

Decision No. 17942**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 KEY SYSTEM TRANSIT COMPANY,)
 a corporation, for an order of the)
 Railroad Commission of the State of)
 California authorizing the issue)
 and sale of \$1,500,000.00 of first)
 mortgage six percent gold bonds,)
 Series "D".

Application No. 13340.

Brobeck, Phleger & Harrison,
 by W.I. Brobeck, for applicant.

BY THE COMMISSION:

SECOND SUPPLEMENTAL ORDER

By Decision No. 17759, dated December 13, 1926, as amended, the Railroad Commission authorized Key System Transit Company to issue and sell \$1,500,000.00 of first mortgage six percent gold bonds and to use \$777,161.77 of the proceeds to pay outstanding current liabilities. The order provides that the remainder of the proceeds may be expended only for such purposes as the Commission might authorize in supplemental orders.

In a supplemental petition filed in the above entitled matter on January 11, 1927, the company asks permission to expend \$132,135.36 of the remaining proceeds to pay trade acceptances given in payment for fourteen 28-passenger Fageol six cylinder auto busses. It is applicant's intention to operate the busses on Telegraph Avenue between Tenth Street and Broadway, Oakland, and Alcatraz and Telegraph Avenues. The Commission by Decision No.

17925 dated January 26, 1927, in Application No. 13489, authorized applicant to install said bus service. It is reported that this service will be of an experimental nature only and will be discontinued at the end of six months if found unsuccessful. The record shows, however, that in such an event, the fourteen busses will and can be used on other routes.

A public hearing was held on the supplemental petition before Examiner Fankhauser. The Commission has given consideration to applicant's request and is of the opinion that the expenditures herein authorized are reasonably required by applicant and are not, in whole or in part, reasonably chargeable to operating expense or to income, therefore,

IT IS HEREBY ORDERED that the order in Decision No. 17759, dated December 13, 1926, be, and it hereby is, modified so as to permit Key System Transit Company to use \$132,135.36 of the proceeds from the sale of the bonds authorized by said decision to pay for the fourteen 28-passenger auto busses referred to herein, or pay trade acceptances given in payment for said busses.

IT IS HEREBY FURTHER ORDERED that the order in Decision No. 17759, dated December 13, 1926, as amended, shall remain in full force and effect except as modified by this Second Supplemental Order.

DATED at San Francisco, California, this 27th day of January, 1927.

Ernesto
H. A. Bridge
Cl. Seaver
Thos. S. Rickett

Commissioners.

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