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Decision No. 10955.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA

In the Matter of the Application of
SAN FRANCISCO-SACRAMENTO RAILROAD
COMPANY for leave to issue \$200,000.00
par value of bonds.

Application No. 8086

Jesse E. Steinhart, for Applicant.

BY THE COMMISSION:

O P I N I O N.

In this application, as amended, SAN FRANCISCO-SACRAMENTO RAILROAD COMPANY asks permission to issue and sell, at not less than 85 per cent. of their face value plus accrued interest, \$200,000.00 of first mortgage six per cent. bonds due January 1, 1940.

A public hearing was held before Examiner Gordon in San Francisco on August 11, 1922. Since the hearing, additional information has been filed and the matter is now ready for decision.

The Railroad Commission by Decision No. 7026, dated January 12, 1920, as amended, authorized applicant to issue \$6,550,000.00 of common stock and \$1,330,000.00 of seven per cent. preferred stock for the purpose of acquiring the properties of Oakland, Antioch and Eastern Railway and affiliated companies. By the same decision the company was authorized to issue and sell at not less than 90 and accrued interest, \$900,000.00 of first mortgage six per cent. bonds maturing serially in equal annual installments on the first day of January of each of the years 1921 to 1940 inclusive, and callable on any interest payment date at 102. It appears that \$840,000.00 of these bonds were issued and that \$565,472.79 of the proceeds were used to finance the cost of additions and better-

ments made since January 1, 1920. The remaining proceeds were used to pay outstanding indebtedness.

Applicant now reports that it will need \$228,609.00 to pay for additions and betterments to its properties, consisting in general of sidings, stations, warehouses and the concreting of its tunnel. Since the hearing, a statement has been filed setting forth these estimated expenditures in some detail. To finance these expenditures, in part, applicant asks permission to issue and sell \$200,000. of first mortgage bonds. These bonds will be designated as the "Series of 1922"; will bear interest at six per cent. per annum; will mature January 1, 1940 and will be callable upon any interest payment date at par, accrued interest and a premium of two per cent. of the principal.

O R D E R

SAN FRANCISCO-SACRAMENTO RAILROAD COMPANY, having applied to the Railroad Commission for permission to issue and sell bonds, a public hearing having been held and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by such issue is reasonably required for the purposes specified herein and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expenses or to income;

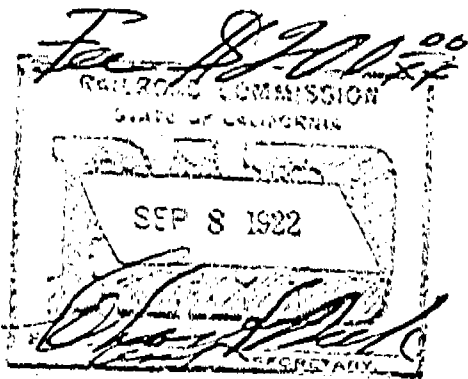
IT IS HEREBY ORDERED, that SAN FRANCISCO-SACRAMENTO RAILROAD COMPANY be, and it is hereby, authorized to issue and sell, on or before December 31, 1922, at not less than 85 per cent. of their face value and accrued interest, \$200,000.00 of its first mortgage six per cent. bonds, due January 1, 1940, and to use the proceeds for the purpose of financing in part its estimated capital expenditures referred to in the foregoing opinion and in a statement filed with this Commission on August 16, 1922.

The authority herein granted is subject to the following conditions:

- 1.--San Francisco-Sacramento Railroad Company shall keep such record of the issue and sale of the bonds herein authorized and of the disposition of the proceeds as will enable it to file, on or before the 25th day of each month, a verified report as required by the Railroad Commission's General Order No. 24, which order in so far as applicable is made a part of this order.

- 2.--The authority herein granted will not become effective until applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee amounts to \$200.00.

DATED at San Francisco, California, this 7th
day of September, 1922.



H. B. Rounding
Iving Mattis
J. F. Pennington

Commissioners.