

Decision No. 24208

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 DEATH VALLEY TRANSPORTATION COMPANY,)
 a corporation, for an order author-) Application No. 17747
 izing the issue of stock.)

Newlin & Ashburn, for applicant.

BY THE COMMISSION:

O P I N I O N

In this proceeding Death Valley Transportation Company asks permission to issue at par \$25,000.00 par value of its common capital stock and use the proceeds when and as required for the purpose of purchasing automobile equipment and conducting a transportation business under the authority granted by Decision No. 24179, dated November 2, 1931.

By said Decision No. 24179, the Commission authorized Death Valley Railroad Company, Ltd. to transfer to Death Valley Transportation company the operative right heretofore granted to Death Valley Railroad Company, Ltd. by Decision No. 23128, dated November 28, 1930, in Application No. 17025.

The verified petition of applicant in this proceeding shows that it is the intention of applicant to acquire, by purchase or lease, two motor vehicles for the purpose of transporting passengers, baggage and freight within the territory and between the points authorized by the order in said Decision No. 24179. The estimated cost of the acquisition of these vehicles and necessary

equipment is reported at between \$6,000.00 and \$7,000.00. Applicant further proposes to acquire from Death Valley Hotel Company, Ltd. several automobiles of the approximate value of \$4,000.00 and in addition to acquire, equip and maintain garages and repair shops and terminals for loading and discharging passengers. The company states that it is not in a position at this time to advise the Commission of the exact cost of the properties which it proposes to acquire, nor of the cost of developing its transportation business. It is its intention to issue and sell the \$25,000.00 of stock from time to time to the Pacific Coast Borax Company. The stock would be sold at such times as applicant has need for additional equipment or for additional funds for the purpose of operating its business.

Under Section 52 of the Public Utilities Act, the Commission, when authorizing a public utility to issue stock, is required to make a finding that the money, property or labor to be procured or paid for by the issue of the stock authorized by the Commission is reasonably required for the purpose or purposes set forth in the Commission's order. There is nothing in the record in this proceeding which warrants the Commission to make a finding that applicant has need for the \$25,000.00 which it proposes to obtain from the sale of its stock. We believe that this application insofar as it involves the issue of \$15,000.00 of stock should be denied without prejudice. If hereafter applicant needs additional funds and it is in a position to furnish the Commission with definite information as to the amount of money it needs and the specific purposes for which it needs such moneys, it may file a new application. The order herein will authorize the applicant to issue \$10,000.00 par value of its common capital stock.

ORDER

Death Valley Transportation Company having asked permission to issue \$25,000.00 par value of its common capital stock, the Commission having considered the request of applicant and being of the opinion that this is not a matter in which a hearing is necessary, that the money, property or labor to be procured or paid for by the issue of \$10,000.00 of stock by Death Valley Transportation Company is reasonably required for the purposes herein stated, that the expenditures for such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income and that this application insofar as it involves the issue of \$15,000.00 of stock should be denied without prejudice, therefore,

IT IS HEREBY ORDERED, that Death Valley Transportation Company be, and it is hereby, authorized to issue and sell for cash, at \$1.00 per share, 10,000 shares (\$10,000.00 par value) of its common capital stock and use the proceeds for the purpose of acquiring automobiles and automobile transportation equipment referred to in the petition in this application.

IT IS HEREBY FURTHER ORDERED, that Death Valley Transportation Company shall keep such record of the issue, sale and delivery of the stock herein authorized and of the disposition of the proceeds as will enable it to file, on or before the 25th day of each month, a verified report, as required by the Railroad Commission's General Order No. 24, which order, insofar as applicable, is made a part of this order.

IT IS HEREBY FURTHER ORDERED, that the authority herein granted to issue and sell stock will become effective upon the date hereof.

IT IS HEREBY FURTHER ORDERED, that this application insofar as it involves the issue of \$15,000.00 of stock be, and the same is hereby, dismissed without prejudice.

DATED at San Francisco, California, this 9th day of November, 1931.

CC J. Conroy
Leon A. Whelan
W. J. Conroy
W. B. Harris
Fred G. Stewart
Commissioners.