

Decision No. 44275

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of STERLING TRANSIT COMPANY, INC.)
for authorization to issue a note)
and deed of trust to finance the)
construction of additional ter-)
minal facilities.)
-----)

Application
No. 31407

ORIGINAL

O P I N I O N

This is an application for an order authorizing Sterling Transit Company, Inc. to execute a deed of trust and to issue a promissory note in the principal amount of \$9,000.

Applicant is engaged in business as a highway common carrier between San Francisco, Los Angeles and San Diego. For the year 1949 it reports its operating revenues at \$538,823 and its net income at \$8,330. Its assets and liabilities as of December 31, 1949, are reported as follows:

Assets

Cash		\$ 19,141
Accounts receivable		21,438
Other current assets		3,814
Carrier operating property	\$318,421	
Less: Reserve for depreciation	<u>138,351</u>	180,070
Intangible property		153,543
Other assets		<u>5,214</u>
	Total assets	<u>\$383,220</u>

Liabilities

Capital stock	\$250,000
Current liabilities	20,508
Equipment obligations	87,350
Other long term obligations	1,016
Earned surplus	<u>24,346</u>
	Total liabilities
	<u>\$383,220</u>

Applicant states that it desires to construct additional facilities at its northern California terminal in Oakland, such

additional facilities to include an extension of its present dock and the construction of an office thereon at an estimated cost in excess of \$6,000, the construction of fences and gates at an estimated cost of \$1,025, grading and surfacing of land at an estimated cost of \$500, and approximately \$1,500 for office furnishings and equipment.

To finance the construction costs, applicant proposes to borrow \$9,000 from the Oakland Bank of Commerce, Oakland, such sum to be represented by a note payable in installments of \$90 per month, including interest at the rate of 5% per annum, over a period of ten years. The payment of the note will be secured by a deed of trust.

Applicant reports that the proposed construction will enable it to operate its highway carrier service more effectively and to serve the public more adequately.

O R D E R

The Commission having considered the above entitled matter and being of the opinion that a public hearing thereon 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 a note for \$9,000 is reasonably required by applicant 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. Sterling Transit Company, Inc., after the effective date hereof and on or before August 31, 1950, may execute a deed of trust and may issue its promissory note in the principal amount of \$9,000, said deed of trust and note to be in, or substantially in,

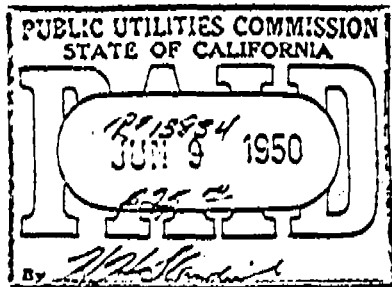
the same form as those filed in this proceeding as Exhibit B and Exhibit A, respectively.

2. Sterling Transit Company, Inc. shall use the proceeds to be obtained through the issue of the note herein authorized for the purposes referred to in the preceding opinion.

3. Applicant shall file with the Commission a copy of the note and a copy of the deed of trust executed under the authority herein granted within thirty (30) days after the dates thereof. It shall file with the Commission within six (6) months after the issue of the note herein authorized a statement showing the purposes for which it used the proceeds.

4. The authority herein granted will become effective when Sterling Transit Company, Inc. 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 7th day of June, 1950.



R. E. [Signature]
James J. [Signature]
Robert H. [Signature]
Harold A. [Signature]
[Signature]
Commissioners