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Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 Yosemite Park and Curry Co. for
 authority to reduce service rendered
 in connection with its passenger
 stage certificate filed pursuant
 to Sections 1031 et seq. of the
 California Public Utilities Code.

ORIGINAL

Application 83-06-10
(Filed June 3, 1983)

O P I N I O N

Applicant Yosemite Park and Curry Co. requests that some of the service conditions in its passenger stage certificate (PSC-109) issued in Decision (D.) 84295, as amended by Resolution PE-364 R.R.D. 113 dated October 31, 1978, be further amended as hereafter indicated. The application shows that a copy of the application was served on the California Attorney General, Department of Transportation, Department of General Services, the Counties of Fresno, Madera, Mono, Merced, Mariposa, and Tuolumne. Also served with a copy of the application were the Cities of Fresno, Merced, Lee Vining, Mariposa, and Oakhurst. Notice of the filing of the application appeared in the Commission's Daily Transportation Calendar of June 9, 1983. No protests to the application have been received.

Applicant currently has authority to serve over specified routes between Yosemite National Park, on the one hand, and, on the other, Merced (Route A), Fresno (Route B), Lee Vining (Route C), Hetch Hetchy (Route D), and Modesto (Route E) serving various intermediate points.

Applicant's certificate presently requires it to give year-round scheduled service over Route A, seasonal scheduled service and special operations service over Route B, and seasonal scheduled

service over Route C. Route D is restricted to on-call service only and Route E is restricted to special operations service only.

Applicant proposes no changes in Route A services (though applicant stated that in the future it intends to eliminate one of two present Route A schedules, which will be accomplished by timetable filing).

Applicant proposes to amend its certificate service conditions in the following manner: (1) restrict Route B to on-call service and special operations only; and (2) authorize both on-call service and special operations service via Routes C, D, and E. In essence, the only scheduled service to be eliminated is that authorized presently under Route B between Fresno and Yosemite National Park. This scheduled service will be replaced with on-call service. The present and proposed certificate service conditions read as follows, with proposed additions underlined and omitted matter in parenthesis:

- "1. Service over Routes B, C, D, and E will be provided only for traffic having either point of origin or destination at Yosemite Park.
- "2. Service over Route B shall be 'on-call' seasonal service between the approximate dates of May 1 and October 1 of each calendar year when road and weather conditions permit, except that special operations may be conducted without regard to this seasonal restriction. The term 'special operations' as herein used shall mean the transportation of groups of passengers travelling pursuant to a common purpose and when the fares or charges for such transportation are computed upon an individual fare basis. The term 'on-call' as herein used shall mean that service shall be provided only when a minimum of fifteen adult fare passengers request that equipment be made available for a particular day and time. Such requests for service must be received by Yosemite Park and Curry Co. sixty (60) hours in advance of the time that the individual trip is to commence. The advance notice may be waived by Yosemite Park and Curry Co., if it is reasonably able to respond to the request within a shorter period of time.

- "3. Service over Route C shall be a seasonal service between the approximate dates of July 1 and Labor Day, inclusive, of each calendar year when road and weather conditions permit, except that 'on-call' and special operations may be conducted without regard to this seasonal restriction. The terms 'special operations' and 'on-call' shall have the meanings set forth in paragraph 2 above.
- "4. Service over Route D shall be an 'on-call' seasonal service, (subject to a minimum of three adult fare passengers) between the approximate dates of July 1 and Labor Day, inclusive, of each calendar year when road and weather conditions permit, except that special operations may be conducted without regard to this seasonal restriction. The terms 'special operations' and 'on-call' shall have the meanings set forth in paragraph 2 above.
- "5. Service over Route E shall be a ('special operations') "on-call" service without regard to any seasonal restrictions (as defined in paragraph 2 above). In addition, 'special operations' may be conducted. The terms 'special operations' and 'on-call' shall have the meanings set forth in paragraph 2 above."

Applicant represents that it has carried an average of five passengers per day in its scheduled service via Route B in the three calendar year ended December 31, 1982 and that this is sufficient justification for altering its service over that route from scheduled service to on-call service. Eliminating schedules over Route B will result in a yearly savings of 21,000 miles of operation. In further justification of the proposed amendments the application states as follows:

"Under-utilization of Equipment. YP&C utilizes a fleet of buses having various passenger capacities, but with a minimum capacity of thirty-nine passengers. Consistently, this equipment is not utilized to capacity, or anywhere near capacity. Under its scheduled operations, YP&C has

frequently encountered situations where 1, 2, 3, or no passengers were transported on a vehicle during a particular run in question. As to most scheduled operations rendered, revenues do not meet the fixed or variable costs associated with the same. Applicant estimates that a minimum of fourteen passengers must be transported to generate revenues sufficient to cover the expense of providing service. Applicant has investigated the potential use of smaller equipment in connection with these movements, but has discovered that the real cost of providing and operating lower capacity equipment equals or exceeds the cost of operating existing equipment. Specifically, fuel and labor costs associated with operating a fourteen passenger van do not differ dramatically from the same costs in connection with the operation of existing vehicles. Further, additional complications in the form of insurance, maintenance schedules, and the like, will be encountered with the smaller capacity equipment. For these reasons, Yosemite Park and Curry Co. states that the utilization of other equipment in providing the referenced services is not practical at this time, or, at a minimum, does not create financial savings such as would be necessary to justify a continuation of the presently certificate services.

"Inadequate Revenues. Yosemite Park and Curry Co.'s passenger stage operations have historically been conducted at staggering losses given the moderate size of the regulated activities in which it is engaged. The applicant has been willing to sustain such losses in the interest of meeting essential public requirements. However, given the size of these losses, continuing increases thereof, and de minimus demand for service, YP&C has been compelled to reevaluate this previous provision; hence this application.

"For the year ended May 25, 1980, applicant experienced a net loss of \$102,469.00 for an after-tax operating ratio of 117%. By Decision No. 91775 effective May 6, 1980, the Commission recognized the problem created by such losses, and, authorized an increase of 10% in all passenger fares. The increase did not resolve the dilemma. Restating

the applicant's revenues to take into account the authorized rate increase, actual operating expenses continued to exceed revenues, resulting in a net loss of \$69,866.00 and an after-tax operating ratio of 110.5% for the year ended May 25, 1980.

"By application No. 61024, filed November 2, 1981, YP&C requested additional authority to increase passenger fares, this time by 25%. Express charges were also sought to be increased, by 100%. By Decision No. 82-04-060 dated April 6, 1982, the application was approved.

"Notwithstanding such rate relief, expenses of YP&C's Commission regulated passenger stage operations have continued to exceed revenues. Application estimates that for the period ended December 31, 1982, it experienced a net loss of approximately \$376,750.00 in connection with such operations. It estimates its operating ratio to be approximately 203%. Absent a grant of this application, applicant anticipates that similar losses will continue into the future.

"Increased Competition. Over objection of YP&C, the Commission has certified additional carriers who currently compete with YP&C for the traffic over its routes, particularly the Merced Route A. See, Decision No. 93173. In addition, the de facto deregulation of sightseeing activities has led to further degeneration of traffic volumes. These factors bode ill for the existing operations of YP&C, and, in fact, compel applicant to fashion an 'on-call' service so as to enable it, at reduced costs, to serve the public truly requiring continued passenger stage service."

The application states that there is no present operating subsidy or financial assistance applicable to the affected service and that there are no proposals or discussions with respect to operating subsidies or financial assistance which have occurred during the year preceding the filing of the application.

Current round-trip fare via Route A is \$26.00, via Route B is \$32.50, and via Route C is \$32.50.

Findings of Fact

1. Applicant is currently authorized to perform passenger stage service over five routes previously described.
2. Applicant's certificate presently requires it to give year-around scheduled service over Route A, seasonal scheduled service and special operation service over Route B, and seasonal scheduled service over Route C.
3. The certificate also restricts operations over Route D to on-call service only and over Route E to special operation service only.
4. Applicant proposes that its certificate service conditions be amended in the following manner: (a) Restrict Route B to on-call service and special operations only; and (b) authorize both on-call service and special operations service via Routes C, D, and E.
5. The only scheduled service authority proposed to be discontinued is via Route B. Such discontinuance will result in a yearly saving of 21,000 miles.
6. Applicant carried an average of five passengers per day in its scheduled service via Route B during the calendar year ended December 31, 1982.
7. The proposed amendments will permit applicant to maintain required service to the traveling public while minimizing the losses historically associated with its per capita passenger operations.
8. The proposed amendments will allow applicant to alter its activities to that of a demand-sensitive, on-call offering.
9. Public convenience and necessity require the proposed amendments.
10. A public hearing is not necessary.
11. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Conclusion of Law

The application should be granted.

Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of these rights at any time.

O R D E R

IT IS ORDERED that:

1. Application 83-06-10 is granted.
2. Appendix A of D.84295, as amended, is further amended by replacing Third Revised Page 2 with Fourth Revised Page 2 and adding Original Page 2-A (attached).
3. Applicant shall:
 - a. File a written acceptance of this certificate within 30 days after this order is effective.
 - b. Establish the authorized service and file tariffs and timetables within 120 days after this order is effective.
 - c. State in its tariffs and timetables when service will start; allow at least 10 days' notice to the Commission; and make timetables and tariffs effective 10 or more days after this order is effective.
 - d. Comply with General Orders Series 79, 98, 101, and 104, and the California Highway Patrol safety rules.

- e. Maintain accounting records in conformity with the Uniform System of Accounts.

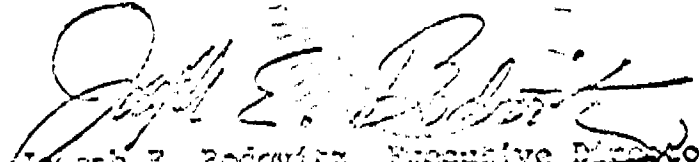
This order becomes effective 30 days from today.

Dated SEP 7 1983, at San Francisco, California.

Commissioner William T. Bagley
being necessarily absent, did
not participate.

LEONARD M. GRIMES, JR.
President
VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bodovitz, Executive Director

Appendix A
(Dec. 84295)
(PE-364)

YOSEMITE PARK AND CURRY CO.

Fourth Revised Page 2
Cancels
Third Revised Page 2

SECTION 1. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS,
AND SPECIFICATIONS.

Yosemite Park and Curry Co., by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized as a passenger stage corporation to transport persons, or persons and their baggage or express, or persons or baggage or express, when such baggage or express is transported incidental to the transportation of passengers over the routes described in Section 2, and subject to the following conditions:

1. Service over Routes B, C, D, and E will be provided only for traffic having either point of origin or destination at Yosemite National Park.
- *2. Service over Route B shall be "on-call" seasonal service between the approximate dates of May 1 and October 1 of each calendar year when road and weather conditions permit, except that special operations may be conducted without regard to this seasonal restriction. The term "special operations" as herein used shall mean the transportation of groups of passengers travelling pursuant to a common purpose and when the fares or charges for such transportation are computed upon an individual fare basis. The term "on-call" as herein used shall mean that service shall be provided only when a minimum of fifteen (15) adult fare passengers request that equipment be made available for a particular day and time. Such requests for service must be received by Yosemite Park and Curry Co. sixty (60) hours in advance of the time that the individual trip is to commence. The advance notice may be waived by Yosemite Park and Curry Co., if it is reasonably able to respond to the request within a shorter period of time.

Issued by California Public Utilities Commission.

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*Amended by Decision _____, Application 83-06-10.

Appendix A
(Dec. 84295)
(PE-364)

YOSEMITE PARK AND CURRY CO.

Original Page 2-A

SECTION II. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS,
AND SPECIFICATIONS. (Continued)

- *3. Service over Route C shall be a seasonal service between the approximate dates of July 1 and Labor Day, inclusive, of each calendar year when road and weather conditions permit, except that "on-call" and special operations may be conducted without regard to this seasonal restriction. The terms "special operations" and "on-call" shall have the meanings set forth in paragraph 2 above.
- *4. Service over Route D shall be an "on-call" seasonal service between the approximate dates of July 1 and Labor Day, inclusive, of each calendar year when road and weather conditions permit, except that special operations may be conducted without regard to this seasonal restriction. The terms "special operations" and "on-call" shall have the meanings set forth in paragraph 2 above.
- *5. Service over Route E shall be an "on-call" service, without regard to any seasonal restriction. In addition, "special operations" services may be conducted. The terms "special operations" and "on-call" shall have the meanings set forth in paragraph 2 above.

Issued by California Public Utilities Commission.

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*Amended by Decision _____, Application 83-06-10.