

**ORIGINAL**

Decision No. 49106

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SAVAGE TRANSPORTATION CO., INC., a corporation, for authority to execute a corporation instalment note and a mortgage of chattels.

Application No. 34697

OPINION AND ORDER

Savage Transportation Co., Inc., applicant herein, is a California corporation engaged in business as a highway common carrier of property generally between San Francisco and Los Angeles. In this application it requests authority to issue an instalment note in the principal amount of \$196,000, and to execute a mortgage of chattels in order to consolidate and to extend the period of repayment of thirteen conditional sale contracts and/or instalment notes currently outstanding.

The thirteen obligations which applicant desires to consolidate and refinance had an unpaid balance of \$196,532.26 as of August 28, 1953. To refinance these obligations applicant proposes to issue an instalment note in the principal amount of \$196,000 to Bank of America National Trust and Savings Association which will be secured by a mortgage of chattels on certain automotive equipment listed on Exhibit B attached to the application. It is to be repaid in 48 monthly instalments of \$4,083.33 plus interest at the rate of 6% per annum on the unpaid balance. A copy of the instalment note and mortgage of chattels which applicant proposes to execute is attached as Exhibit A.

(1) For the six months ended June 30, 1953, applicant reports operating revenues of \$456,058.10 with a net profit to surplus of \$13,027.70 after deducting \$42,589.47 for depreciation.

Applicant further states that the thirteen obligations it proposes to refinance mature at various times and payments thereunder are due on different days of each current month so that execution of the proposed instalment note will simplify its book-keeping. In addition, applicant currently is required to pay \$7,373.71 a month on the thirteen obligations whereas under the proposed obligation the monthly payment will be \$4,083.33.

The Commission has considered this matter and is 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 promissory 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. Savage Transportation Co., Inc., after the effective date hereof and on or before December 31, 1953, may execute a mortgage of chattels and issue a note in the principal amount of not exceeding \$196,000 in, or substantially in, the same form as that attached to the application as Exhibit A, for the purpose of refinancing existing obligations.

2. Within thirty (30) days after the execution of such mortgage of chattels and promissory note, applicant shall file a copy thereof with the Commission.

3. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 1904 of the Public Utilities Code.

Dated at San Francisco, California, this 22<sup>nd</sup> day of September, 1953.

R. Z. [Signature]  
President.

Harold [Signature]

Frances [Signature]

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Commissioners.

