

ORIGINALDecision No. 47914

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of DELTA LINES, INC., a corpora-	:	
tion, for authority to issue a)	Application
promissory note and execute a	:	No. 33836
chattel mortgage.)	
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OPINION AND ORDER

This is an application for an order authorizing Delta Lines, Inc. to execute an installment note in the principal amount of \$369,000 and a mortgage of chattels for the purpose of refinancing outstanding indebtedness.

Applicant is a California corporation engaged in the transportation of property as a highway common carrier principally between points on San Francisco Bay and Stockton, Sacramento, Jackson, Placerville and Chico, and intermediate points. From financial reports filed with the Commission, the following tabulation has been prepared showing its revenues and expenses for the calendar years 1950 and 1951 and the first nine months of 1952:

	<u>1950</u>	<u>1951</u>	<u>9 Mos.</u> <u>1952</u>
Operating revenues	\$1,761,954	\$2,183,148	\$1,916,585
Operating expenses	<u>1,698,639</u>	<u>2,124,909</u>	<u>1,898,733</u>
Net operating income	63,315	58,239	17,852
Other income	<u>2,630</u>	<u>1,574</u>	<u>26</u>
Gross income	65,945	59,813	17,878
Interest and other charges	<u>10,956</u>	<u>13,601</u>	<u>15,097</u>
Balance	<u>\$ 54,989</u>	<u>\$ 46,212</u>	<u>\$ 2,781</u>

From Exhibit II filed in this proceeding, it appears that as of September 30, 1952, applicant had invested \$535,419 in

carrier operating property and \$70,355 in net current assets and that it had financed itself, in part, through the issue of \$150,000 par value of common stock and through the use of borrowed moneys. The outstanding indebtedness includes the following amounts:

The Anglo California National Bank	\$240,879.26
Bank of America	8,890.44
White Motor Company	26,840.14
Indebtedness assumed in the acquisition of Johnson Truck Lines under authority granted by Decision No. 47522	<u>92,822.06</u>
Total	<u>\$369,431.90</u>

It appears that applicant desires to discharge these items of indebtedness and that it has made arrangements to borrow the sum of \$369,000 from Bank of America National Trust and Savings Association for this purpose. The sum to be thus borrowed will be represented by an installment note payable in 48 equal successive monthly installments of \$7,687.50, with interest at the rate of 5½% per annum on deferred balances. A copy of the form of the note and of the mortgage of chattels securing its payment has been filed in this proceeding as Exhibit I.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary; that the application should be granted, as herein provided; that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required by applicant for the purpose specified herein; and that 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. Delta Lines, Inc., on or after the effective date hereof and on or before February 28, 1953, may execute an installment note in the principal amount of \$369,000 and a mortgage of chattels, in, or substantially in, the same form as the document filed in this proceeding as Exhibit I, for the purpose of paying outstanding indebtedness of like amount.

2. Delta Lines, Inc. shall file with the Commission monthly 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 Delta Lines, Inc. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code.

Dated at San Francisco, California, this 18th day of November, 1952.

R. I. [Signature]
President

Harold [Signature]

[Signature]

[Signature]

Commissioners

