

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the Application of
SACRAMENTO AND WOODLAND RAILROAD
COMPANY and NORTHERN ELECTRIC RAIL-
WAY COMPANY for an order authorizing
an agreement for the operation of
the railroad of Sacramento and
Woodland Railroad Company by
Northern Electric Railway Company.

ORIGINAL

Application No. 11115.

Decision No. 1566

T.T.C. Gregory for Sacramento and Woodland Railroad Co.
Charles W. Slack and Chauncey S. Goodrich for Northern
Electric Railway Company.
Eugene S. Wachhorst, District Attorney, and
F. F. Atkinson, Assistant District Attorney, for
County of Sacramento.
A. G. Bailey, District Attorney, for County of Yolo.

THELEN, Commissioner.

O P I N I O N.

This is an application on the part of Sacramento and
Woodland Railroad Company and Northern Electric Railway Company for
an order authorizing these companies to enter into an agreement, a
copy whereof is attached as Exhibit "A" to the petition herein.

The agreement recites that the Sacramento and Woodland Rail-
road Company, hereinafter referred to as the Sacramento and Woodland,
is the owner of a line of railroad commencing in the city of Woodland
and running thence in a general easterly and southeasterly direction
to a point at or near the westerly end of the so-called M Street bridge
across the Sacramento river, connecting the city of Sacramento with
the town of Broderick; that the Sacramento and Woodland has no motors,
cars or other equipment for the operation of the railroad and that the
Northern Electric Railway Company, hereinafter referred to as the
Northern Electric, has sufficient motors, cars and other equipment for
the operation of the Sacramento and Woodland's line of railroad; that
the Northern Electric owns a certain parcel of land in Woodland on
which the Sacramento and Woodland has constructed passenger and freight
depots and yards, and that the Northern Electric also owns or has con-
trol of franchises and tracks for the operation of a railroad in the

city of Sacramento, between the M Street bridge and the passenger terminal situated at Eighth and J streets, in Sacramento; that the Northern Electric is the lessee of said passenger terminal and also of a freight terminal in Sacramento, and also the owner of a two-thirds interest in the M Street bridge; and that the parties to the agreement deem it to their mutual interest to enter into it. The agreement then provides as follows--that the Northern Electric may enter into the possession of the Sacramento and Woodland's line of railroad and operate and maintain the same for account of the Sacramento and Woodland; that the Northern Electric shall furnish all necessary motors, cars and other equipment and shall operate and maintain a sufficient and adequate service for the transportation of passengers, freight, baggage, mail and express matter between Woodland and the Northern Electric's terminals in Sacramento; that the Northern Electric shall keep said line of railroad in good condition and shall perform all lawful requirements pertaining to the operation thereof; that the Northern Electric shall pay all lawful taxes, assessments and other governmental charges for the account of the Sacramento and Woodland; that the Northern Electric shall pay for the account of the Sacramento and Woodland the interest and sinking fund on the Sacramento and Woodland's bonds; that the Northern Electric shall, if called upon by the Sacramento and Woodland, execute to the latter a lease of the Northern Electric's said real estate in the city of Woodland; that the Northern Electric shall pay to the Sacramento and Woodland fifty per cent of the net income to be derived by the Northern Electric from the operation of said line of railroad, the net income to be ascertained by deducting from the gross income derived from the operation of the Sacramento and Woodland's line of railroad the cost of operating and maintaining the same, a pro rata charge for the use of said passenger and freight depots in Sacramento, the cost of operation and maintenance of a local street car service in Sacramento, if required by the Northern Electric, and all taxes, insurance, interest on bonds and sinking

fund payments made by the Northern Electric; that no deductions from sinking fund shall be made for the original cost of any motors, cars or other equipment furnished by the Northern Electric or for the use of the M Street bridge or of any other property belonging to or controlled by the Northern Electric, except as in the agreement provided; that the agreement shall remain in force from and after its date until July 1, 1941, and thereafter until terminated by either of the parties by notice in writing of at least sixty days, subject to the right of the Sacramento and Woodland to terminate the agreement at any time on the failure of the Northern Electric to keep any of its agreements; and that the agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties thereto.

A public hearing on this application was held in the city of San Francisco on June 4, 1914. The county of Sacramento and the county of Yolo were represented and made certain objections to the proposed agreement, particularly with reference to the sharing of the gross income resulting from the operation of the line of the Sacramento and Woodland. [They drew attention particularly to the provision to the effect that the Sacramento and Woodland should be charged with the cost of operating and maintaining the local street car service within the city of Sacramento, if the same should be required by the Northern Electric. The applicants drew attention to the fact that if a charge were made to the Sacramento and Woodland for interest on the cost of the M Street bridge, such charge would be in excess of the amount payable by Sacramento and Woodland in connection with the cost of operation and maintenance of the street car service in the city of Sacramento.

After a full discussion, all parties agreed that the application might be granted subject to a condition permitting this Commission, or other competent public authority, at any time, to revise or modify any of the terms of the agreement. The purpose of this condition is to leave the hands of the public authorities free, so that in any rate fixing inquiry or otherwise, the public authorities

will not be bound by any of the terms of this agreement and may take such action with reference thereto as may seem appropriate. While the Railroad Commission undoubtedly has this power in any event, no harm will be done by inserting this specific provision in the order herein.

The District Attorneys of Sacramento and Yolo counties drew attention to the fact that the Northern Electric has a franchise to operate between Sacramento and Woodland, and took the position that, in view of this franchise, the Northern Electric has the right to use the M Street bridge to operate between Sacramento and Woodland, even though the line over which it operates from the west end of the bridge to Woodland was constructed and is owned by another company. As was pointed out at the hearing, it is unnecessary to go into this matter at this time, for the reason that the property into the possession whereof the Northern Electric is to enter, extends from Woodland only to the west end of the M Street bridge.

I submit herewith the following form of order:

O R D E R.

SACRAMENTO AND WOODLAND RAILROAD COMPANY and NORTHERN ELECTRIC RAILWAY COMPANY having filed their petition asking that this Commission issue its order authorizing them to enter into an agreement affecting the possession and operation of the line of railroad of the Sacramento and Woodland Railroad Company between the west end of the Sacramento M Street bridge and the town of Woodland, a copy of which proposed agreement is attached to the petition herein and marked "Exhibit A," and a public hearing having been held, and the application having been submitted,

IT IS HEREBY ORDERED, that Sacramento and Woodland Railroad Company and Northern Electric Railway Company be and the same are hereby authorized to enter into an agreement substantially in the form of Exhibit "A" attached to the petition herein, subject to the right of

the Railroad Commission, or other competent public authority, at any time, in any rate fixing inquiry or otherwise, to revise or alter any of the terms of said agreement.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 5th day of June, 1914.

H. S. Loveland
Chas. Gordon
Max Thelen

Commissioners.