

**ORIGINAL**

Decision No. 50753

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
CLIPPER TRANSPORTATION CO., INC.,	)	Application
For Permit to Issue Stock and a Note.	)	No. 35897
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O P I N I O N

Clipper Transportation Co., Inc., applicant herein, is a corporation certificated by the Commission to conduct service as a common carrier by water for the transportation of passengers and their hand baggage between Magnolia Pier in Long Beach and Avalon on Catalina Island.<sup>1/</sup> In this application it seeks authorization to issue \$18,258 par value of its common stock and a note in the principal amount of \$8,219.28 to certain of its officers, as follows:

	<u>Stock</u>	<u>Note</u>
Ralph G. Allen, president	\$ 3,500	\$8,219.28
Lulu Knickerbocker, vice president	6,348	- -
Donald H. Charle, vice president	1,000	- -
Donald R. Otto, treasurer	<u>7,410</u>	<u>- -</u>
Totals	<u>\$18,258</u>	<u>\$8,219.28</u>

The stock and note issues will be made in cancellation of amounts advanced by said officers and used for construction costs of a vessel, which has been built to perform the certificated service, and for materials and supplies. The vessel, which is called Catalina Clipper, is said to have cost \$25,531.77.

The proposed note to be issued to Ralph G. Allen will not be secured by a mortgage or other encumbrance on the public utility

<sup>1/</sup> Decision No. 50474, dated August 24, 1954, in Application No. 35550.

property. It will be payable within 12 months after its date and it will be signed by the other three individuals.

Section 823 of the Public Utilities Code provides, in part, as follows:

"A public utility may issue notes, for proper purposes and not in violation of any provision of law, payable at periods of not more than 12 months after the date of issuance of the notes without the consent of the commission, but no such note shall, in whole or in part, be refunded by any issue of stocks or stock certificates or other evidence of interest or ownership, or of bonds, notes of any term or character, or any other evidence of indebtedness, without the consent of the commission."

We have reviewed this application and are of the opinion that a public hearing is not necessary, that applicant may issue the note without authorization from the Commission, and that its request in this respect for that reason should be dismissed for want of jurisdiction. The order herein, therefore, will be limited to passing on the request for authorization to issue shares of stock.

O R D E R

The Commission having considered the above entitled matter and being of the opinion that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for by the issue of the shares of stock herein authorized is reasonably required by applicant for the purposes specified herein, and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Clipper Transportation Co., Inc. may issue not exceeding 18,258 shares of its common stock, of the aggregate par value


of \$18,258, on or before February 28, 1955, for the purposes set forth in this application.

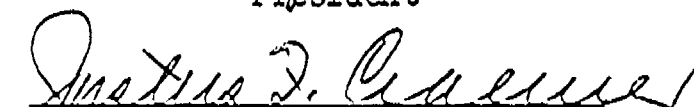
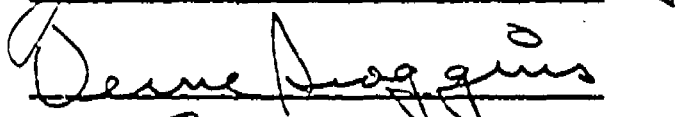
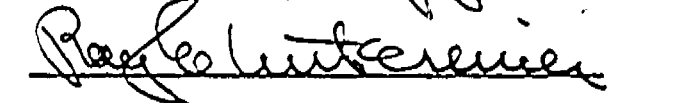
2. The request of Clipper Transportation Co., Inc. to issue a note in the principal amount of \$8,219.28 hereby is dismissed for want of jurisdiction.

3. Clipper Transportation Co., Inc. shall file with the Commission monthly reports as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

4. The authority herein granted will become effective 20 days after the date hereof.

Dated at San Francisco, California, this 16th day of November, 1954.

  
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President

  
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Commissioners