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Decision No. 17073.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
THE GOLDEN GATE FERRY COMPANY, a  
corporation, for (1) authority to  
issue and sell stock and bonds, and  
(2) a certificate of public conven-  
ience and necessity, and of  
GOLDEN GATE FERRY COMPANY, a corpo-  
ration, for authority to purchase  
and acquire stock and bonds of The  
Golden Gate Ferry Company.

ORIGINAL  
Application No. 12796

BY THE COMMISSION:

FIRST SUPPLEMENTAL ORDER

In Decision No. 16944 dated June 15, 1926 in the above entitled matter the Commission states that-

"The matter of a certificate of public convenience and necessity for the new company (The Golden Gate Ferry Company) as well as authorizing the new company to execute a mortgage or deed of trust will be taken care of by supplemental order or orders in this proceeding."

On June 28th The Golden Gate Ferry Company filed a supplemental petition in the above entitled matter in which it requests that the Commission's order in Decision No. 16944 be amended in the following particulars:-

To refer to the authorized amount of said Series "A" bonds as not exceeding \$700,000. and to authorize the issuance of all thereof;

To authorize the issuance of \$360,000. face value of said bonds for the purpose of acquiring and constructing said ferry boat and/or refunding lawful obligations incurred by Golden Gate Ferry Company in connection with such construction;

To eliminate that portion of the order reading as follows:-

"6. This application insofar as it involves the issue of \$275,000. of bonds be, and the same is hereby, dismissed without prejudice."

The Golden Gate Ferry Company further requests permission to execute a mortgage and/or trust indenture substantially in the form of a mortgage and/or trust indenture heretofore filed in the above entitled proceeding and amended as set forth in the supplemental petition; and that a certificate of public convenience and necessity do issue to applicant, The Golden Gate Ferry Company, for the operation of vessels as set forth in the application heretofore filed.

The mortgage herein authorized to be executed provides for Series "A" bonds of not exceeding \$700,000. The Commission's order in Decision No. 16944 authorizes the issue of \$700,000. of Series "A" bonds. There appears to us no valid reason or necessity why the Commission's order of June 15, 1926 should be modified insofar as it relates to the issue of the \$700,000. of bonds; neither will we eliminate from that order the provision dismissing the application insofar as it involves the issue of \$275,000. of bonds.

The order to which reference has been made provides that \$360,000. of bonds shall be used to acquire and construct a new ferry boat. The company requests that this provision be amended so that the \$360,000. of bonds may be used to acquire and construct said ferry boat and/or refund lawful obligations incurred by Golden Gate Ferry Company in connection with such construction. This request will be granted.

The company on June 22nd and on July 2nd filed with the Commission revised pages which it asks be substituted for pages in the proposed mortgage and/or trust indenture filed on May 29th. The pages filed on the above dates which we are asked to consider as being substituted for pages in the mortgage heretofore filed are 1, 2-3, 4, 5, 10, 10-a, 10-b, 12, 19, 20, 22, 23, 24, 25, 26, 26-a, 28, 29, 31-a, 32, 33, 33-a, 33-b, 34, 35, 38, 42, 43, 44, 45, 50, 51, 51-a, 56, 57, 58, 58-b, 79, 83, 84, 87 and 89.

The proposed mortgage and/or trust indenture as amended on June 22nd and July 2nd is in satisfactory form with the exception of Section 24, which reads as follows:-

"No additional bonds, except as hereinafter in this Section provided, shall be authenticated and delivered by the Trustee except at a time when the net earnings of the Company for twelve (12) consecutive months within the last fourteen (14) calendar months preceding such delivery shall have amounted to at least one and three-quarters (1-3/4) times the annual interest upon all bonds then outstanding hereunder plus the additional bonds then proposed to be authenticated and delivered. "Net earnings" for the purposes of this section shall be determined by deducting from the gross earnings of the Company all current operating and maintenance expenses paid or accrued, including taxes (except Federal Income Taxes), excises, license fees, rentals and adequate expenses or charges of proper current maintenance, but not including interest paid or payable on bonded indebtedness, Federal Income taxes, or any allowance for depreciation in value of Company properties not preventable by current maintenance; provided, however, that the provisions of this Section shall not apply to the authentication and delivery of bonds not exceeding One Million (1,000,000) dollars in the aggregate issued at one time or from time to time for the purposes or any thereof mentioned in paragraph (a) of Section 21 hereof."

Section 24 should be amended so as to read--

No additional bonds shall be authenticated and delivered by the Trustee except at a time when the net earnings of the Company for twelve (12) consecutive months within the last fourteen (14) calendar months preceding such delivery shall have amounted to at least one and three-quarters (1-3/4) times the annual interest upon all bonds then outstanding hereunder plus the additional bonds then proposed to be authenticated and delivered. "Net earnings" for the purposes of this section shall be determined by deducting from the gross earnings of the Company all current operating and maintenance expenses paid or accrued, including taxes (except Federal Income Taxes), excises, license fees, rentals and adequate expenses or charges of proper current maintenance, but not including interest paid or payable on bonded indebtedness, Federal Income taxes, or any allowance for depreciation in value of Company properties not preventable by current maintenance.

The Commission having considered applicant's requests contained in the supplemental petition filed on June 28th and being of the opinion that such requests should be granted to the extent that it affirmatively appears in this order, therefore,

IT IS HEREBY ORDERED AND DECLARED as follows:-

1. The Commission's order of June 15, 1926 in Decision No. 16944 is hereby modified so as to permit The Golden Gate Ferry Company to use \$360,000. of bonds to acquire and construct the ferry boat "M.S. Golden State" and/or refund lawful obligations incurred by Golden Gate Ferry Company in connection with such construction.
2. The Golden Gate Ferry Company may execute a mortgage and/or trust indenture substantially in the same form as the mortgage and/or trust indenture filed on May 29th, as amended on June 22nd and July 2nd, provided that section twenty-four (24) be amended, as indicated in this order; and provided further, that the authority herein granted to execute said mortgage and/or trust indenture is for the purpose of this proceeding only and is granted insofar as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said mortgage and/or trust indenture as to such other legal requirements to which said mortgage and/or trust indenture may be subject.
3. The Golden Gate Ferry Company shall file with the Railroad Commission within thirty days after the execution of the mortgage and/or trust indenture referred to herein, two certified copies of the same.
4. Present and future public convenience and necessity require and will require The Golden Gate Ferry Company to maintain the ferry service between San

Francisco and Sausalito, referred to in this application, and that each and all of the ferry boats now owned by Golden Gate Ferry Company, (including the ferry boat M.S. Golden State now being built) be operated in such service upon their acquisition, by applicant, The Golden Gate Ferry Company.

DATED at San Francisco, California, this 3d day of July, 1926.

H. H. Brundage

C. Leary

Leon Whitall

Commissioners.