

Decision No. 39665

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
FORREST O. JOHNSON and KATHERINE C.)
JOHNSON his wife, dba THE JOHNSON)
LINES, to sell, and NORTH SACRAMENTO)
TRANSIT LINES a corporation to pur-)
chase, an automotive passenger stage)
line for the transportation of)
passengers between West Sacramento,)
Broderick, Bryte, Westgate, Woodland,)
Sacramento and McClellan Field and)
intermediate points.)

Application No. 27940

O P I N I O N

North Sacramento Transit Lines, a corporation, conducts passenger stage service in general between Sacramento, North Sacramento, McClellan Field, Fair Oaks, Orangevale, American River Hydro-electric Dam Site and intermediate points. Forrest O. Johnson, doing business as Johnson Lines, operates a passenger stage service between Sacramento, Broderick, Westgate, West Sacramento and intermediate points. He also conducts a separate passenger stage service between Woodland, Davis, Broderick and McClellan Field and intermediate points for only those passengers originating at or destined to McClellan Field.

By the above-entitled application, as amended, the Commission is requested to authorize applicant Johnson to sell and transfer all his passenger stage operative rights and certain automotive equipment, parts and supplies to North Sacramento Transit Lines and the latter seeks authority to acquire such rights and property. The buyer also requests the Commission to issue to it a certificate de novo in the place

(1)
 and stead of the acquired operative rights. The fares charged by the seller would be continued by the buyer. The total consideration to be paid for the operative rights and property is stated to be \$50,000, of which \$12,372.78 represents the value of the equipment and \$37,627.22, the value of the operative rights. The proposed transfer is to be made pursuant to an agreement attached to the application as Exhibit "A".
 (2)
 According to this agreement and an agreement attached to the application as Exhibit "C" and an amendment to the application, the buyer is to assume certain contractual obligations of the seller to the sellers' predecessors in interest (E. Tyhurst and his wife L. L. Tyhurst) in an amount of approximately \$27,368, as indicated by the agreement attached to the application as Exhibit "B". The buyer also agrees to assume an obligation to Morris Plan Company of approximately \$2,618. These obligations are to be paid at the monthly rate of \$300 and \$618.65, respectively, the deferred payments on the former obligations to bear interest at the rate of 5% per annum. The difference between the total consideration to be paid, that is, \$50,000, and the amounts of indebtedness to be assumed by the purchaser, will be paid in cash.

The money owed by the seller to the Tyhursts, which is

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- (1) The operative rights of Johnson which are proposed to be transferred were created as follows:
 Decision No. 37150 in Application No. 26116, as amended by Decision No. 38294 between Woodland and McClellan Field; Decision No. 37968 in Application No. 26516 authorized Johnson to acquire from E. Tyhurst rights between Sacramento, Broderick and West Sacramento; Decision No. 38521 in Application No. 27138 redefined the routes between Sacramento, Broderick and West Sacramento.
- (2) This agreement (Exhibit "A") was executed by and between A. J. Chapin and F. O. Johnson and his wife Katherine C. Johnson, Chapin having assigned his interest therein to North Sacramento Transit Lines, the buyer, as indicated by Exhibit "F" attached to the application.

being assumed by the buyer will be secured by the execution of a chattel mortgage of the operative rights and properties by the buyer as mortgagor, and Tyhurst and Tyhurst and Fontaine Johnson as mortgagees. A copy of the proposed chattel mortgage marked Exhibit "D" is attached to the application.

The automotive equipment proposed to be transferred consists of 8 units of passenger stages varying in seating capacity from 28 to 41 passengers. Included with this equipment are all spare motor parts, tires and miscellaneous items. According to the application, as amended, the present depreciated value of this equipment is \$24,055. The seller reports the following operating revenues and expenses of operations:

	<u>Gross Operating Revenue</u>	<u>Gross Operating Expenses</u>	<u>Net Operating Revenue</u>
December 1944	\$ 4,324.56	\$ 2,837.91	\$1,486.65
January-December 1945	50,504.97	44,877.63	5,627.34
January-August 1946	32,144.58	28,442.63	3,701.95

After full consideration we do not believe a public hearing is necessary in this matter and the authority requested should be granted as set forth in the following order:

O R D E R

An application therefor having been filed and good cause appearing,

IT IS ORDERED as follows:

(1) That Forrest O. Johnson may, after the effective date hereof and on or before March 1, 1947, sell and transfer to North Sacramento Transit Lines, and the latter may purchase and acquire the property and operative rights referred to in the

foregoing opinion and thereafter operate thereunder.

(2) That North Sacramento Transit Lines, after the effective date hereof and on or before March 1, 1947, may assume the payment of the indebtedness in favor of Ernest Tyhurst and Lila Lee Tyhurst and the Morris Plan Company, referred to in the proceeding opinion and may execute a chattel mortgage in, or substantially in, the same form as the chattel mortgage filed in this proceeding as Exhibit "D", for the purpose of paying in part for the property and rights herein authorized to be transferred, it being the opinion of the Commission that the money, property or labor to be procured or paid for through the execution of such chattel mortgage is reasonably required by said applicant.

(3) That North Sacramento Transit Lines shall file with the Commission, within thirty days after acquiring the property and rights herein authorized to be transferred, a copy of each journal entry used to record such acquisition on its books of account and a copy of the chattel mortgage as actually executed.

(4) That effective with the transfer and acquisition of the operative rights and property as hereinabove authorized, a new certificate of public convenience and necessity is hereby granted to North Sacramento Transit Lines authorizing the operation of service as a passenger stage corporation, as such term is defined in Section 2 $\frac{1}{2}$ of the Public Utilities Act, (a) for the transportation of passengers between Sacramento, Broderick, Westgate, West Sacramento and intermediate points as an extension of and consolidated with the operative rights

acquired by said North Sacramento Transit Lines pursuant to Decision No. 39407 in Application No. 27561, (b) for the transportation of passengers between Woodland, Davis, Broderick and McClellan Field and intermediate points for only those passengers having point of destination or point of origin at McClellan Field.

(5) That the foregoing certificate is granted in the place and stead of the operative rights referred to in the opinion hereof and said operative rights as created by Decision No. 37150, as amended by Decision No. 38294, in Application No. 26116, Decision No. 37968 in Application No. 26516 and Decision No. 38521 in Application No. 27138 are hereby revoked and annulled effective with the transfer and acquisition thereof as hereinabove authorized.

(6) That in providing service pursuant to the certificate herein granted North Sacramento Transit Lines shall comply with and observe the following service regulations:

- a. Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed 30 days from the effective date hereof.
- b. Within 60 days from the effective date hereof and on not less than 5 days' notice to the Commission and the public, North Sacramento Transit Lines shall establish the service herein authorized, and said North Sacramento Transit Lines and F. O. Johnson shall comply with the provisions of General Order No. 79 and Part IV of General Order No. 93-A, by filing in triplicate and concurrently making effective, appropriate tariffs and timetables.

- c. Subject to the authority of this Commission to change or modify them by further order, North Sacramento Transit Lines shall conduct operations pursuant to the certificate herein granted over and along the following routes:

(a) Between Sacramento and West Sacramento:

Route 1:

Beginning at 12th and "H" Street, Sacramento, thence over and along 12th Street, "J" Street, 7th Street, Capitol Avenue, ("M") Street, "M" Street Bridge, Westgate Road, Clarksburg Road, 14th Street (West Sacramento) Virginia Avenue, 16th Street, Vermont Avenue, 18th Street, Alabama Avenue, 16th Street, Park Blvd. (Jefferson), 11th Street, Alabama Avenue, 14th Street to its intersection with Virginia Avenue.

Route 2:

Beginning at the intersection of U. S. Highway 99W and the "M" Street Bridge, thence over and along U. S. Highway 99W, Westacres Road, Willow Street, Ash Street, Proctor Avenue, Poplar Street, U. S. Highway 99 W. Pecan, Willow Street, Walnut, Poplar to its intersection with Pecan Avenue.

Route 3:

Beginning at the intersection of U. S. Highway 99W and 2nd Street (Tower Track) thence over and along 2nd Street, "C" Street, (Broderick) 6th Street, State Highway 16-24, Bryte Avenue (Bryte), Carril Street, Jasmin, Riverbank Road, Myrtle Avenue; to its intersection with Carril Street. Beginning at the intersection of Bryte Avenue and Lisbon Avenue, thence along Lisbon Avenue, Hobson Avenue to its intersection with Bryte Avenue.

Route 4:

Beginning at the intersection of 2nd Street (Broderick) and "D" Street, thence along "D" Street, Eye Street Bridge, 3rd Street (Sacramento), "J" Street to its intersection with 5th Street.

(b) Between Woodland and McClellan Field:

Route 5:

Beginning in the town of Woodland, thence over and along U. S. Highways Nos. 99W and 40, through Davis over the I Street Bridge (Sacramento), thence along Jiboom Street, Garden Highway, Lower Marysville Road (Natomas Road), Main Street, 3rd Street and Bell Avenue to Gate No. 4, McClellan Field.

(7) That the authority herein granted will become effective 20 days from the date hereof.

Dated at San Francisco, California, this 26th day of November 1946.

Harold A. Hula
Justin F. Casper
Francis J. [unclear]
Frank H. [unclear]
A. J. [unclear]

Commissioners