

Decision No. 45282

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of STERLING TRANSIT COMPANY, INC.	:	
for Authorization to purchase new)	Application
equipment and to execute a Note	:	No. 32023
and Chattel Mortgage.)	
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OPINION AND ORDER

Sterling Transit Company, Inc., applicant herein, is a California corporation engaged in business as a highway common carrier of property between San Francisco, Los Angeles and San Diego. ⁽¹⁾ In this application, it asks permission to execute a mortgage of chattels and to issue a note in the principal amount of \$80,712 for the purpose of paying outstanding indebtedness and of financing, in part, the cost of additional equipment.

Applicant reports that it has need for additional equipment to perform its transportation service and that it desires to purchase one new International pick-up truck and one new Kenworth diesel truck at a total cost of \$17,483.98, on which it will make a down payment of \$4,371.98, leaving an unpaid balance of \$13,112. It reports, further, that presently it is indebted to Bank of America National Trust and Savings Association in the amount of \$67,600, being the unpaid balance of the note authorized by Decision No. 44790, dated September 19, 1950, in Application No. 31721, and that it now proposes to borrow the sum of \$80,712 from said bank to repay said indebtedness and to provide the balance necessary to complete the payment of the two new units of equipment.

(1)

In financial statements filed with the Commission, applicant reports, for 1949, operating revenues of \$538,823 and net income of \$8,330, and for the nine months ended September 30, 1950, operating revenues of \$465,445 and net income of \$21,996.

The sum to be thus borrowed will be represented by a new note, secured by a mortgage of chattels, payable in monthly installments of \$2,600 with interest at the rate of 5% per annum on deferred balances. A copy of the proposed note has been filed in this proceeding as Exhibit C and a copy of the proposed mortgage of chattels as Exhibit D.

The Commission has considered this application and is of the opinion that a public hearing thereon is not necessary; that applicant will have need for the proceeds from the issue of the note; that the money, property or labor to be procured or paid for through the issue of the note herein authorized is reasonably required for the purposes specified herein; that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; and that this application should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. Sterling Transit Company, Inc., after the effective date hereof and on or before July 31, 1951, may issue a note in the principal amount of not exceeding \$80,712 and may execute a mortgage of chattels for the purposes indicated in this application, which note and mortgage of chattels shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit C and Exhibit D, 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 twenty-five (\$25.00) dollars.

Dated at San Francisco, California, this 23rd day of
January, 1951.

R. J. Anderson
Justice J. Graves
Harold F. Kild
Penelope Lott
Commissioners

