

ORIGINAL

Decision No. 44831

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of PENINSULA MOTOR EXPRESS, a)
corporation, for authority to)
execute a note and chattel mortgage.)
-----)

Application
No. 31764

O P I N I O N

This is an application for an order authorizing Peninsula Motor Express to execute a mortgage of chattels and to issue a note in the principal amount of \$50,000.

Applicant was organized during December, 1946. Since the early part of 1947 it has been engaged in business as a highway common carrier of property between San Francisco and Palo Alto. It has reported its revenues and expenses for the last three years as follows:

	<u>1947</u>	<u>1948</u>	<u>1949</u>
Operating revenues	\$70,730.86	\$103,688.77	\$103,972.74
Less -			
Operation and maintenance	58,804.39	86,770.32	86,538.46
Depreciation	4,210.85	4,311.58	4,605.31
Taxes and licenses	4,790.23	7,078.32	6,257.50
Operating rents	3,382.30	4,045.68	4,048.38
Total	<u>71,187.77</u>	<u>102,205.90</u>	<u>101,449.65</u>
Net operating revenues	<u>\$ (456.91)</u>	<u>\$ 1,482.87</u>	<u>\$ 2,523.09</u>

Since the close of 1949 the Commission, by Decision No. 43772, dated February 7, 1950, authorized applicant to extend its operations generally between San Francisco and Mountain View through the purchase of the operative rights of Lamarra Trucking Company, and by Decision No. 44525, dated July 11, 1950, authorized it to extend its operations to San Jose.

At December 31, 1949, applicant reported in service 12 trucks, two tractors, three semi-trailers and one full trailer. It now reports that it has need for additional equipment for use in the performance of its common carrier service, not only between San Francisco and Palo Alto but also to serve the additional points subsequently authorized by the Commission, and that it has entered into negotiations to purchase, for approximately \$42,000, eight utility semi-trailers, two converter dollies, five International two-ton chassis, nine Brown aluminum van bodies, and two tractors.

In order to finance the purchase price of said equipment and to provide additional working capital said to be necessary in its operations, applicant proposes to borrow \$50,000 from Pacific National Bank of San Francisco. The sum to be thus borrowed will be represented by a note payable over a period of three years, with interest at the rate of 4% per annum. The payment of said note will be secured by a mortgage of chattels covering applicant's equipment.

It appears that applicant has need for the funds to be obtained through the issue of the proposed note. Accordingly, an order will be entered.

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 the note herein authorized 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. Peninsula Motor Express, after the effective date hereof and on or before December 31, 1950, may issue a note in the principal amount of \$50,000 for the purpose of financing the cost of equipment and of providing working capital, as set forth in this application, and may execute a mortgage of chattels to secure the payment of said note, which note and mortgage of chattels shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit A and Exhibit B, respectively.

2. Applicant 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 applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is fifty (\$50.00) dollars.

Dated at San Francisco, California, this 26th day of September, 1950.

R. J. [Signature]
Justin J. [Signature]
Richard [Signature]
Harold P. [Signature]
Francis B. [Signature]
Commissioners

