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**ORIGINAL**

Decision No. \_\_\_\_\_

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of ACME TRANSPORTATION, INC., a  
corporation, for authority to  
execute a note and a deed of  
trust.

Application No. 43175  
Filed February 24, 1961

O P I N I O N

Acme Transportation, Inc., has filed this application for authorization to execute a deed of trust and to issue a note in the principal amount of \$70,000.

The company is engaged as a highway common carrier and as a petroleum irregular route carrier of petroleum and petroleum products in bulk in the State of California. It reports that as of December 31, 1960 its net investment in tangible property amounted to \$631,582 and that it had financed itself, in part, with equipment and other long-term obligations in the amount of \$373,016, of which \$130,087 will be due within one year. The company has made arrangements to borrow \$70,000 from The Mechanics Bank of Richmond in order to retire equipment obligations and to improve its working cash position. The borrowing will be represented by a promissory note payable in installments of \$786 per month each, together with interest at the rate of 6-1/4% per annum on declining balances.

The company's financial statements indicate that its operations have been profitable. For the year 1960, it reported net operating revenues of \$1,519,470 and net income of \$12,881, after provision for income taxes and depreciation. The operating statement shows that during the year the company's internally generated funds were \$152,533, consisting of the net income and depreciation accruals of \$139,652. At the end of the year the company's current position included current assets of \$444,643, with cash and working funds of only \$1,400, as compared with current liabilities of \$393,220.

From a review of applicant's financial statements, it appears that the proposed financing will improve the company's cash position and will enable it to retire some of its outstanding obligations and that, on the basis of past recorded results of operations, the earnings of the business should be sufficient to service the proposed note and to provide for repayment. We find and conclude, therefore, 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 for the purposes specified herein and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

An order will be entered.

O R D E R

The Commission having considered the above-entitled matter and being of the opinion that a public hearing is not necessary,

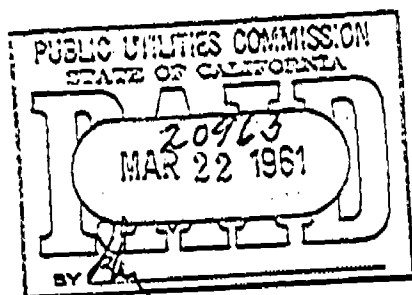
IT IS HEREBY ORDERED that -

1. Acme Transportation, Inc., on or after the effective date hereof and on or before September 30, 1961, may execute a deed of trust in, or substantially in, the same form as that filed in this proceeding as Exhibit B, and may issue a promissory note in the principal amount of not to exceed \$70,000, under the terms and for the purposes set forth in this application.

2. Acme Transportation, Inc., 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 Acme Transportation, Inc., has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$70.

Dated at San Francisco, California,  
this 21st day of MARCH, 1961.



James H. [Signature]  
President  
[Signature]  
[Signature]  
George H. Grover  
Frederick B. Halchoff  
Commissioners