

Decision No. _____

ORIGINAL

Decision No. 5508

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

---oOo---

In the matter of the application)	
of SAN DIEGO AND SOUTHEASTERN)	
RAILWAY COMPANY for an order)	Application No. 2339.
authorizing the issue of a promis-)	
sory note.)	

Read G. Dilworth for applicant.

BY THE COMMISSION.

O P I N I O N.

This is an application by San Diego and Southeastern Railway Company, a California corporation, engaged in the business of operating a commercial railroad in San Diego county, for authority to issue a promissory note for \$10,000.00, bearing interest at the rate of 6 per cent per annum and payable to J. D. & A. B. Spreckels Security Company for the purpose of refunding its one-day promissory note dated July 12, 1912 for the same amount to J. D. Spreckels & Bros. Company, which note bears interest at the rate of 5 per cent per annum.

From the evidence introduced at the public hearing, which was held on July 7, 1916, it appears that the proceeds of the existing note were used by applicant for the acquisition of property and for the construction, extension and improvement of its facilities and service; it also appears that said note has been endorsed by the original payee to J. D. & A. B. Spreckels Security Company, a corporation, and that said corporation is willing to accept a new note bearing 6 per cent interest in place of said existing note which is now almost four years overdue; it further appears from the

evidence that the prevailing rate of interest in San Diego is not less than 6 per cent per annum. The application should, in our opinion, be granted.

O R D E R.

SAN DIEGO AND SOUTHEASTERN RAILWAY COMPANY having applied to the Railroad Commission for an order authorizing the issue of a promissory note for \$10,000.00 for the purpose of refunding a promissory note of a similar amount bearing the date of July 12, 1912, and a public hearing having been held on said application and this Commission finding that the purposes for which said existing note or the proceeds thereof were used were not in whole or in part reasonably chargeable to operating expenses or to income, and that the application should be granted,

IT IS HEREBY ORDERED that San Diego and Southeastern Railway Company be and the same is hereby authorized to issue its one-day promissory note for \$10,000.00, bearing interest at a rate not in excess of 6 per cent per annum and payable to J. D. & A. B. Spreckels Security Company, a corporation.

The authority herein granted is granted upon the following conditions and not otherwise:

(1) San Diego and Southeastern Railway Company shall issue said note so as to not less than the face value thereof.

(2) Said note shall be issued for the purpose of refunding applicant's one-day promissory note for like amount bearing the date of July 12, 1912 and payable to J. D. Spreckels & Bros. Company, and shall not be issued until said outstanding note shall have been returned to applicant and cancelled.

(3) The authority herein granted to issue said

note is conditioned upon said note being issued not later than September 30, 1916.

(4) San Diego and Southeastern Railway Company shall report to the Railroad Commission within 10 days after the issue of the note hereby authorized, the fact and the date of the issue, the face value of said note, the rate of interest and the application of the proceeds, all in accordance with this Commission's General Order No. 24, which order insofar as applicable is made a part of this order.

(5) This order shall not become effective until applicant shall have paid the fee specified in Section 57 of the Public Utilities Act.

Dated at San Francisco, California, this 13th day of July, 1916.

Fee $\$95 \frac{00}{100}$
JUL 17 1916
Charles W. Smith
Secretary.

Max Thelen
H. Loveland
W. Gordon

Francis R. Decker
Commissioners.