

Decision No. 74733

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:)	
)	
G. I. TRUCKING COMPANY,)	
)	
a corporation, for authority to)	Application No. 50540
borrow money, issue promissory notes,)	Filed September 10, 1968
deeds of trust and security agreement)	
pursuant to Sections 816-830 and)	
851-853 of the California Public)	
Utilities Code.)	
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O P I N I O N

G. I. Trucking Company, a California corporation, requests authority from the Commission to execute and deliver Deeds of Trust and a Security Agreement, and to issue evidences of indebtedness in an aggregate principal amount of \$2,037,000.

Applicant conducts business as a highway common carrier of general commodities between Santa Maria and San Diego, serving intermediate points. For the year 1967, the corporation reports total operating revenues of \$4,226,116 and net income of \$190,990, after deducting \$231,234 for depreciation expense.

The carrier asserts that the rapid growth of its business volume requires the acquisition and construction of new and enlarged facilities. The application shows that the company presently owns

an 8.02 acre terminal located at 6121 East Randolph Street in the City of Commerce. This includes approximately two acres of improved property which applicant asserts is not necessary or useful in the performance of its duties to the public. The carrier proposes to sell the latter for \$400,000 cash which it will use primarily to discharge an outstanding indebtedness of \$329,500 and to pay related capital gains taxes and a real estate broker's commission.

Applicant intends to demolish the existing dock facilities located on the remaining approximately 6.02 acres of land, and to construct thereon a truck-high, sprinklered, rail-served, tilt-up concrete building at an estimated total cost of \$662,000. Under the provisions of a contemplated long-term lease between applicant and its wholly owned subsidiary, Commerce Warehouse Company, the latter will use the new structure in its public utility warehouseman business, paying a monthly rental of \$9,000 plus taxes, insurance and maintenance expenses.

The carrier proposes further to acquire 14.9 acres of unimproved real property located in the City of La Mirada for a total purchase price of \$487,500, and to construct thereon new terminal facilities at an estimated cost of \$875,000. Said facilities will include an underground hydrant fueling system at an estimated added cost of \$45,000, and an automatic dock-installed floor-track conveyor system which will employ 600 carts and cost an estimated additional \$69,000.

For the purpose of financing the major portion of the \$2,138,500 estimated total cost of its acquisition and construction

program, applicant requests authority to issue three promissory notes in favor of Bank of America National Trust and Savings Association consisting of (a) a \$1,050,000 note repayable in monthly installments of \$9,734.02, including interest at the rate of 7-1/2% per annum, (b) an \$880,000 note repayable in monthly installments of \$8,158.04, including interest at the rate of 7-1/2% per annum, and (c) a \$62,000 note repayable in monthly installments of \$1,935.80, including interest at the rate of 7-3/4% per annum. The indebtedness to be represented by said notes will be secured by two Deeds of Trust and a Security Agreement. In addition, applicant seeks authority to issue a non-interest bearing evidence of indebtedness in favor of Standard Oil Company of California, Western Operations, Inc. in the amount of \$45,000 repayable in installments of \$375 per month. Applicant proposes to finance the \$101,500 balance of construction costs through utilizing cash on hand and open account advances.

After consideration the Commission finds that: (1) the proposed evidences of indebtedness are for proper purposes; (2) the money, property or labor to be procured or paid for by the issue of the evidences of indebtedness herein authorized is reasonably required for the purposes specified herein; (3) such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; and (4) the proposed documents will not be adverse to the public interest. On the basis of these findings, we conclude that the application should be granted. A public hearing is not necessary.

O R D E R

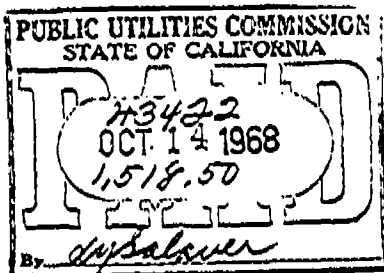
IT IS ORDERED that:

1. G. I. Trucking Company, on or after the effective date hereof and on or before December 31, 1968, for the purposes specified in this proceeding, may issue its evidences of indebtedness in an aggregate principal amount of not exceeding \$2,037,000, and may execute and deliver Deeds of Trust and a Security Agreement. Said documents shall be in the same form, or in substantially the same form, as those attached to the application.

2. G. I. Trucking Company shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

3. This order shall become effective when G. I. Trucking Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$1,518.50.

Dated at San Francisco, California, this 1ST day of OCTOBER, 1968.



William J. Lyons, Jr.
President

Stallman B. Bernard

Augusta

Paul P. Monroney
Commissioners