

ORIGINAL

MM

Decision No. _____

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of SOUTHERN PACIFIC COMPANY, a
corporation, CENTRAL PACIFIC RAIL-
WAY COMPANY, a corporation, JOHN
MARTIN and PACIFIC GAS AND ELECTRIC
COMPANY, a corporation, for an order
of the Railroad Commission of the
State of California, authorizing
Southern Pacific Company, Central
Pacific Railway Company and John
Martin to sell and convey to Paci-
fic Gas and Electric Company and
authorizing Pacific Gas and Electric
Company to acquire from said Southern
Pacific Company, said Central Pacific
Railway Company, and said John Martin
certain franchises, rights and privi-
leges and a certain railroad in
the City of Sacramento, state of Cali-
fornia, all in accordance with a cer-
tain indenture, a draft of which is an-
nexed hereto.

Application No. 2794.

C. P. Cutten, for Pacific Gas and Electric Co.

W. M. Singer, for Southern Pacific Company
and Central Pacific Railway Company.

BY THE COMMISSION.

O P I N I O N

In this application Southern Pacific Company,
Central Pacific Railway Company and John Martin asks authority
to assign and transfer to Pacific Gas and Electric Company an

electric street railway along Riverside Road, Sacramento, and certain franchises, such transfer to be made pursuant to the terms of an agreement attached to the application and marked Exhibit "A".

The line of railway to be assigned and transferred starts on the south side of "Y" Street and ends at a point 400 feet south of the Sacramento Southern bridge, a distance of about one and one-half miles. The line was constructed in 1905 under franchises obtained by John Martin. All the franchises have been assigned to the Southern Pacific Company but because of one such assignment having been made subsequent to the effective date of the Public Utilities Act, John Martin has been made a party to this proceeding.

The original cost of the road is reported at \$37,447.00, while the reproduction cost less depreciation is approximately \$12,120.00.

The line of road is dis-associated with the Southern Pacific tracks and is one of electrical operation. Ever since its construction, the line has been operated at a loss, the average annual loss being reported at \$3,200.00. The road has been operated by the Pacific Gas and Electric Company, owning and operating a street railway system in Sacramento. The operating deficits have been assumed by the Southern Pacific Company.

The Southern Pacific Company has considered the matter of abandoning the line and expressed its intention of so doing unless it was acquired by the Pacific Gas and Electric Company.

The assignment and transfer is made without any consideration other than that the Pacific Gas and Electric Company agrees to assume the performance of all the obligations and conditions of the franchises which it will acquire as well as

assume all losses from operation after June 1, 1916.

In as much as the properties are being assigned and transferred without any monetary consideration the transfer in effect represents, in so far as the Southern Pacific Company is concerned an abandonment of the line and the cost of the road should be charged off by the company to its profit and loss account.

Pacific Gas and Electric Company is receiving a property which since its construction has been operated at a loss.

We believe that the purchasing company should take this property upon its books at the nominal value of one dollar .

O R D E R

SOUTHERN PACIFIC COMPANY, CENTRAL PACIFIC RAILWAY COMPANY and JOHN MARTIN having applied to the Railroad Commission for an order authorizing them to assign and transfer to Pacific Gas and Electric Company the railway properties and franchises referred to in Exhibit "A" attached to the application herein;

And a public hearing having been held,

And it appearing to this Commission that this application is reasonable and should be granted;

IT IS HEREBY ORDERED that Southern Pacific Company, Central Pacific Railway Company and John Martin be and the same are hereby authorized to assign and transfer to

Pacific Gas and Electric Company that certain street railway line referred to and described in Exhibit "A" attached to the application herein, said transfer to be made pursuant to the agreement attached to the application and marked Exhibit "A", provided that the transfer shall be on a date subsequent to the effective date of this decision.

The authority hereby granted to assign and transfer the properties is subject to the following conditions:-

1.-Nothing in this decision shall be construed as a finding of a value of the properties authorized to be transferred for rate fixing or any other purposes.

2.-The authority hereby granted to transfer the properties shall become effective only after this Commission has approved the bookkeeping entries relating to the assignment and transfer of the properties of both the selling and purchasing companies.

3.-The authority hereby granted to assign and transfer the properties shall apply only to such assignment and transfer as shall have been made on or before December 31, 1917.

Dated at San Francisco, California, this 10th day of August, 1917.

Max Helein

Alex Gordon

Edwin O. Edgerton

Commissioners.