

LBM

Decision No. 18636

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of)
CALIFORNIA TRANSPORTATION COMPANY)
and CALIFORNIA NAVIGATION AND IM-)
PROVEMENT COMPANY to sell their pro-)
perties to The California Transpor-)
tation Company and The California)
Transportation Company to operate)
vessels, issue \$3,500,000.00 of)
stock and \$650,000.00 of bonds.)

Application No. 13636

BY THE COMMISSION:

SECOND SUPPLEMENTAL ORDER

By Decision No. 18218, dated April 11, 1927, the Commission authorized The California Transportation Company, among other things, to issue \$750,000.00 of its common capital stock and \$650,000.00 of its first mortgage six percent gold bonds due March 1, 1939, to pay in part for the properties of California Transportation Company and California Navigation and Improvement Company.

Quoting from the Opinion in Decision No. 18218-

" Representatives of the Commission have not yet completed their examination of the appraisals submitted. It is urged, however, that applicants have need for the cash which will be realized from the sale of \$650,000.00 of bonds to pay indebtedness incurred to construct the "Delta King" and "Delta Queen". They request that a preliminary order be entered authorizing the issue of the bonds and some of the stock. We believe that such request should be granted. The order herein will authorize The California Transportation Company to issue and sell the \$650,000.00 of bonds and issue \$750,000.00 of stock subject to the provisions of the order. When the Commission's representatives have completed their examination of the appraisals and properties of applicants, consideration will be given to the issue of additional stock by The California Transportation Company to pay for the properties it intends to acquire."

On May 26th the Commission furnished applicants with a copy of the Commission's Engineering Department's valuation of the properties of California Transportation Company and California Navigation and Improvement Company and advised them that it was the intention of the Commission to consider the valuation as part of the record in Application No. 13636. Recently the Commission has been advised that applicants would not take any exceptions to the valuation of the properties submitted by the Commission's Engineering Department.

We have given further consideration to the evidence submitted at the hearing had on April 7th and also the valuation report of the Engineering Department, and are of the opinion that The California Transportation Company should be permitted to issue \$1,750,000.00 of additional common stock, that the money, property and labor to be procured and paid for by such stock is reasonably required by applicant, The California Transportation Company, and that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expenses or to income, and that this application insofar as it involves the issue of \$1,000,000.00 of stock should be dismissed without prejudice, therefore,

IT IS HEREBY ORDERED that The California Transportation Company be, and it is hereby, authorized to issue common stock in the amount of \$1,750,000.00 to pay in part for the properties of California Transportation Company and California Navigation and Improvement Company, referred to in Decision No. 18218, dated April 11, 1927, in Application No. 13636, said stock to be in addition to the \$750,000.00 authorized by said Decision No. 18218.

IT IS HEREBY FURTHER ORDERED that Application No. 13636 insofar as it involves the issue of \$1,000,000.00 of stock be, and

the same is hereby, dismissed without prejudice.

IT IS HEREBY FURTHER ORDERED that the order in Decision No. 18218, dated April 11, 1927, shall remain in full force and effect, except as modified by this Second Supplemental Order.

DATED at San Francisco, California, this 13th day of July, 1927.

Ernest W. Smith

Al Henry

Leon Whittell

Commissioners.