

LM

Decision No. 11263

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
THE WESTERN PACIFIC RAILROAD COMPANY,
for an order authorizing the issuance
and sale of \$5,500,000.00 principal
amount of first mortgage 6% bonds,
series "B".

Application Number 8284.

ORIGINAL

F. M. Angellotti and James S. Moore, Jr.,
by F. M. Angellotti, for Applicant.

BENEDICT, COMMISSIONER:

OPINION

In this application, as amended, The Western Pacific Railroad Company asks permission to issue and sell, at not less than 92 percent. of their face value plus accrued interest, \$5,500,000.00 of its first mortgage Series "B" six percent. bonds due March 1, 1946 and to use the proceeds to purchase additional equipment or to reimburse its treasury for moneys expended from income or from other moneys not derived from the issue of stock, bonds, notes or other evidences of indebtedness, in acquiring such additional equipment.

The record shows that applicant proposes to purchase two thousand, thirty ton capacity, forty foot steel underframe refrigerator cars with forty ton capacity trucks and ice capacity of 10,500 pounds and also one hundred new automobile cars, of either forty or fifty ton capacity and of a cubical capacity of approximately 3681 cubic feet. It appears that a contract has been made with American Car and Foundry Company for the construction of the refrigerator cars at an aggregate cost of \$5,287,230.00, delivery to be made on or before April 15, 1923. While no contract has been executed for the acquisition of the automobile cars, it is es-

timated that they will cost \$225,000.00. The total approximate purchase price of the equipment is reported at \$5,512,230.00.

It is to finance the cost of the equipment that applicant now asks permission to issue and sell \$5,500,000.00 of its first mortgage bonds. These bonds are part of an authorized issue of \$50,000,000.00 secured by mortgage or deed of trust, dated June 26, 1916 to First Federal Trust Company and Henry E. Cooper, Trustees. The mortgage provides, among other things, for an initial issue of \$20,000,000.00 of five percent. bonds due March 1, 1946, and for the issue of the remaining \$30,000,000.00 of bonds at such rate or rates of interest, not exceeding six percent. per annum and to be redeemable at such price or prices as the Board of Directors of the company may determine at the time of issue.

Heretofore, the Commission has authorized the issue of \$24,180,000.00 of five percent. bonds and \$3,000,000.00 of Series "B" six percent. bonds. The bonds now proposed to be issued are additional Series "B" bonds, mature on March 1, 1946, and are redeemable upon any interest payment date before maturity at the option of the company at 102-1/2 percent. of face value, plus accrued interest. It is proposed to sell the bonds now applied for at not less than 92 percent. of face value plus accrued interest.

I herewith submit the following form of order:-

O R D E R

THE WESTERN PACIFIC 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 by applicant, and that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expense or to income;

IT IS HEREBY ORDERED that The Western Pacific Railroad Company be, and it is hereby, authorized to issue and sell for cash, on or before April 15, 1923, at not less than 92 percent. of their face value plus accrued interest, \$5,500,000.00 of its first mortgage Series "B" six percent. bonds due March 1, 1946, and to use the proceeds to pay for the additional equipment referred to in the foregoing opinion, or to reimburse its treasury for moneys expended from income or from other moneys not derived from the issue of stock, bonds, notes or other evidences of indebtedness, in the payment of the purchase price of such equipment.

The authority herein granted is subject to further conditions as follows:-

(1) Applicant 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.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

DATED at San Francisco, California, this 13^d day of November, 1922.

W. H. C. ...
Ernest ...
Chas. ...
J. J. ...

Commissioners.

See Decision # 11895