

Decision No. 81978**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of:)ALCO TRANSPORTATION CO., a)
Corporation for authorization)
to issue debentures.)Application No. 54283
(Filed August 27, 1973)
and Amendment
(Filed September 17, 1973)O P I N I O N

Alco Transportation Co. seeks authority to issue \$170,000 aggregate principal amount of 11-year 8-1/2% debentures, to issue a \$153,000 note and to execute a trust deed.

Applicant is a California corporation operating as a highway common carrier in portions of southern California. In addition, the company operates under permits issued by this Commission and also operates under Interstate Commerce Commission jurisdiction. Its 1972 annual report shows operating revenues of \$1,664,188 and net income of \$61,032.

In connection with its San Diego operations the carrier proposes to acquire certain unimproved property for a purchase price of \$213,000 with a down payment of \$65,000. The balance would be represented by a \$153,000 note repayable in monthly installments of \$1,462.43 or more including interest at the rate of 8% per annum, commencing January 8, 1974 and continuing until October 8, 1978, on which date the then unpaid principal balance of the note plus accrued interest would be fully due and payable. Prior to January 8, 1974, interest only on the unpaid principal would be payable. The note would be secured by a Deed of Trust.

Applicant proposes to apply the \$170,000 to be obtained from selling said debentures as follows:

Portion of down payment on said San Diego property	\$ 60,000
Easement to be acquired with purchase of San Diego property	7,000
Survey of San Diego property and preparation of preliminary plans and specifications for terminal thereon	3,000
Second story addition on its Montebello office, and furnishing and equipping such addition	25,000
Augmenting working capital	<u>75,000</u>
Total	<u>\$170,000</u>

After consideration we find that:

1. The proposed Deed of Trust would not be adverse to the public interest.
2. The proposed note and debenture issues are for proper purposes.
3. The money, property or labor to be procured or paid for by the note and debenture issues herein authorized is reasonably required for the purposes specified herein, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

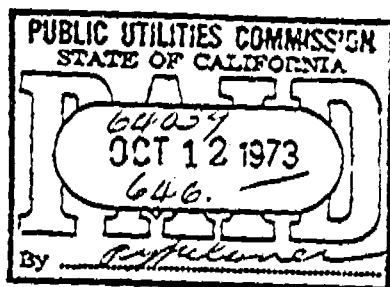
On the basis of the foregoing findings we conclude that the application, as amended, should be granted. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Alco Transportation Co., on or after the effective date hereof and on or before December 31, 1973, for the purposes set forth in the application as amended, may issue not exceeding \$170,000 aggregate principal amount of debentures and a note in the principal amount of not exceeding \$153,000, and may execute and deliver a Deed of Trust, which documents shall be in substantially the same forms as Exhibits A, C and D, respectively, attached to the application.
2. Alco Transportation Co. 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 Alco Transportation Co. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$646.

Dated at San Francisco, California, this 10th day of October, 1973.



President
William J. Symons

William J. Symons

William J. Symons

William J. Symons

Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.