increase a certain switching charge applicable between specified points within applicant's switching limits at Stockton. A petition for rehearing was filed by applicant.

Rehearing was granted by the Commission and was held before Examiner William E. Turpen at San Francisco on February 17, 1958.

The switching charge involved applies between applicant's interchange tracks with connecting carriers and Smith Spur Siding, and applies only when the switching movement is incidental to a line haul performed by another railroad, and when the line haul is noncompetitive with applicant. It is proposed to increase this switching charge from \$10.26 to \$25.00 per car.

At the original hearing, and as detailed in Decision No. 55608, applicant introduced into evidence a study to show that the out-of-pocket cost of this switching service amounted to \$22.85 per car, and that no line-haul revenue is received by applicant in connection with traffic subject to the switching charge here in issue.

Decision No. 55608 stated that, although the cost study lends support to the allegation that the present charge is below a compensatory level, other factors must be considered. It then mentioned that applicant, along with other California rail lines, is engaged in a system-wide review of switching charges to determine if any or all of them should be increased to more compensatory levels. We then concluded that the particular switching charge here in issue should not be treated apart from the general review, but should be included in such general program of adjustment in switching charges as may later be sought. In accordance with these conclusions, the application was denied.

In its petition for rehearing, applicant alleges that the decision is contrary to the evidence; that the out-of-pocket cost of \$22.85 per car was properly computed and is the best evidence; that the evidence of record supports the sought increase and there is no evidence to the contrary; and that the team track switching rate at issue for noncompetitive cars is unique, and should not be grouped and considered with switching charges in general.

No further cost evidence was introduced at the rehearing. Applicant's assistant general freight agent emphasized the unique nature of this switching operation, and the fact that freight cars handled under the tariff item in question produce no other revenue for applicant. He testified that, to the best of his knowledge, there are no other team tracks in California where noncompetitive traffic is handled. Interested parties were notified of the rehearing; no one opposed the granting of applicant's request.

Although we confirm our views as expressed in Decision No. 55608 that individual switching charges should not be treated separately, but should be included in such general program of

adjustment in switching charges as may later be presented, the particular one here in issue has, upon rehearing, been shown to be different from the usual switching arrangement. This particular service appears to have been established as a convenience for receivers of freight located in the vicinity of Smith Spur Siding, and applicant receives no revenues from the cars other than the switching charge. It is our opinion, and we so find, that the sought increase is justified. The granting of this application, however, should not be considered as an indication that proposals for increases in other switching charges will be considered apart from a general revision.

ORDER ON REHEARING

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

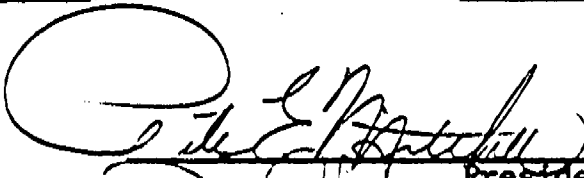
IT IS ORDERED:

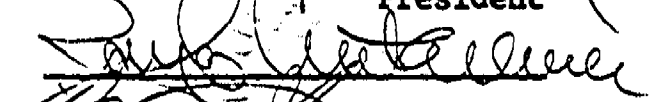
(1) That The Western Pacific Railroad Company be and it is hereby authorized to increase the intrastate switching charge published in Item No. 634-D of its Terminal Tariff G.F.D. No. 35-J, Cal. P.U.C No. 245, from \$10.26 per car to \$25.00 per car (not subject to Item X-196).

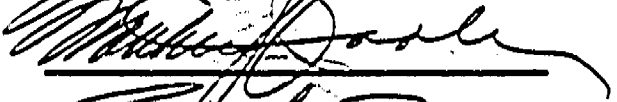
(2) That the authority herein granted shall expire unless exercised within ninety days after the effective date of this order.


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

Dated at San Francisco, California, this 25th day of March, 1958.



President






Commissioners