

Decision No. 13761.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of THE WESTERN PACIFIC RAILROAD COMPANY and of FRANKLIN V. SPOONER, ROBERT R. PARDOW and JOHN C. RUED; and of HENRY E. COOPER, A. M. HUNT, JAMES D. PEELAN, GEORGE WHITTELL, DAVID R. FORGAN, I. de BRUYN, C. LEDYARD BLAIR, FREDERICK H. ECKER, STARR J. MURPHY, ROBERT W. MARTIN, WILLIAM SALOMAN and RICHARD B. YOUNG, as the Reorganization Committee constituted by the plan and agreement of reorganization of Western Pacific Railway Company for authorization of proceedings pursuant to said plan and agreement of reorganization.

ORIGINAL

Application Number 2351

In the Matter of the Application of SACRAMENTO NORTHERN RAILROAD, a corporation, SACRAMENTO NORTHERN RAILWAY, a corporation, THE WESTERN PACIFIC RAILROAD COMPANY, a corporation, for an order of the Railroad Commission of the State of California (1) authorizing said Sacramento Northern Railroad to sell all of its properties, rights and franchises to said Sacramento Northern Railway (2) authorizing said Sacramento Northern Railway to issue in connection with said transaction Nine Hundred and Ninety Five Thousand Dollars par value of its capital stock, and (3) authorizing The Western Pacific Railroad Company to purchase said capital stock of the Sacramento Northern Railway; and the outstanding bonds of said Sacramento Northern Railroad, and to reimburse itself for such expenditures from the proceeds of its bonds.

Application Number 7147

BY THE COMMISSION:

TENTH SUPPLEMENTAL ORDER IN APPLICATION NUMBER 2351SIXTH SUPPLEMENTAL ORDER IN APPLICATION NUMBER 7147

In a supplemental petition filed in the above entitled matters on June 16, 1924, the Railroad Commission is asked to make

an order authorizing The Western Pacific Railroad Company to use proceeds from the sale of bonds, to which reference will be made, to reimburse its treasury and finance the cost of betterments, additions and extensions to its line of railway and to its equipment.

By Decision Number 3505, dated July 12, 1916, as amended, in Application Number 2351, the Commission authorized The Western Pacific Railroad Company, among other things, to issue and sell \$20,000,000.00 of first mortgage five percent. gold bonds due March 1, 1946 and to use the proceeds for certain purposes specified therein and in supplemental orders thereto. Subsequently, by Decision Number 9620, dated October 18, 1921 in Application Number 7147, the Commission modified Decision Number 3505, under authority of which the \$20,000,000.00 of bonds were issued, and also modified Decision Number 8834, dated April 9, 1921 in Application Number 6668, under authority of which an additional \$4,180,000.00 of bonds might be issued, so as to permit the company to use not exceeding \$4,450,000.00 of the proceeds obtained from the sale of such bonds to acquire the stock of Sacramento Northern Railway and the bonds of Sacramento Northern Railroad or to reimburse its treasury on account of moneys expended for the purchase of said stock or bonds.

Applicant now reports that it had placed on deposit the sum of \$517,032.15 obtained from the sale of the bonds authorized by Decision Number 3505, to be used for the purpose specified in Decision Number 9620. It appears, however, that applicant has not yet been able to obtain permission from the Interstate Commerce Commission to acquire the properties of Sacramento Northern Railroad, nor has the Sacramento Northern Railway been authorized by such Commission to issue its stock. The \$517,032.15 is therefore not available for use by The Western Pacific Railroad Company.

In view of the lapse of time it is thought will intervene before the necessary permission is obtained from the Interstate Commerce Commission, applicant believes that it is for its best interests to use the \$517,032.15 to finance the cost of capital additions and betterments. It reports that up to December 31, 1923 it has expended from its income or from other funds not derived from the issue of stock, bonds, notes or other evidences of indebtedness, and for which it has not been reimbursed from funds derived from the sale of its first mortgage bonds or from other monies deposited with the trustee under its first mortgage, for betterments and additions to its lines of railway the following amounts:-

Industrial and other tracks	\$310,870.03
Bridges, trestles and culverts	39,263.93
Shops and engine houses	75,223.30
Station and office buildings	74,123.45
Track betterments	<u>17,551.44</u>
TOTAL.....	<u>\$517,032.15</u>

The company asks the Commission to modify its former orders so as to permit it to use the \$517,032.15 to finance the cost of these expenditures. The Commission has given consideration to this request and believes it should be granted, as provided herein, therefore-

IT IS HEREBY ORDERED that the Order in Decision Number 9620, dated October 18, 1921, in Application Number 7147, be, and it is hereby, amended by revoking the authority to use proceeds from the sale of the \$20,000,000.00 of first mortgage bonds authorized by Decision Number 3505, dated July 12, 1916, to acquire the stock of Sacramento Northern Railway and the bonds of Sacramento Northern Railroad or in reimbursing its treasury on account of the money expended for the purchase of said stock or bonds.

