

T/vcp

Decision 93144 JUN 2 1981

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.)

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Application 60210
(Filed January 26, 1981;
amended February 5, 1981)

O P I N I O N

Passenger Operations

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

Originally a logging railroad, the California Western Railroad's "Skunk" line dates back to 1885. Steam passenger service was started at Fort Bragg in 1904 and was later extended to Willits in 1911.

The Skunk diesel rail car, consisting of a single unit motor car, is operated daily by applicant between Fort Bragg and Willits as its regularly scheduled service. Additional single

SS ✓
of ✓
SS ✓
unit motor cars are operated when necessary to accommodate the overflow passengers. No fare increase is requested on this portion of its operations for the intermediate points or for its commutation fares. Applicant states that very few people travel between Fort Bragg and Willits other than tourist passengers. This is due to the availability of other modes of transportation, i.e. Mendocino Stage bus service, operating two round trips daily except Sunday between Fort Bragg and Willits, at a fare of \$1.50 each way. Greyhound Lines-West also operates one round trip daily between Fort Bragg and San Francisco, via Boonville and Cloverdale.

In addition to the above daily service, during the summer months only, a steam locomotive with up to six (6) coaches is operated twice daily, round trip from Fort Bragg to Milepost 21.3. A diesel locomotive with four (4) coaches is operated twice daily, round trip from Willits to Milepost 21.3. These trains meet at Milepost 21.3 on each trip to provide through service between Fort Bragg and Willits, in addition to providing the round trip excursions to Milepost 21.3.

Trend of Traffic

The passenger service provided by applicant is seasonal and is primarily used during the summer by tourists desiring to observe the scenic sights offered by this unique passenger train service. Over 99% of the passengers are tourists, originating either at Fort Bragg or Willits. It is estimated only 1% stop at intermediate points along the line.

The total number of one-way passengers for each month, from January through December, for the years 1979 and 1980, are set forth below:

| | <u>1979</u> | <u>1980</u> |
|------------------|--------------|--------------|
| January | 1,323 | 935 |
| February | 1,287 | 1,185 |
| March | 1,176 | 1,508 |
| April | 4,722 | 5,030 |
| May | 4,389 | 6,674 |
| June | 13,837 | 14,903 |
| July | 37,545 | 40,883 |
| August | 41,275 | 36,608 |
| September | 23,480 | 15,305 |
| October | 7,906 | 6,765 |
| November | 2,416 | 2,410 |
| December | <u>3,459</u> | <u>1,019</u> |
| Total Passengers | 142,815 | 133,225 |

These figures indicate that the vast majority of passengers transported by applicant were carried during the months of June, July, August and September, which represents 81.3% of the total shown for the year 1979 and 80.8% of the total shown for the year 1980.

Existing and Proposed Fares

Applicant's existing fares are published in Local Passenger Tariff 3-L as set forth in Exhibit "A" of the application, and were authorized by Decision 88349, dated January 17, 1978 ~~to~~ ^{on} Application 57658.

The following are the present and proposed fares requested by this application:

| | <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 | \$9.90 | \$4.95 | \$12.00 | \$6.00 |
| Willits-Fort Bragg, One-way | 7.00 | 3.50 | 9.00 | 4.50 |
| Fort Bragg or Willits-Northspur, Round trip | 6.90 | 3.90 | 8.50 | 5.00 |

Financial Information and Results of Operations

The income statements for all operations of applicant for the year 1979, an income statement for first ten months of 1980, a projected income statement for last two months of 1980, the Balance Sheet dated December 31, 1979, and the Balance Sheet as of October 31, 1980 are set forth as Exhibits "C" through "F", attached in the application. Also attached is Exhibit "G" forecasting the revenues and expenses for the test year 1981.

The Transportation Division staff has reviewed the submitted data, the supporting workpapers and the operations of the applicant. Results of operations for a 1981 test year are shown on Table A.

Notice to Public

This application was published on the Commission's Calendar on January 27, 1981. Applicant has informed the Fort Bragg and Willits City Councils, Chambers of Commerce, and the Mendocino County Board of Supervisors of the requested passenger fare increase.

MENDOCINO COAST RAILWAY
DBA
CALIFORNIA WESTERN RAILROAD
RESULTS OF OPERATIONS FOR A 1981 TEST YEAR

TABLE A

| | 1980 Historical Year (Unaudited) <u>1/</u> | 1981 Test Year at Present Fares | 1981 Test Year at Proposed Fares |
|----------------------------------|--|---------------------------------------|--|
| <u>REVENUES</u> | | | |
| Freight Carloads | \$ 809,720 | \$ 739,000 | \$ 739,000 |
| Passenger - Coaches | 535,030 | 535,000 | 678,500 |
| Passenger - Motor Car | 43,306 | 43,300 | 52,900 |
| Mail | 14,583 | 17,000 | 17,000 |
| Novelty Shop Sales - Fort Bragg | 101,743 | 112,000 | 112,000 |
| Novelty Shop Sales - Willits | 36,383 | 45,000 | 45,000 |
| Miscellaneous | 869 | 6,000 | 6,000 |
| TOTAL REVENUES AND SALES | \$1,541,634 | \$ 1,497,300 | \$ 1,650,400 |
| <u>OPERATING EXPENSES</u> | | | |
| Maintenance of Ways & Structures | \$ 312,123 | \$ 289,000 | \$ 289,000 |
| Traffic & General | 227,747 | 243,000 | 243,000 |
| Transportation & Equipment | 802,763 | 885,200 | 885,200 |
| Rent of Freight Cars | 53,537 | 48,000 | 48,000 |
| Novelty Shop - Fort Bragg | 70,193 | 76,000 | 76,000 |
| Novelty Shop - Willits | 32,048 | 36,000 | 36,000 |
| Depreciation | 160,145 | 188,000 | 188,000 |
| Lease Expense - Other | 9,296 | 9,000 | 9,000 |
| Property Taxes | 5,634 | 6,000 | 6,000 |
| Insurance | 71,045 | 77,000 | 77,000 |
| TOTAL OPERATING EXPENSE | \$1,744,531 | \$ 1,857,200 | \$ 1,857,200 |
| Operating Profit or (Loss) | \$ (202,897) | \$ (-359,900) | \$ (-206,800) |
| Operating Ratio | 113.2% | 124.0% | 112.5% |

(Red Figure)

Note: 1/ Staff analysis of recorded data showed passenger operations were operated at a loss whereas freight operations gained a slight profit.

In accordance with Section 730.3 of the Public Utilities Code, affected local public agencies 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 protests from the parties notified have been received.

The proposed fare increase will not result in a significant decrease in patronage. The fare increase will have no effect upon public transit systems.

Because applicant's service is seasonal, applicant requests the proposed fares to be established promptly in order to finalize the schedule for advance advertising and reservations.

Findings of Fact

1. Applicant seeks authority to increase passenger fares between Fort Bragg and its special round-trip excursion fares.
2. This request would increase passenger revenues by 26.5 percent in the amount of \$153,100 annually.
3. Applicant's intrastate rail passenger operations are being conducted at a loss.
4. Because applicant's service is seasonal, the proposed increase in fares should be made effective before the season begins.
5. Applicant has not raised fares since January 17, 1978.
6. A public hearing is not necessary.

Conclusions of Law

1. The passenger fare increase as requested in the application is justified; the authorized fares are just and reasonable.

2. This order should become effective on the date of issuance as applicant's intrastate rail passenger operations are being conducted at a loss.

O R D E R

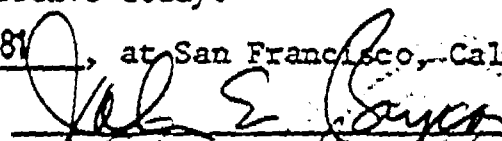
IT IS ORDERED that:


1. Mendocino Coast Railway, Inc. doing business as California Western Railroad, 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.

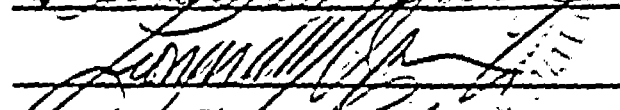
2. The authority herein granted shall expire unless exercised within ninety days after the effective date of this order.


This order is effective today.

Dated JUN 2 1981, at San Francisco, California.



President






Commissioners

Commissioner Priscilla C. Grew, being necessarily absent, did not participate in the disposition of this proceeding.