

ORIGINAL

Decision No. 41181

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
FOSTER TRANSPORTATION, INC. for an	:	
order authorizing applicant to issue)	Application
four long-term notes for the unpaid	:	No. 29010
balances of short-term notes now due,)	
totaling \$12,001.71.	:	
-----)	

O P I N I O N

Foster Transportation, Inc. has applied to the Public Utilities Commission for authority to issue notes in the aggregate amount of \$12,001.71 for the purpose of refunding outstanding indebtedness incurred for the purpose of acquiring or constructing properties.

Applicant is a corporation engaged in giving local bus service for the transportation of passengers in and between Alhambra, Emery Park and Granada Park in Alhambra, and Wilmar, San Gabriel and Garvey. It reports the revenues from the operation of its lines at \$66,060 during 1945, at \$74,337 during 1946 and at \$82,088 during the eleven months ending November 30, 1947, with net profits of \$7,801 in 1945, net losses of \$1,252 in 1946, and net profits of \$2,576 during the eleven months ending November 30, 1947.

Applicant reports its assets and liabilities as of November 30, 1947, as follows:

Assets

Current assets -		
Cash and working funds	\$ 1,673.67	
Notes and accounts receivable	406.36	
Materials and supplies	<u>5,000.00</u>	
Total current assets		\$ 7,080.03
Property and investments -		
Land	18,090.44	
Garage	6,000.00	
Bus terminal facilities	4,186.84	
Revenue equipment	55,783.85	
Furniture	751.43	
Miscellaneous	<u>1,265.18</u>	
	86,077.74	
Reserve for depreciation	<u>30,962.46</u>	
Total property and investments		55,115.28
Organization, franchises and permits		241.00
Prepayments		<u>3,141.91</u>
Total		<u>\$65,878.22</u>

Liabilities

Current liabilities -		
Notes payable	\$10,901.50	
Accounts payable	6,697.97	
Wages payable	181.91	
Other	<u>1,097.84</u>	
Total current liabilities		\$18,879.22
Equipment obligations		11,561.72
Other long-term obligations		24,935.99
Capital stock		8,000.00
Surplus		<u>2,501.29</u>
Total		<u>\$65,878.22</u>

Applicant reports that heretofore it has issued its notes, payable within one year after dates of issue to finance in part the cost of its buses and of its terminal facilities and that there now remain unpaid balances on such notes in the aggregate amount of \$12,001.71. It desires to refund these balances through the issue of new notes, dated as of January 1, 1948, as follows:

<u>Payee</u>	<u>Date Due</u>	<u>Int.</u>	<u>Amount</u>
Norman and Edna C. Foster	Dec. 31, 1950	6%	\$ 1,575.29
Bernice H. Foster	Dec. 31, 1951	6%	4,674.03
Charles H. and Bernice L. Foster	Dec. 31, 1950	6%	5,265.39
Geo. E. and Lorraine W. Foster	Dec. 31, 1949	6%	<u>387.00</u>
Total			<u>\$12,001.71</u>

Applicant reports that it was unable to borrow money from banks at a lower rate of interest and that the individuals named found it necessary to borrow money, at 6%, to lend to it. The total interest payable on the four notes will amount to \$720.10 a year. The notes are unsecured.

A copy of each of the four proposed notes is attached to the application. In each one applicant reserves the privilege of paying the entire balance due at any time prior to the maturity of the note.

ORDER

The Public Utilities Commission having considered the above entitled application and being of the opinion that it is not a matter in which a public hearing is necessary, that the request of applicant should be granted, as herein provided, and that the money, property or labor to be procured or paid for through the issue of said notes for \$12,001.71 is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED as follows:

1. Foster Transportation, Inc., after the effective date hereof and on or before April 30, 1948, may issue four (4) unsecured notes in the aggregate principal amount of \$12,001.71 in substantially the same forms as the notes filed in this proceeding as Exhibit "B", for the purpose of paying or refunding short-term notes of like amount now outstanding.

2. Applicant shall file with the Commission a report of the issue of said notes as required by the Commission's 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 minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is twenty-five (\$25.00) dollars.

Dated at San Francisco, California, this 3rd day of February, 1948.

~~A. J. ...~~
 Justice J. ...
 ...
 Harold A. ...
 Kenneth ...
 Commissioners

PUBLIC UTILITIES COMMISSION
 STATE OF CALIFORNIA
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