

LEM

Decision No. 18286.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
CALIFORNIA TRANSPORTATION COMPANY
and
CALIFORNIA NAVIGATION AND IMPROVEMENT
COMPANY to sell their properties to
The California Transportation Company
and The California Transportation Com-
pany to operate vessels, issue \$350,000
of stock and \$650,000 of bonds.

ORIGINAL

Application No. 13636

BY THE COMMISSION:

FIRST SUPPLEMENTAL ORDER

By Decision No. 18218 dated April 11, 1927 the Commission authorized The California Transportation Company to issue \$650,000 of first mortgage sinking fund six percent gold bonds due March 1, 1939, subject among others to the condition that the authority granted to issue such bonds will not become effective until the Commission has authorized the company to execute a mortgage and/or deed of trust to secure the payment of the bonds.

A copy of the company's proposed mortgage and/or deed of trust was filed at the hearing as "Applicants' Exhibit No. 6." Subsequent to the hearing (April 20th) the company advised the Commission that it had changed the prices at which the vessels may be released from the lien of the mortgage and/or deed of trust and that it had agreed to incorporate in its mortgage and/or deed of trust the following language;-

"Notwithstanding anything to the contrary in this indenture contained, all money proceeds received by the Trustee on account of any and all releases of any of said vessels shall, at the option of the company, be applied by the Trustee solely for the purpose of (a) either purchasing and/or redeeming outstanding bonds secured hereby, in the manner provided in Article III hereof, or (b) reimbursing the company (upon compliance by the company with the conditions of Section 2 of its article IV) for expenditures made by it in acquiring another vessel or other vessels of a value and efficiency at least equal to the value and efficiency of the vessel or vessels so released, within the judgment of the Trustee."

The prices at which the vessels may be released are as follows:-

Delta King	\$400,000.
Delta Queen	400,000.
Fort Sutter	125,000.
Capital City	125,000.
J. D. Peters	85,000.
T. C. Walker	85,000.
Reform	30,000.
Isleton	40,000.
Pride of the River	40,000.
Capt. Weber	40,000.
Aurora	20,000.
Leader	25,000.
Onispo	21,000.

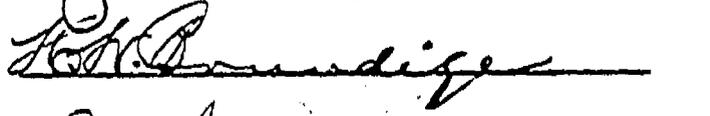
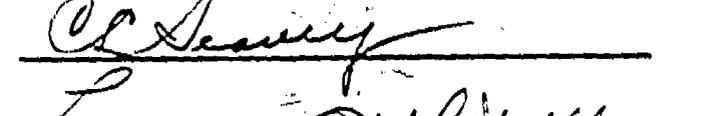
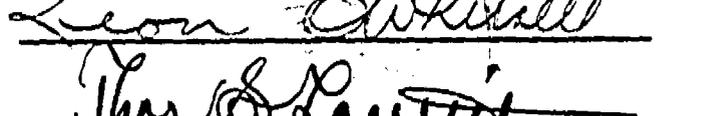
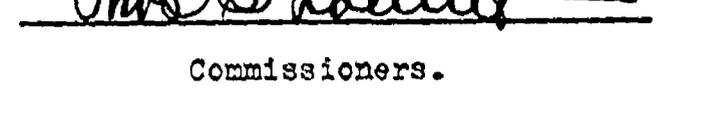
The Commission has considered the request of The California Transportation Company to execute a mortgage and/or deed of trust similar to its Exhibit No. 6 filed in this proceeding, modified as herein indicated, and is of the opinion that such request should be granted; therefore,

IT IS HEREBY ORDERED that The California Transportation Company be, and it is hereby, authorized to execute a mortgage and/or deed of trust substantially in the same form as the mortgage and/or deed of trust filed in this proceeding as Applicant's Exhibit No. 6, provided said mortgage and/or deed of trust is modified, as indicated in this supplemental order; and provided further that the authority herein granted to execute a mortgage and/or deed of trust 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 deed of trust as to such other legal requirements to which said mortgage and/or deed of trust may be subject.

IT IS HEREBY FURTHER ORDERED that within thirty days after the execution of the mortgage and/or deed of trust referred to herein, The California Transportation Company shall file with the Railroad Commission two certified copies of such instrument.

DATED at San Francisco, California, this 27th day of April, 1927.

Commissioners.