

ORIGINAL

Decision No. 61468

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:
CRAIL TRANSPORTATION CO., a
corporation for authority to issue
a promissory note and deed of trust
pursuant to Sections 816-830 and
851-853 of the California Public
Utilities Code.

Application No. 43081

OPINION AND ORDER

This application was filed on January 18, 1961, for an order of the Commission authorizing Crail Transportation Co. to execute a deed of trust and to issue a note in the principal amount of \$80,000 for the purpose of financing the cost of real property.

Crail Transportation Co. is a California corporation which is engaged in business as a highway common carrier of special commodities between various points in southern California and as a city carrier, highway contract carrier and radial highway common carrier. It reports that it has been occupying certain premises in the City of Long Beach pursuant to a lease executed on October 1, 1946; that said lease granted to it an option to purchase the demised premises for the total sum of \$82,274; that said sum is based upon land values as they existed in 1946; and that applicant has concluded to exercise its option and to purchase the properties at this time. It has

made arrangements to borrow \$80,000 from Security-First National Bank to enable it to meet the purchase price.

The borrowing will be represented by a note with interest on the unpaid principal at the rate of 7% per annum, principal and interest to be payable in monthly installments of \$1,207.50. Applicant reports that a portion of the demised premises presently is being occupied under sublease by various tenants for a total monthly rental of \$2,048, an amount of \$840.50 in excess of the monthly sums applicant will be required to pay to service the proposed loan.

Applicant's financial statements filed with the application show that for the first nine months of 1960, its revenues aggregated \$232,511 and its net profit, \$9,771, after making provision of \$15,740 for depreciation. The financial statements further show that applicant has a favorable cash position and a reasonable capital structure and upon reviewing this matter we are of the opinion, and so find, that the proposed transaction will not interfere with applicant's obligations to serve the public; that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required for the purpose specified herein; that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; and that a public hearing is not necessary; therefore,

IT IS HEREBY ORDERED as follows:

1. Craill Transportation Co., on or after the effective date hereof and on or before May 31, 1961, may execute a deed of trust and may issue a note in the principal amount of not to exceed \$80,000 for the purpose specified herein, said deed of trust and note to be in, or substantially in, the same form as those filed in this proceeding.

2. Craill Transportation Co. 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 Craill Transportation Co. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$80.

Dated at San Francisco, California,
this 14th day of February, 1961.

Charles W. Dwyer
President
George H. Crover
Frederick B. Habeloff
Commissioners

