

Decision No. 17627

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)  
THE GOLDEN GATE FERRY COMPANY, )  
a corporation, to issue bonds to ) Application No. 13124.  
acquire additional ferry boats. )

BY THE COMMISSION:

FIRST SUPPLEMENTAL ORDER

By Decision No. 17472, dated October 13, 1926, in the above entitled matter, the Railroad Commission authorized The Golden Gate Ferry Company to issue and sell at not less than par \$1,550,000. of its first mortgage fifteen year seven percent bonds and \$540,000. of its common stock for the purpose of financing in part the cost of constructing its proposed Berkeley pier and terminal and five additional ferry boats of the type of the M. S. "Golden State" recently put into operation in applicant's service between the City and County of San Francisco and the City of Sausalito. The cost of the pier and terminal and of the five ferry boats was estimated at about \$2,800,000.

In Decision No. 17472 the Commission suggested that applicant might, in the event it filed a supplemental petition, be given permission to issue stock to cover the difference between the estimated cost of \$2,800,000. and the \$2,090,000. of stock and bonds authorized by such decision. On October 22nd applicant filed a supplemental petition in this proceeding for

permission to issue \$460,000. of additional common stock, said \$460,000. being all of its common stock, the issue of which the Commission has not heretofore authorized. Paragraph three of the supplemental petition reads in part as follows:-

"That if applicant is authorized to issue additional stock of the aggregate par value of \$460,000., said stock to be issued so as to net to applicant the par value thereof, applicant will use the proceeds derived from the sale of said stock, and also will use the proceeds derived from the sale of the bonds and stock authorized to be issued in Decision No. 17472 for the construction of the Berkeley pier and terminal referred to in this proceeding, and also for the construction of one or more ferry boats of the type of the Golden State. That in the event it should seem expedient and desirable for applicant to purchase any ferry boats which might not be exactly of the type of the Golden State, and to use the proceeds derived from the securities authorized in this proceeding for the purchase of any such ferry boats, applicant will, of course, first seek authority from this Commission to use said proceeds for said purpose; that applicant has been engaged in certain negotiations which may result in applicant being able to secure additional ferry boats not exactly of the type of the Golden State, and also at a price which would be considerably less than the construction cost of boats of the type of the Golden State, and applicant desires that the Commission be advised of these facts and of the possibility that applicant may not finally actually construct five boats of the type of the Golden State."

The amount of stock and bonds authorized by Decision No. 17472 was based upon the evidence submitted at the hearing had on the application. If applicant will acquire boats of a type different from the M. S. "Golden State" or at a cost less than the estimates submitted herein, the amount of stock and bonds which applicant may issue must be reduced proportionately. A. O. Stewart, President of The Golden Gate Ferry Company, reports that the company will let contracts for the construction of three boats of the type of M. S. "Golden State" and that the contract price will be about \$355,000. as compared with an estimate of \$380,000.

heretofore submitted.

The Commission has considered the request of applicant, and is of the opinion that, if applicant purchases five boats of the type of M. S. "Golden State," the money, property and labor procured or paid for by the issue of \$460,000. of additional stock is reasonably required for the purposes specified in this order, that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expenses or to income, and that the order in said Decision No. 17472 should be modified as herein provided, therefore

IT IS HEREBY ORDERED that paragraph one of the order in said Decision No. 17472 reading:

"1. The Golden Gate Ferry Company may issue and sell at not less than par on or before April 1, 1927, \$1,550,000. of its first mortgage fifteen year seven per cent bonds and \$540,000. of its common stock."

be, and it is hereby, modified so as to read:

"1. The Golden Gate Ferry Company may issue if necessary, on or before June 30, 1927, \$1,550,000. of its first mortgage fifteen year seven per cent bonds and \$1,000,000. of its common stock, provided that \$300,000. of said bonds may be issued in amounts equal to one hundred per cent of the actual cost of acquiring and constructing the properties referred to herein, and provided further, that the \$1,000,000. of said bonds and the \$1,000,000. of stock may be issued from time to time in amounts equal to \$50. of bonds and \$50. of stock against every \$100. expended for the acquisition and construction of the properties referred to herein, the issue of said stock, or any part thereof, being a condition precedent to the issue of said bonds, or any part thereof, and provided further, that the remaining \$250,000. of bonds may not be issued until the Commission has authorized applicant to issue \$250,000. more of stock."

IT IS HEREBY FURTHER ORDERED that paragraph two of the order in Decision No. 17472 reading:

"2. The Golden Gate Ferry Company shall use the proceeds from the sale of the bonds, other than accrued interest, and stock herein authorized to pay in part the cost of the construction of the ferry boats and the Berkeley pier and terminal, referred to in this application; said boats, pier and terminal to be constructed in accordance with the plans and specifications now on file in this proceeding. The accrued interest may be used for general corporate purposes. Any proceeds not needed for any of the aforesaid purposes may be expended only for such purposes as the Commission will authorize in a supplemental order or orders."

be, and it is hereby, modified so as to read:

"2. The Golden Gate Ferry Company shall sell the bonds and stock herein authorized to be issued at not less than par, and shall use the proceeds from the sale of the bonds, other than accrued interest, and the stock herein authorized to be issued, to pay in whole or in part the cost of acquiring and constructing five ferry boats of the type of the "M.S. Golden State", and the Berkeley pier and terminal referred to in this application, said boats, pier and terminal to be constructed in accordance with the plans and specifications now on file in this proceeding, or for such other boats as may be approved by the Commission. The accrued interest may be used for general corporate purposes. Any proceeds not needed for any of the aforesaid purposes may be expended only for such purposes as the Commission will authorize in a supplemental order or orders."

IT IS HEREBY FURTHER ORDERED that the order in Decision No. 17472 dated October 13th, 1926, shall remain in full force and effect except as modified by this First Supplemental Order.

DATED at San Francisco, California, this 15<sup>th</sup> day of November, 1926.

*H. B. ...*  
*C. ...*  
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*...*  
Commissioners