

ORIGINAL

Decision No. 50952

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of PENINSULA MOTOR EXPRESS, a)	
corporation, for authority to)	Application
execute a promissory note and)	No. 36614
mortgage of chattels.)	
-----)	

OPINION AND ORDER

Peninsula Motor Express, applicant herein, is a highway common carrier of property generally between points located between San Francisco and Richmond, on the north, and Santa Clara and San Jose, on the south, excepting, however, any transportation between San Francisco and East Bay cities. In this application it seeks authorization to execute a mortgage of chattels and to issue a note in the amount of \$23,542.90 for the purpose of re-financing existing indebtedness.

The application shows that applicant, in the conduct of its business and in the acquisition of equipment, became obligated to Pacific National Bank of San Francisco in the amount of \$22,802.44, which is payable in monthly installments of \$1,598.60, and that it has now entered into an agreement with the bank to refinance the obligation through the issue of a new note in the amount of \$23,542.90, payable in 23 monthly installments of \$980.95 and one installment of \$981.05. The face amount of the note will include 4% prepaid interest per annum on the principal amount.

According to Exhibit B, applicant's net investment in tangible property as of October 31, 1954, amounted to \$91,315.09, with outstanding equipment obligations of \$39,328.13. Its investment in current assets was reported at \$41,224.43, with current liabilities, however, in the amount of \$106,418.52. The proposed financing will not increase the principal amount of applicant's outstanding indebtedness but will improve its position by extending the time for payment over a period of two years and by reducing the monthly payments by approximately \$600.

On the basis of the information submitted in the verified application we are 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, except for the payment of interest, is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Peninsula Motor Express may execute a mortgage of chattels and issue a note in the amount of \$23,542.90 for the purpose of refinancing outstanding indebtedness, which mortgage of chattels and note shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit A.
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 minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.00.

Dated at San Francisco, California, this 10th day of January, 1955.

John E. Mitchell
President

Justin J. Casner
Rayle W. Erenier
Walter J. Hooley

Commissioners

