

ES

Decision No. 7662.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA.

---ooOoo---

In the Matter of the Application of)
SAN FRANCISCO-OAKLAND TERMINAL RAILWAYS)
for an order authorizing the issuance)
of equipment notes.)

Application Number 5760.

A.L. Whittle for applicant.

LOVELAND, Commissioner.

O P I N I O N.

SAN FRANCISCO-OAKLAND TERMINAL RAILWAYS asks permission to issue its notes in the aggregate sum of \$124,279.04, and to enter into an agreement with the American Car Company for the purchase of twenty-five double-end safety motor cars. A copy of the agreement is attached to the petition and marked Exhibit "A".

The record shows that applicant is in need of additional equipment. The American Car Company has agreed to construct and build for applicant at a total cost of \$161,060.29, including interest, f.o.b. St. Louis, Mo., 25 double-end safety motor cars complete with trucks, electrical and airbrake equipment, ready for operation. Of the purchase price, applicant is required to pay \$36,781.25 in cash. The balance of the purchase price will be represented by 36 lease warrants or notes of the aggregate face value of \$124,279.04. The \$124,279.04 is payable in monthly installments ranging from \$3,728.68 to \$3,175.74. Applicant has the right at its election on

the maturity date of any one of the lease warrants or notes to pay all or, in the order of their serial numbers, any of the lease warrants or notes then unmatured, in which event discount on the unmatured lease warrants or notes paid shall be deducted at the rate of 5% per annum from the date of such payment to the respective maturity dates of the notes paid before maturity. The American Car Company retains title to the cars until final payment is made and all of the conditions of the lease and purchase agreement performed.

I herewith submit the following form of Order.

O R D E R.

SAN FRANCISCO-OAKLAND TERMINAL RAILWAYS having applied to the Railroad Commission for permission to issue notes in the aggregate sum of \$124,279.04, as provided for in the agreement marked Exhibit "A" attached to the petition herein, 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 for such purpose or purposes are not in whole or in part reasonably chargeable to operating expenses or to income:

IT IS HEREBY ORDERED, that SAN FRANCISCO-OAKLAND TERMINAL RAILWAYS be, and it is hereby, authorized to issue lease warrants or notes in the aggregate sum of \$124,279.04, for the purpose of paying in part for the twenty-five cars referred to in the agreement attached to the petition herein and marked Exhibit "A", which agreement is hereby approved, PROVIDED:

- 1.--That, the authority herein granted will not become effective until applicant has paid the fee prescribed in the Public Utilities Act.

2.--That, San Francisco-Oakland Terminal Railways will keep such record of the issue and sale of the lease warrants or notes herein authorized and of the disposition of the proceeds as will enable it to file on or before the twenty-fifth day of each month a verified report, as required by the Railroad Commission's General Order Number 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 7th day of June, 1920.

RECEIVED
JUN 9 1920
H. Madison
Assistant Secretary

Edwin O. Edgerton
H. D. Loveland
Jessie Martin

Commissioners.