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Decision No. 44312

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNI

In the Matter of the Application of FOSTER TRANSPORTATION, INCORPORATED, for an order authorizing refinancing in the amount of \$10,818.41 at 5% for three years, on a promissory note and chattel mortgage on nine buses.

Application No. 31479

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$\underline{O \ P \ I \ N \ I \ O \ N}$

This is an application for an order authorizing Foster Transportation, Incorporated, to execute a mortgage of chattels and to issue a promissory note in the principal amount of \$10,818.41.

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Applicant is engaged in giving local bus service in and about Alhambra. Its annual reports to the Commission for the last three years show its revenues and expenses as follows:

	1947	1948	1949
Operating revenues	<u>\$90,834</u>	\$105,744	\$103,742
Expenses - Operation and maintenance Depreciation Taxes and licenses Rents Total	$\begin{array}{r} 67,913\\ 10,962\\ \underline{8,531}\\ (1,072)\\ \underline{86,334}\end{array}$	81,907 12,938 1 <u>0,010 (1,257)</u> 103,598	83,0289,6148,825177101,644
Net operating revenues	4,500	_2,146	2,098
Interest	2,680	2,786	2,346
Other income charges - net	<u>(</u> 3)		1.04
Net income or (loss)	<u>\$ 1,823</u>	<u>* 640</u>	<u>\$ (352</u>)

Applicant reports its assets and liabilities, as of December 31, 1949, as follows:

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<u>Assets</u>			
Current assets - Cash Accounts receivable Materials and supplies Total current assets Tangible property - Total cost Reserve for depreciation Net tangible property Prepayments		\$ 588 509 <u>5,000</u> 89,071 50,316	\$ 6,097 38,755 <u>2,209</u>
	Total		<u>\$47,061</u>
<u>Liabilities</u>			•
Current liabilities - Notes payable Accounts payable Advances payable Total current liabiliti Equipment obligations Long-term notes Deferred credits Common stock Surplus	.es	\$ 2,884 5,353 <u>391</u>	\$ 8,628 9,310 19,237 59 8,000 <u>1,827</u>
:	Total		\$47,061

In making the present application, applicant reports that it is desirable for it to refinance in part its outstanding indebtedness. Specifically, it asks permission to use the proceeds to be received through the issue of the note covered by this application for the following purposes:

\$ 527.22 to pay balance of contract on Bus No. 38 2,424.00 to pay balance of contract on Buses No. 31 and 32 <u>4,474.05</u> to pay balance of contract on Bus No. 101 7,425.27 <u>-520.33</u> interest credit on above contracts to be paid off 6,904.94 Total 1,754.95 to pay overdue parts expense account balance <u>747.43</u> to pay balance of chattel mortgage on Buses 16,29 & 33 9,407.32 <u>1,411.09</u> interest for 36 months at 5% per annum <u>\$10,818.41</u> Total

Applicant reports that the contracts and the mortgage proposed to be liquidated require monthly payments of \$642.20, that it

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finds it a hardship to continue meeting such payments, and that presently it is unable to pay its accumulated parts expense account. The new note it proposes to issue will be in favor of Crown Body & Coach Corporation and will provide for monthly payments of \$300.51, with interest on the total amount at the rate of 5% per annum.

The issue of the note, as proposed, will improve applicant's cash position. Accordingly, an order will be entered.

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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 the note herein authorized is reasonably required by applicant for the purpose specified herein, and that, except as otherwise permitted, such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Foster Transportation, Incorporated, after the effective date hereof and on or before July 31, 1950, may execute a mortgage of chattels and issue a promissory note in the principal amount of not exceeding \$10,818.41, in substantially the same form as the mortgage of chattels and note filed in this proceeding as Exhibit A, for the purpose set forth in the application.

2. Applicant shall file with the Commission a report as required by General Order No. 24-A, which order, insofar as

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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 <u>20Th</u> day of June, 1950.

PUBLIC UTILITIES COMMISSION