

HS

Decision No. 11204

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE  
STATE OF CALIFORNIA

In the Matter of the Application of  
SAN FRANCISCO-OAKLAND TERMINAL RAILWAYS )  
for an order of the Railroad Commission )  
of the State of California authorizing )  
the issuance of equipment trust notes )  
for the purpose of paying in part the )  
cost of two new ferry boats. )

Application No. 7886

BY THE COMMISSION:

FIRST SUPPLEMENTAL ORDER.

The Railroad Commission on June 9, 1922, by Decision No. 10567 authorizing SAN FRANCISCO-OAKLAND TERMINAL RAILWAYS to issue and sell at not less than 99 per cent. of their face value plus accrued interest \$600,000.00 of 10-year 7 per cent. serial equipment trust notes for the purpose of paying in part the cost of two new ferry boats, or to assume the obligations under an equipment trust agreement and lease agreement looking toward the payment of \$600,000 of equipment trust notes. The Commission's order of June 9th does not become effective until the Commission, by supplemental order, has authorized the execution of an equipment trust agreement and a lease agreement.

On November 1st, applicant filed in the above entitled matter a supplemental petition requesting permission to execute an equipment trust agreement and a lease agreement in the same form as the agreements filed with the Commission. Applicant also requested the Commission to modify its former order and vacate Condition "4" of the order, which reads:

"The equipment trust and lease agreements shall provide for the payment of all equipment trust notes within one year after the date of an order of this Commission authorizing the issue of first mortgage bonds for the purpose of carrying into effect

"the reorganization plan referred to in this application."

The Commission has considered applicant's requests and believes that Condition "4" of the order should not be vacated. Counsel for applicant has heretofore been advised of this conclusion and he thereupon modified the proposed trust agreement by adding thereto the following:-

"and the Company shall and agrees to so redeem all of said Trust Certificates issued and outstanding within one (1) year after the date of an order by the Railroad Commission of the State of California authorizing the issue and sale of First Mortgage Bonds pursuant to and for the purpose of carrying into effect the Plan of Reorganization of the Financial Affairs of San Francisco-Oakland Terminal Railways."

In their modified form the equipment trust agreement and the lease agreement are satisfactory and we believe that applicant should be permitted to execute agreements substantially in the same form as those filed on November 1st in this proceeding, therefore--

IT IS HEREBY ORDERED, that SAN FRANCISCO-OAKLAND TERMINAL RAILWAYS be, and it is hereby, authorized to execute an equipment trust agreement and a lease agreement in substantially the same form as the equipment trust agreement and the lease agreement filed in this proceeding and marked "Exhibit 1" and "Exhibit 2" respectively; provided --

That the authority herein granted to execute an equipment trust agreement and a lease agreement is for the purpose of this proceeding only, and is granted in so far as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said equipment trust agreement and lease agreement as to such other legal requirements to which said equipment trust agreement and lease agreement may be subject.

IT IS HEREBY FURTHER ORDERED, that the order in Decision No. 10567, dated June 9, 1922, shall remain in full force and effect, except as modified by this First Supplemental Order.

DATED at San Francisco, California, this 6<sup>th</sup> day of November, 1922.

H. B. Boudige  
Charles A. Brown  
W. J. Pennington

Commissioners.