

ORIGINAL

Decision No. 41853

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
COAST LINE TRUCK SERVICE, INC. a)
corporation, for an order, author-)
izing it to execute a note secured)
by a mortgage as herein described.)
-----)

Application
No. 29487

OPINION AND ORDER

This is an application by Coast Line Truck Service, Inc. for an order of the Public Utilities Commission authorizing it to execute a mortgage of chattels and to issue a promissory note in the principal amount of \$210,600 for the purpose of paying indebtedness and of financing the cost of equipment.

Coast Line Truck Service, Inc. is engaged in the transportation of property generally between Los Angeles and San Francisco. It has reported its operating revenues at \$914,378.95 during 1947 and at \$239,618.90 during the three months ending March 31, 1948, with a net loss from operations of \$2,279.93 in 1947 and a net profit of \$14,019.42 during the first quarter of 1948. In Exhibit "A" attached to the application it reports, as of March 31, 1948, its investment in property and equipment at \$431,673.15, with a reserve for depreciation of \$214,702.85, leaving a balance of \$216,970.30 which has been paid or provided in part through the issue of notes in the total amount of \$199,558.20 as follows:

Notes payable to Bank of America, secured by pledge of trucks and trailers	\$185,410.58
Trust-deed note payable to Bank of America secured by lien on terminal property	5,750.90
Modernization loan from Standard Oil Company of California	<u>8,396.72</u>
Total	<u>\$199,558.20</u>

The company now reports that it desires to borrow additional funds for the purpose of refinancing the indebtedness to Bank of America secured by pledge of trucks and trailers, and of providing the cost, reported at \$25,419.69, of three new vans. To this end it has made arrangements to issue a new note to Bank of America in the total amount of \$210,600, to be payable in an installment of \$5,850 on July 30, 1948, and thereafter in 35 equal successive monthly installments of \$5,850 beginning August 30, 1948, with interest on unpaid balances at the rate of 5% per annum, and to secure the payment of said note by a mortgage of chattels on its equipment. A copy of the proposed note has been filed with the application as Exhibit "C" and a copy of the proposed mortgage as Exhibit "D".

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the application should be granted as herein provided, that the money, property or labor to be procured or paid for through the issue of said note 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; therefore,

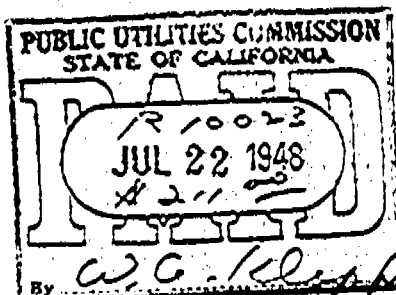
IT IS HEREBY ORDERED as follows:

1. Coast Line Truck Service, Inc., after the effective date hereof and on or before September 30, 1948, may issue a note in the principal amount of \$210,600 and execute a mortgage of chattels, said note and mortgage of chattels to be in, or substantially in, the same form as those filed in this application as Exhibit "C" and Exhibit "D", respectively, and use the proceeds to refinance the presently outstanding indebtedness in favor of Bank of America in the total amount of not exceeding \$185,410.58, and to finance in part the cost of the three vans referred to herein.

2. Coast Line Truck Service, 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 Coast Line Truck Service, Inc. has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is two hundred eleven (\$211.00) dollars.

Dated at San Francisco, California, this 20th day of July, 1948.



R. I. Johnson
Justice J. Gallego
Harold P. Kula
Commissioners