

Decision No. 7145

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF
THE STATE OF CALIFORNIA.

---oOo---

In the Matter of the Application of
NORTHWESTERN PACIFIC RAILROAD COMPANY)
for the approval of an agreement be-)
tween WALKER D. HINES, Director General)
of Railroads, and applicant and the)
trustee under said agreement to execute)
an equipment trust agreement, providing)
for the purchase of equipment and for an)
order authorizing the issuance of notes)
as provided in said agreement.)

Application
Number
5350.

C.W. Durbrow, for applicant.

LOVELAND, Commissioner.

O P I N I O N.

NORTHWESTERN PACIFIC RAILROAD COMPANY asks permission to execute an equipment trust agreement substantially in the same form as that filed in this proceeding and marked Exhibit "A" and issue thereunder not exceeding \$293,240.00 face value of 6 per cent equipment gold notes.

Applicant reports that during the course of the Federal Administration of the properties owned by it, the Director General of Railroads apportioned to it certain equipment to be used in conducting its business as a common carrier, such equipment consisting of 100 double-sheathed box cars, each having a capacity of 80,000 pounds.

Applicant reports that it is not in a position at this time to advise the Commission definitely of the exact cost of the equipment, but that the equipment trust agreement provides for a minimum cost of \$2,725.00 and a maximum cost of \$2,932.40 per car;

that the cars have been delivered by the manufacturer to the Director General of Railroads between November 25th and December 22nd, 1919, and that applicant has been credited with earnings because of the use of the cars.

The equipment gold notes which applicant desires to issue, will be divided into fifteen series, each for an aggregate principal amount equal to one-fifteenth of the aggregate purchase price of the equipment, and maturing respectively on the 15th day of January of each of the years 1921 to 1935, both inclusive. The notes may be redeemed on any semi-annual interest payment date upon the payment of the principal, a premium of 3 per cent and accrued interest.

I herewith submit the following form of Order.

O R D E R.

NORTHWESTERN PACIFIC RAILROAD COMPANY having applied to the Railroad Commission for permission to execute an equipment trust agreement and issue notes thereunder, 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 the issue of said gold notes is reasonably required for the purpose specified in this order and that the expenditures for such purpose are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED that NORTHWESTERN PACIFIC RAILROAD COMPANY be, and it is hereby, authorized to execute an equipment trust agreement substantially in the same form as the agreement filed in this proceeding and marked Exhibit "A" and issue under such equipment trust agreement on or before June 30, 1920, at not less than par, not exceeding \$293,240.00 face value of 6 per cent equipment gold notes maturing serially from 1921 to 1935, inclusive, for the purpose of paying for 100 double-sheathed box cars referred to in the petition herein;

PROVIDED that the approval herein given of said equipment trust agreement is for the purpose of this proceeding only and an approval 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 as to such other legal requirements to which said equipment trust agreement may be subject; and

PROVIDED FURTHER that the authority herein granted will not become effective until applicant has paid the fee prescribed in the Public Utilities Act; and

PROVIDED FURTHER that applicant will keep such record of the issue and sale of the notes 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.

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 20th day of February, 1920.

Edwin O. Edgerton
H. D. Loveland
Francis R. Allen
Dwight Martin

Commissioners.

