

ORIGINAL

Decision No. 49136

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of: )  
 )  
 GEORGE C. SMITH, JR., an individual )  
 doing business under the firm name of )  
 SMITH TRANSPORTATION CO., for authori- ) Application  
 ty to borrow money and execute promis- ) No. 34732  
 sory note and chattel mortgage pursuant )  
 to Sections 817 and 851 of the Public )  
 Utilities Code. )  
 ----- )

O P I N I O N

George C. Smith, Jr., doing business as Smith Transporta-  
 tion Co., is a highway common carrier of property generally between  
 points in Los Angeles and certain adjacent communities, on the one  
 hand, and Buellton and Paso Robles, on the other hand. He has  
 filed this application for authorization to issue a promissory note  
 secured by a mortgage of chattels in the principal amount of  
 \$101,000, for the purpose of refinancing existing indebtedness.

By Decision No. 46803, dated March 4, 1952, the Commis-  
 sion authorized applicant to issue a note in the principal amount of  
 \$80,000 for the purpose of refinancing outstanding indebtedness and  
 of providing the cost of new equipment. Applicant reports that  
 since the date of that decision increased demands of the public for  
 service have required him to obtain additional motor vehicle equip-  
 ment, that he has been compelled to borrow additional sums to meet  
 these requirements, and that presently he is indebted to Bank of  
 America in the total amount of \$100,694.52 represented by eleven  
 contracts payable in monthly installments of \$4,106.98.

The purpose of the present application is to consolidate the several items of indebtedness into one new obligation to be represented by a note secured by a mortgage of chattels in the principal amount of \$101,000, payable in 36 monthly installments with interest at the rate of 4% per annum. The proposed transaction will extend the time for payment of the present indebtedness, will reduce the amount of the monthly installment and will simplify applicant's accounting procedure.

A reference to applicant's financial statements shows that in 1951 his operating revenues amounted to \$496,457.99 and in 1952 to \$715,681.79. His statement as of June 30, 1953, indicates his total investment in carrier property at \$306,772.73 and in current assets at \$84,048.99, a total of \$390,821.72. The statement shows that applicant has financed his investment with current liabilities of \$102,091.94 and long-term obligations of \$111,727.75, leaving a reported net worth representing owner's investment of \$177,002.03.

From our consideration of this application and of the financial statements on file with the Commission, it appears to us that applicant's earnings should be sufficient to enable him to meet the obligations which will be incurred by the proposed financing. Accordingly, an order will be entered granting applicant's request.

#### O R D E R

The Commission having considered the above entitled matter, and being 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. George C. Smith, Jr., doing business as Smith Transportation Co., may execute an installment note and mortgage of chattels, on or before December 31, 1953, in substantially the same form as that filed in this proceeding, in the principal amount of \$101,000 payable in 36 monthly installments with interest at the rate of 4% per annum, for the purpose of refinancing outstanding indebtedness.

2. Applicant 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 applicant has paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.00.

Dated at San Francisco, California, this 29<sup>th</sup> day of September, 1953.

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President  
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Commissioners  
PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
2044  
SEP 30 1953  
2500  
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