

Decision No. 28683

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
PACIFIC ELECTRIC RAILWAY COMPANY,)
a corporation, for an order author-)
izing it to issue evidence of in-)
debtedness.)

Application No. 20439

Frank Karr and R. E. Wedekind, for applicant.

BY THE COMMISSION:

ORDER

ORIGINAL

Pacific Electric Railway Company has applied to the Railroad Commission for an order authorizing it to issue an evidence of indebtedness in the form and for the amounts and under the terms set forth in Exhibit A attached to its petition filed in this proceeding.

Exhibit A, which is a copy of an agreement dated January 9, 1936, by and between Pacific Electric Railway Company and Twin Coach Corporation, shows that applicant has arranged to purchase six Model "R" 25-passenger, streamline rear motor urban coaches for the sum of \$33,515.52, f.o.b. Kent, Ohio, payable in the amount of \$7,231.10 in cash upon delivery and acceptance of the vehicles with the balance of the purchase price payable in sixty monthly installments; fifty-nine in the sum of \$482.07 each and one in the sum of \$482.29 plus interest at the rate of 6% per annum, payable monthly on the entire unpaid balance of said purchase price at the date of each installment.

The Commission has considered the request of applicant and is of the opinion that it is not one in which a public hearing is necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for through the execution of the evidence of indebtedness is reasonably required for the purpose specified herein, and that the expenditures for such purpose are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED that Pacific Electric Railway Company be, and it hereby is, authorized to execute and enter into an agreement substantially in the same form as that filed in this proceeding as Exhibit A, and issue or incur an evidence of indebtedness in the principal amount of not exceeding \$33,515.52 payable under the terms and conditions set forth in said agreement, for the purpose of financing the cost of six Model "R" 25-passenger, streamline rear motor urban coaches described in said agreement, provided,

1. That the authority herein granted will become effective when applicant has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is Thirty-four (\$34.00) Dollars; and
2. That applicant shall file with the Commission a report, or reports, such as is required by the terms of the Commission's General Order No. 24, which order, insofar as applicable, is made a part of this order.

DATED at San Francisco, California, this 30th day of March, 1936.

Fee 34⁰⁰
RAILROAD COMMISSION
APR 1 1936
G. M. Matthews
Fee # 32497

M. B. Lewis
Leon Whitely
W. H. Lane
Walter Jones
John R. Brown

Commissioners.

allege that defendant has been conducting transportation as a common carrier between Sacramento on the one hand and Redding and intermediate points on the other hand.

The record clearly established that the defendant has conducted such operation; that he had written contracts with fifty or more of the shippers, and that the contracts in form and substance are little else than rate quotations without any obligation on the part of the shipper to tender or the carrier to transport any definite quantity. The contracts appear to be for a period of three years but may be terminated by either party upon five days' notice. In addition the defendant transported property for many with whom he did not have any form of written contract. While all the contracts were not included in the record three typical contracts were filed, and in each a rate from Sacramento and a rate from San Francisco were separately stated.

The movements were conducted with regularity being not less than once and as high as three times weekly, depending upon the available tonnage, and the transportation was in all cases conducted over Highway 99, either by through route or by diversion from this highway to or from Sacramento or by diversion at or below Yreka to points west thereof, (Ft. Jones, Etna and Callahan).

Applicant used two trucks in this service with an available gross capacity of more than twenty tons. The testimony of witnesses indicates that the so-called contracts were unimportant-- in fact, some witnesses did not remember that they had executed the contracts or what the obligations were, outside of rates. The whole operation of this defendant has been available to shippers of ordinary freight commodities and has been conducted under a fixed set of rates with minima. Business has been