

ORIGINAL

Decision No. 48783

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
BATEATE LIVESTOCK TRANSPORTATION)
CO., a corporation, for authority)
to execute a chattel mortgage and)
instalment note.)
-----)

Application
No. 34463

OPINION AND ORDER

Batteate Livestock Transportation Co., a corporation engaged in business as a radial highway common carrier and a highway common carrier of livestock between numerous points in California, asks permission to issue an instalment note in the amount of \$122,100 for the purpose of paying indebtedness and of providing working capital, and to execute a mortgage of chattels to secure the payment of the note.

Applicant reports that it has outstanding nine separate obligations aggregating \$84,292.45, with monthly payments amounting to \$6,240.27. It now proposes to consolidate these obligations into one new obligation and to increase its borrowings to pay current liabilities. To this end it has made arrangements to borrow funds from Bank of America National Trust and Savings Association, such borrowing to be represented by an instalment note in the amount of \$122,100, which includes \$12,100 interest computed at the rate of 5.5% per annum, to be payable in monthly instalments over a period of 24 months.

In its annual report for the year 1952 applicant reports operating revenues of \$671,435.26 and net loss for year of \$18,166.59, after deducting depreciation expenses in the amount of \$50,084.51. For the four months ended April 30, 1953, applicant reports operating

revenues of \$208,405.59 and net loss of \$11,008.88, after deducting \$18,477.64 for depreciation expenses. Exhibit F attached to the application shows assets and liabilities, as of April 30, 1953, as follows:

Assets

Current assets -		
Cash	\$ 4,081.87	
Accounts receivable	56,365.70	
Prepayments	23,230.18	
Material and supplies	<u>22,127.26</u>	\$105,805.01
Carrier operating property, less reserve for depreciation		204,450.48
Other assets		<u>4,856.00</u>
Total		<u>\$315,111.49</u>

Liabilities

Current liabilities -		
Note payable	\$ 2,575.00	
Accounts payable	69,302.23	
Bank overdraft	4,351.45	
Wages payable	10,914.24	
Taxes accrued	9,621.88	
Other current liabilities	<u>419.99</u>	\$ 97,184.79
Equipment obligations		81,717.45
Other long-term obligations		8,769.26
Common stock		50,000.00
Unearned surplus		30,468.88
Earned surplus		<u>46,971.11</u>
Total		<u>\$315,111.49</u>

The proposed financing will ease applicant's financial position by reducing the monthly payments on its obligations and by decreasing its current accounts payable.

The Commission has reviewed this matter and is of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, and 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 purposes set forth herein; therefore,

IT IS HEREBY ORDERED as follows:

1. Batteate Livestock Transportation Co., on and after the effective date hereof and on or before December 31, 1953, may execute a mortgage of chattels and may issue an instalment note in the amount of \$122,100, for the purposes specified herein, such mortgage of chattels and note to 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 1904(b) of the Public Utilities Code, which fee is \$123.00.

Dated at San Francisco, California, this 7th day of July, 1953.

A. J. [Signature]
President

Harold Hale

[Signature]

Commissioners

