

Decision No. 88349 JAN 17 1978**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 MENDOCINO COAST RAILWAY, INC. dba)
 CALIFORNIA WESTERN RAILROAD)
 for authority under SS 454 and 491 of)
 the Public Utilities Code to increase)
 passenger fares between Fort Bragg and)
 Willits, California and increase the)
 special roundtrip excursion fare between)
 Fort Bragg and Willits, California on)
 the one hand and Mile Post 21.3 on the)
 other hand.)

Application No. 57658
 (Filed October 31, 1977)

O P I N I O N

Applicant, Mendocino Coast Railway, Inc., a railroad corporation, doing business as California Western Railroad, requests authority to increase its passenger fares between Fort Bragg and Willits, and its special round-trip excursion fares between Fort Bragg and Willits, on the one hand, and Northspur at Milepost 21.3, on the other hand.

Applicant's present fares between Fort Bragg or Willits and Northspur were authorized by Decision No. 86853, dated January 11, 1977, which also authorized establishment of these special round-trip excursion fares.

Applicant's present fares between Fort Bragg and Willits were authorized by Decision No. 84672, dated July 15, 1975.

The following are the present and proposed fares:

	<u>PRESENT FARES</u>		<u>PROPOSED FARES</u>	
	<u>Adult</u>	<u>Child</u>	<u>Adult</u>	<u>Child</u>
Willits - Fort Bragg, Round-trip	\$8.20	\$4.10	\$9.90	\$4.95
Willits - Fort Bragg, One Way	5.45	2.75	7.00	3.50
Fort Bragg or Willits-Northspur, Round-trip	5.75	3.25	6.90	3.90

One passenger train, consisting of a single unit motor car, is operated daily by the applicant between Fort Bragg and Willits as its regularly scheduled basic service.

No fare increase is being requested by applicant on this portion of its operations for the intermediate points, or for its commutation fares. Additional single unit motor cars are operated when necessary to accommodate the overflow passengers. In addition to this daily service, a steam locomotive with up to six (6) coaches is operated two round trips daily between Fort Bragg and Northspur during the summer months only, as well as a diesel locomotive with four (4) coaches which is operated two round trips daily between Willits and Northspur. These trains meet at Northspur on each trip to provide through service between Fort Bragg and Willits, in addition to providing the round trip excursions to Northspur.

The passenger service provided by the applicant is seasonal and is primarily used during the summer by tourists desiring to observe the scenic beauty offered by this unique passenger train service. Over 97 percent of the passengers are tourists, originating either at Fort Bragg or Willits. It is estimated that only three percent stop at intermediate points along the line.

The total number of one-way passengers for each month, from January through December, for the years 1976 and 1977, are set forth below:

	<u>1976</u>	<u>1977</u>
January	1,553	1,402
February	1,616	2,213
March	1,339	1,793
April	6,594	6,447
May	7,020	4,794*
June	14,640	5,891*
July	29,071	41,693
August	28,404	46,794
September	17,907	25,092
October	7,924	8,000 Est.
November	2,380	2,500 Est.
December	931	1,000 Est.

*Due to bridge fire, no passenger trains were operated from May 24, 1977 to June 20, 1977.

The aforementioned figures show that the vast majority of passengers transported by the applicant were carried during the months of June, July, August and September, which represents 76.4 percent of the total shown for the year 1976 and 80.9 percent of the total shown for the year 1977.

During the above summer period, and balance of the year, it is alleged there are very few people, if any, that travel through between Fort Bragg and Willits other than tourist passengers. This would be due to the availability of other modes of transportation, i.e.: Mendocino Transit Authority bus service, operating two round trips daily except Sunday, between Fort Bragg and Ukiah, via Willits, at a fare of one dollar (\$1.00) each way. Also, Greyhound Lines-West operates one round trip daily between Fort Bragg and San Francisco, via Boonville and Cloverdale.

In the first months of 1977, when the above described expanded service was being implemented, the applicant made a capital outlay of \$84,000 for additional passenger equipment and facilities. It is anticipated that another \$75,000 in capital improvements will be made prior to the tourist season of 1978, to provide additional passenger equipment and facilities to further enhance the excursion trips.

The increase in passenger fares as herein proposed is made necessary by the marked rise in operating expenses. There has been a 55 percent increase in labor cost since applicant's general fare increase in 1975, along with a 49 percent increase in diesel fuel cost, a 62 percent increase in railroad ties and a 285 percent increase in insurance costs. The applicant's income statement for the first nine months of 1977 shows a loss of approximately \$132,907 from its overall operations.

The forecast for 1978 shows that the applicant will have a loss of approximately \$89,000 in its overall operations, even with the requested increase in passenger fares. Without this fare increase, the applicant can look forward to an additional loss of

approximately \$111,833 or a total loss of \$200,833 from all operations.

In accordance with Section 730.3 of the Public Utilities Code, affected state and local public agencies and corporations operating passenger transit systems were notified of the application and were requested to furnish an analysis of the effect of the proposed fare increase on overall transportation problems within the territories served by such passenger transit systems. No comments from the parties so notified have been received.

In accordance with Section 730.5 of the Public Utilities Code, we find that the proposed fare increase will result in an insignificant decrease in patronage. The fare increase will have no effect upon public transit systems as proposed in required transportation plans prepared pursuant to Chapter 2.5 of Title 7 of the Government Code.

The applicant has contacted the City of Fort Bragg, the Fort Bragg-Mendocino Coast Chamber of Commerce, the County of Mendocino, the City of Willits and the Willits Chamber of Commerce regarding its requested fare increase. Correspondence from these parties indicates that they are unanimously in support of the proposed fare increase.

Notice of the filing of this application appeared in the Commission's Daily Calendar on November 1, 1977. No protests or requests for public hearings have been received.

After consideration the Commission finds that:

1. The requested fare increase would result in additional annual revenue of \$104,000.
2. The proposed fare increase is justified.
3. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Mendocino Coast Railway, Inc. is authorized to establish the increased fares as set forth in the application. Tariff publications authorized to be made as a result of this order may:

be made effective after the effective date of this order on not less than five days' notice to the Commission and to the public.

2. The authority shall expire unless exercised within one hundred and eighty days after the effective date of this order.

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

Dated at San Francisco, California, this 17th
day of JANUARY, 197 .

President

William S. ...
Severin L. Sturgeon
Robert D. ...
Robert D. ...
Commissioners

Commissioner Robert Batinovich, being necessarily absent, did not participate in the disposition of this proceeding.