

Decision No. 17786

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of }
SAN FRANCISCO-SACRAMENTO RAILROAD }
COMPANY, }
a corporation, for an order author- }
izing it to mortgage its property }
to Sacramento Northern Railway. }

ORIGINAL

Application No. 13376.

Jesse H. Steinhart, for applicant.

BY THE COMMISSION:

OPINION AND ORDER

San Francisco-Sacramento Railroad Company asks permission to execute to the Sacramento Northern Railway a mortgage in substantially the same form as the mortgage filed in this proceeding as applicant's Exhibit "B".

The mortgage which San Francisco-Sacramento Railroad Company asks permission to execute will be a lien on all of its properties subject to the mortgage or deed of trust executed to the Union Trust Company of San Francisco (now Wells, Fargo Bank and Union Trust Company) dated January 1, 1920. The mortgage of January 1, 1920, was executed to secure the payment of an authorized issue of bonds of \$3,000,000.00. Of the bonds \$1,040,000.00 have been issued, of which \$252,000.00 have been redeemed leaving \$788,000.00 outstanding.

The testimony shows that The Western Pacific Railroad Company has, from time to time, advanced applicant \$125,000.00

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which is represented by five promissory notes payable one year after date of issue. Testimony further shows that applicant is indebted to Sacramento Northern Railway in the sum of \$23,430.55 as of October 31, 1926. This indebtedness is not represented by notes. It further appears that applicant proposes to borrow from the Sacramento Northern Railway, as of December 31, 1926, the further sum of \$75,000.00 which added to the \$23,430.55 makes a total of \$98,430.55 of money obtained or to be obtained from the Sacramento Northern Railway. Applicant intends to issue its note payable one year from date with interest at the rate of six percent per annum to represent such loan. In order to secure the payment of the \$98,430.55 as well as the \$125,000.00 advanced by The Western Pacific Railroad Company, applicant asks permission to execute the mortgage referred to herein.

A public hearing having been held before Examiner Fankhauser and the Commission having considered the evidence submitted in support of applicant's request and being of the opinion that the request should be granted, therefore

IT IS HEREBY ORDERED that the San Francisco-Sacramento Railroad Company be, and it is hereby, authorized to execute a mortgage to the Sacramento Northern Railway in substantially the same form as the mortgage filed in this proceeding and marked applicant's Exhibit "B" provided that the authority herein granted to execute said mortgage 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 as to such other legal requirements to which said mortgage may be subject.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after execution of the mortgage herein referred to San Francisco-Sacramento Railroad Company shall file with the Commission a certified copy thereof.

DATED at San Francisco, California, this 20th day of December, 1926.

H. B. Brundage

C. A. Lewis

Frank D. East

Thos. D. Smith

Commissioners.