

# ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

Decision No. 1538

In the matter of the application of OAKLAND, ANTIOCH AND EASTERN RAILWAY to renew two promissory notes, payable to Westinghouse Electric and Manufacturing Company.

Application No. 1135.

Jesse H. Steinhart for applicant.

THELEN, Commissioner.

## O P I N I O N:

This application, as amended at the hearing, asks for authority to renew two certain promissory notes, payable to Westinghouse Electric and Manufacturing Company, in the amounts respectively of \$30,385.24 and \$30,385.13.

The proceeds of these notes were used for the purpose of purchasing motor generator sets for applicant's substations and electric equipment for its cars. Each note has been renewed prior to the date of filing the present application. The last renewal of the first note was on March 18, 1914, and was for a period of two months, so that this note became due on May 18, 1914. The last renewal of the second note was on March 18, 1914, and was for a period of four months, so that this note will be payable on July 18, 1914. Each of these notes is secured by applicant's bonds of the face value of \$50,000, under authority granted by this Commission's Decision No. 891 on Application No. 666, application of Oakland, Antioch and Eastern Railway for permission to issue bonds. (Vol. 3, Opinions and Orders of the Railroad Commission of California, p. 454).

Each of these notes bears interest at the rate of 6 per cent per annum.

Applicant now asks authority to renew each of these notes by means of new promissory notes for a term not to exceed six months

from the date on which the original note in each case falls due, and to continue the security of fifty bonds in each case.

I recommend that the application be granted and submit herewith the following form of order:

O R D E R:

OAKLAND, ANTIOCH AND EASTERN RAILWAY having applied to the Railroad Commission for an order authorizing the issue of the promissory notes hereinafter referred to, and of its bonds as security therefor, as hereinafter specified, and a public hearing having been held on said application, and the Commission finding that the purposes for which the proceeds from the promissory notes which applicant desires to renew were used are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that OAKLAND, ANTIOCH AND EASTERN RAILWAY be and the same is hereby authorized to execute its two promissory notes, payable to Westinghouse Electric and Manufacturing Company, one in the amount <sup>of</sup> \$30,385.14, to be dated as of May 18, 1914, and the other in the amount of \$30,385.13, to be dated as of July 18, 1914, both notes to have a term not in excess of six months, and to bear interest at the rate of six per cent per annum, on the following conditions and not otherwise, to-wit:

1. Said notes shall be used to take up applicant's two existing notes, payable to Westinghouse Electric and Manufacturing Company, the one in the amount of \$30,385.14, payable on May 18, 1914, and the other in the amount of \$30,385.13, payable on July 18, 1914.
2. Oakland, Antioch and Eastern Railway may issue its five per cent bonds of the face value of \$50,000.00 as to each of said promissory notes as security for the payment thereof.
3. Oakland, Antioch and Eastern Railway shall report

to this Commission the fact of the issue of said notes and the purpose for which the proceeds thereof were used.

4. This order shall not become effective until Oakland, Antioch and Eastern Railway has paid the fee specified in Section 57 of the Public Utilities Act, as amended.

5. This order shall apply only to such promissory notes as may be issued on or before September 1, 1914.

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 <sup>24<sup>th</sup></sup> ~~22<sup>nd</sup>~~ <sup>day</sup> of <sup>1<sup>st</sup></sup> ~~2<sup>nd</sup>~~ <sup>June</sup>,  
1914.

Railroad Commission, State of California

Fee \$61.00  
JUL 23 1914  
BY: *H. G. Macchewson*  
Assistant Secretary.

*H. S. Ireland*  
*Oliver Gordon*  
*Max Thelen*

Commissioners.