

Decision No. 39157

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of PACIFIC
ELECTRIC RAILWAY COMPANY to exercise rights
and privileges under a street car and bus
franchise granted by City of Los Angeles.

Application
No. 27451

ORIGINAL

C. W. CORNELL, Attorney, for Applicant.

K. CHARLES BEAN, Chief Engineer, Department of Public
Utilities and Transportation, and ROGER ARNEBERG,
Assistant City Attorney, for the City of Los Angeles.

O P I N I O N

Pacific Electric Railway Company was granted a franchise by the City of Los Angeles by Ordinance No. 90344, adopted April 1, 1946, for the operation of street railway and motor coach transportation service. It presents this application to the Commission for a certificate of public convenience and necessity to exercise the rights and privileges conferred by said franchise.

This matter was heard on June 13, 1946, in conjunction with the applications of other carriers to exercise similar franchises granted by the City of Los Angeles. A decision is being rendered this day on Application No. 27425 of the Los Angeles Transit Lines. Inasmuch as the franchises granted to these two carriers are in substantially the same form, the opinion being rendered in the matter of the application of Los Angeles Transit Lines may be referred to for fuller explanation of the provisions incorporated in this franchise and of the negotiations over a period of years leading to this franchise agreement.

Pacific Electric Railway Company, like Los Angeles Transit Lines, now possesses a number of franchises covering its street railway operations alone. Some of those franchises have now expired and many will expire in the near future. The franchise now granted for a period of twenty-one years covers both its street

railway and motor coach services and will supersede all prior franchises. The extent of the franchise grant with respect to motor coach service is at least as broad as the operating certificates heretofore granted by this Commission, and the restrictions imposed therein are co-extensive with those already imposed in the operative rights granted by the Commission.

The franchise granted to applicant provides for the payment of annual fees to the City on the same basis as provided for in the franchise granted to Los Angeles Transit Lines. The revenue streetcar miles covered by the franchise are represented to be about 21.50 percent of the total car miles operated, and the bus revenue miles covered by the franchise constitute 31.10 percent of the total bus miles operated. Actual fee payments to the City during 1945 under existing rail franchises amounted to \$21,609.80, whereas it is estimated that for the same year the total payments to the City under the new franchise covering both rail and bus operations would have amounted to \$123,713.49. The amount of fees accrued since January 1, 1944 is stated to be \$237,382.99, applicant having accounted for such fees as they accrued by charges made to its operating expense accounts. The total costs incurred to procure the franchise, including the fee paid on filing the within application, were \$1,250.00.

The Commission is of the opinion that it should authorize applicant to exercise the franchise granted by the City of Los Angeles, subject to the same provisions with respect to the Commission's exercise of its jurisdiction as contained in the certificate this day granted to Los Angeles Transit Lines.

ORDER

Pacific Electric Railway Company having filed an application for a certificate to exercise the rights and privileges under a street car and bus franchise, granted by the City of Los Angeles by Ordinance No. 90344, adopted April 1, 1946, and a public hearing having been had upon such application, the matter considered, and it appearing to the Railroad Commission and being found as a fact that public convenience and necessity so require,

IT IS ORDERED that Pacific Electric Railway Company be and hereby is granted a certificate to exercise the rights and privileges granted by the City of Los Angeles by Ordinance No. 90344; this certificate, however, being subject to the following conditions:

1. That no claim of value for such franchise or the authority hereby granted in excess of the actual cost thereof shall ever be made by the grantee, its successors, or assigns, before this Commission or before any court or other public body.

2. The certificate hereby granted shall be without prejudice to the right and authority of this Commission hereafter to exercise fully all jurisdiction vested in the Commission by law with respect to the regulation of the operations and service of the applicant utility.

The effective date of this order shall be the date hereof.

Dated at Los Angeles, California, this 25th day of June, 1946.

Harold Anderson
Justus F. Craver
Ernest D. Davis
Ernest D. Dinklee
Harold P. Kuls

Commissioners.