

ORIGINAL

Decision No. 54212

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of CALIFORNIA WESTERN RAILROAD,
a common carrier railroad
corporation, for authority to
execute a chattel mortgage and
a promissory note.

Application No. 38592
(and Amendment)

OPINION AND ORDER

This is an application for an order of the Commission authorizing California Western Railroad to execute a mortgage of chattels and to issue a \$60,000 note to Crocker-Anglo National Bank for the purpose of financing the purchase of a used locomotive.

Applicant is a California corporation operating a line of railroad between Fort Bragg and Willits. It reports that it has recently purchased from Pan American Engineering Company, Dallas, Texas, a used Diesel Electric Locomotive, 1,000 H.P., Supercharged, for a cost of \$60,350. In order to finance the purchase price, applicant desires to issue a \$60,000 note payable in 20 monthly installments of \$3,000 together with interest at the rate of $4\frac{1}{2}\%$ per annum on declining balances, and secured by a mortgage of chattels on the locomotive.

It appears that applicant has need for the locomotive to meet the demand of its shippers and to provide the shipping public with adequate service.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the application should be granted, that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required by applicant for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. California Western Railroad, on and after the effective date hereof and on or before March 31, 1957, may issue a note in the principal amount of not exceeding \$60,000, and may execute a mortgage of chattels, for the purpose set forth in this proceeding, such note and mortgage of chattels to be in, or substantially in, the same form as those attached to the application as Exhibit A and payable as set forth in this application, as amended.

2. California Western Railroad shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$60.

Dated at San Francisco, California, this 11th day of December, 1956.

John E. Butcher President
Ray Lawrence
Max D. ...
R. Hardy
C. J. Fox Commissioners

