

Decision No 45736

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
BATTEATE LIVESTOCK TRANSPORTATION CO., :
for authority to execute a chattel)
mortgage and promissory note. :
-----)

Application
No. 32386

O P I N I O N

Batteate Livestock Transportation Co., a corporation engaged in business as a highway common carrier of livestock between numerous points in California, asks permission to issue an installment note and mortgage of chattels in the amount of \$53,750 for the purpose of paying indebtedness and of providing working capital.

Applicant reports that in the conduct of its business it has issued two short-term unsecured notes in the aggregate principal amount of \$28,000, and that it had outstanding as of April 30, 1951, equipment obligations totaling approximately \$12,000. It now desires to pay said notes and obligations and proposes to borrow the sum of \$50,000 from Bank of America National Trust and Savings Association to liquidate these items of indebtedness and to provide additional working capital of \$10,000 said to be necessary in its operations.

The application indicates that arrangements have been made for the issue by applicant of an installment note and mortgage of chattels in the amount of \$53,750, including interest charges of \$3,750, the sum to be payable in monthly installments of \$3,000 for a period of 17 months, with a final payment of \$2,750.

In its annual report for the year 1950, applicant reports operating revenues of \$515,438.03 and net loss for the year of

\$5,203.18 after deducting depreciation expense in the amount of \$44,902.14. For the two months ended February 28, 1951, applicant reports operating revenues of \$68,481.32 and net loss of \$10,114.90. Exhibit E attached to the application shows assets and liabilities as of February 28, 1951, as follows:

Assets

Current assets -		
Cash	\$ 6,041.42	
Accounts receivable	16,911.55	
Material and supplies	23,963.31	
Investments	<u>710.00</u>	\$ 47,626.28
Fixed assets less depreciation reserves		169,238.67
Deferred debits and prepayments		<u>29,901.40</u>
Total		<u>\$246,766.35</u>

Liabilities

Current liabilities -		
Notes payable (short-term)	\$28,000.00	
Accounts payable	50,842.71	
Taxes payable	5,703.17	
Accrued taxes	<u>2,560.42</u>	\$ 87,106.30
Long-term obligations -		
Equipment loans	26,564.13	
Realty loan (Hayward)	<u>5,498.79</u>	32,062.92
Capital -		
Capital stock	50,000.00	
Unearned surplus	30,468.88	
Earned surplus	<u>47,128.25</u>	<u>127,597.13</u>
Total		<u>\$246,766.35</u>

A review of the application clearly indicates that applicant has need for the funds to be obtained through the issue of the note for the purposes set forth therein.

Q 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 \$53,750 is reasonably required by applicant for the purposes specified herein; and that such purposes, other than the payment of interest, are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

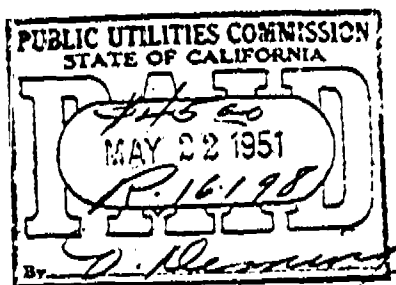
1. Batteate Livestock Transportation Co., after the effective date hereof and on or before October 31, 1951, may issue an installment note and mortgage of chattels, in, or substantially in, the same form as that filed in this proceeding as Exhibit A.

2. Applicant shall use approximately \$28,000 of the proceeds to be obtained through the issue of said note to pay outstanding short-term loans, approximately \$12,000 to pay outstanding equipment obligations, and the remaining proceeds to maintain and improve its service and provide working capital.

3. Applicant shall file with the Commission a copy of the note and mortgage of chattels, as actually executed, within thirty (30) days after the date thereof.

4. 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 forty-five (\$45.00) dollars.

Dated at San Francisco, California, this 22nd day of May, 1951.



Handwritten signatures of Justus J. Cooper, Harold P. Hills, and E. Mitchell, Commissioners.