

Decision No. 37174

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of THE CALIFORNIA TRANSPORTATION COMPANY, a corporation, and SACRAMENTO & SAN JOAQUIN RIVER LINES, INC., a corporation, for authority (1) to issue note; (2) to execute mortgage upon vessel; (3) to assign contract of purchase, and (4) to enter contract to execute note, mortgage and assignment.

Application
No. 26223

BY THE COMMISSION:

O P I N I O N

The California Transportation Company and Sacramento & San Joaquin River Lines, Inc., hereinafter sometimes referred to as applicants, are engaged in the transportation of freight under the name and style of The River Lines between points on the San Francisco Bay and points on the Sacramento and San Joaquin Rivers and their tributaries. They have entered into an agreement with Kyle and Company, Incorporated, covering the construction and purchase of one steel welded oil barge to be called the "Butte." The cost of the barge is estimated at \$80,000.

Applicants ask permission to issue to The Anglo California National Bank of San Francisco their 4% installment note for \$55,000 and to secure the payment of said note by a preferred mortgage on said "Butte." They also ask permission to assign their interest in the construction contract to The Anglo California National Bank of San Francisco and to enter into a contract with said bank to execute the note, the mortgage and the assignment of the contract.

Upon the delivery of the barge designated "Butte," each of applicants will own a one-half interest in said barge. The barge will be used by applicants in the service of transportation of bulk liquid petroleum products.

The proceeds of the \$55,000 note will be used to pay, in part, the cost of the barge "Butte." The principal of the note is payable in 36 equal monthly installments, commencing on October 1, 1944. The interest is likewise payable monthly.

A copy of the note, a copy of the preferred mortgage, a copy of the assignment of applicants' interest in the construction contract, and a copy of the agreement to assign said construction contract, execute said preferred mortgage, and issue said note are filed in this application as Exhibits "D," "E," "F," and "G," respectively.

O R D E R

The Commission having considered applicants' request and it being of the opinion that this is not a matter on which a hearing is necessary; that the money, property or labor to be procured or paid for by applicants through the issue of said \$55,000 note is reasonably required for the purpose herein indicated; that the expenditures for said purpose are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted subject to the provisions of this Order, therefore,

IT IS HEREBY ORDERED, as follows:

1. The California Transportation Company and Sacramento & San Joaquin River Lines, Inc. may, after the effective date

hereof and on or before October 31, 1944, issue to The Anglo California National Bank of San Francisco a joint promissory note for the sum of not exceeding \$55,000 for the purpose of paying, in part, the cost of the barge "Butte," said note to be in substantially the same form as the note filed in this proceeding as Exhibit "D."

2. The California Transportation Company and Sacramento & San Joaquin River Lines, Inc. may, after the effective date hereof and on or before October 31, 1944, execute a preferred mortgage in substantially the same form as the preferred mortgage filed in this proceeding as Exhibit "E," for the purpose of securing the payment of said note.

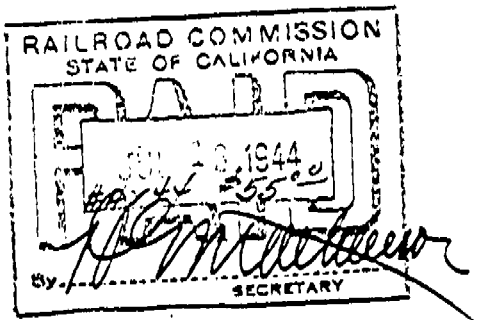
3. The California Transportation Company and Sacramento & San Joaquin River Lines, Inc. may, after the effective date hereof and on or before October 31, 1944, enter into an agreement assigning their interest in said construction and purchase contract to The Anglo California National Bank of San Francisco, said assignment to be in substantially the same form as the assignment filed in this application as Exhibit "F."

4. The California Transportation Company and Sacramento & San Joaquin River Lines, Inc. may, after the effective date hereof and on or before October 31, 1944, enter into an agreement with The Anglo California National Bank of San Francisco to execute said note, preferred mortgage and assignment, said agreement to be in substantially the same form as the agreement filed in this application as Exhibit "G."

5. The authority herein granted will become effective when applicants, or either of them, have paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Fifty-five (\$55.00) Dollars.

6. Applicants, or either of them, shall file with the Railroad Commission within thirty (30) days after the execution of said preferred mortgage, a copy of the note, a copy of the preferred mortgage, a copy of the assignment, and a copy of agreement to execute said note, preferred mortgage and assignment, executed under the authority herein granted, together with a statement showing the purpose for which applicants expended said \$55,000.

Dated at San Francisco, California, this 11th day of July, 1944.



Richard L. Laska
Justin F. Casner
Francis R. Havens

Leo H. Kuehl
 Commissioners