

Decision No. 45210

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of M. G. HITCHCOCK doing business	:	
as HITCHCOCK TRANSPORTATION CO.)	Application
for authority to issue promissory	:	No. 31971
note and execute chattel mortgage.)	
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O P I N I O N

This is an application for an order of the Commission authorizing M. G. Hitchcock to execute a mortgage of chattels and to issue a note, or notes, in the principal amount of not exceeding \$112,000 for the purpose of paying indebtedness and of financing the cost of equipment.

It appears that applicant, doing business as Hitchcock Transportation Co., is engaged in business as a highway common carrier of petroleum products over various routes within the State of California. In Exhibit C filed in this proceeding, he reports, for the nine months ended September 30, 1950, freight revenues of \$198,901.02, oil sales at a net amount of \$48,341.89, and other revenues at \$8,077.66, a total of \$255,320.57, with net profit of \$18,778.12.

The application shows that applicant's properties include, among other things, a certificate of public convenience and necessity granted by Decision No. 42623, dated March 15, 1949, and 41 units of equipment. As of September 30, 1950, he reports his assets and liabilities as follows:

Assets

Current assets -		
Cash and deposits	\$36,752.97	
Series E bonds	5,625.00	
Notes and accounts receivable	83,285.73	
Materials and supplies	<u>9,878.79</u>	
Total current assets		\$135,542.49
Tangible property less depreciation reserve		182,751.99
Other assets		26,990.00
Prepayments		<u>8,109.88</u>
	Total	<u>\$353,394.36</u>

Liabilities

Current liabilities -		
Notes and accounts payable	\$67,916.47	
Taxes payable	<u>8,434.05</u>	
Total current liabilities		\$ 76,350.52
Equipment obligations		29,366.07
Real estate encumbrances		1,095.00
Proprietorship		<u>246,582.77</u>
	Total	<u>\$353,394.36</u>

Prior to the time applicant became engaged in business as a highway common carrier, he made substantial acquisitions of revenue equipment under long-term contracts, the amount of which, as shown in the preceding balance sheet, was \$29,366.07 as of September 30, 1950, although the principal since has been reduced somewhat. Applicant now desires to liquidate the remaining balance of this indebtedness and to borrow additional sums to finance the cost of new equipment described in Exhibit A as follows:

1 New 1950 Autocar Diesel Propane Tank Truck and Attachments	\$16,300.00	
1 Utility Propane Tank Trailer	<u>6,400.00</u>	\$22,700.00
1 New 1950 Autocar Diesel Propane Tank Truck and Attachments	13,800.00	
2 Propane Tanks	<u>5,500.00</u>	19,300.00
1 New 1950 GMC Diesel Propane Tank Truck and Attachments	16,300.00	
1 Utility Propane Tank Trailer	<u>6,400.00</u>	22,700.00
1 New 1950 Kenworth Diesel Gasoline Tank Truck and Attachments	9,500.00	
1 Utility Gasoline Tank Trailer (Kenworth being assembled in Hitchcock shops, thereby saving purchaser approximately \$4,000)	<u>5,000.00</u>	14,500.00
1 set Propane Tanks		<u>5,500.00</u>
	Total	<u>\$84,700.00</u>

Subject to receiving authority from the Commission, applicant proposes to issue to The Anglo California National Bank his promissory note, or notes, in the principal amount of not exceeding \$112,000, to be payable in equal monthly installments over a period of approximately 56 months, with interest at the rate of 5% per annum, for the purposes indicated herein. The payment of the note, or notes, will be secured by a mortgage of chattels.

ORDER

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, or notes, 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. M. G. Hitchcock, after the effective date hereof and on or before April 30, 1951, may execute a mortgage of chattels and issue a note, or notes, in the principal amount of not exceeding \$112,000 for the purposes indicated in this application, which mortgage of chattels and note, or notes, shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit B.
2. Within thirty (30) days after execution of said mortgage of chattels and note, or notes, applicant shall file a copy of each with the Commission.

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 one hundred twelve (\$112.00) dollars.

Dated at San Francisco, California, this 3rd day of January, 1951.

R. B. [Signature]
Harold P. Huls
Kenneth Potter

Commissioners

