

ORIGINAL

Decision No. 51193

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
SIGNAL TRUCKING SERVICE, LTD.,	:	Application
a corporation, for authority to)	No. 36657
execute evidence of indebtedness.	:	
-----)	

OPINION AND ORDER

In this application Signal Trucking Service, Ltd. seeks authorization to execute a mortgage of chattels and to issue promissory notes in the aggregate amount of not exceeding \$350,000.

Applicant is engaged as a highway common carrier in the transportation of general commodities between Los Angeles and the Los Angeles harbor area.^{1/} It reports that it has invested \$830,160 in tangible property at the close of November, 1954, and that it has financed itself in part through the issue of notes in the amount of \$211,279.31. It asserts that now it is faced with the necessity of acquiring additional equipment, consisting of 19 GMC tractors, 2 Kenworth trucks and 2 Utility trailers, to replace vehicles which have become obsolete and must be retired.

Applicant does not have sufficient cash on hand to enable it to meet its capital requirements and accordingly it proposes to borrow additional sums from Bank of America National Trust and Savings Association. Although it seeks in this application authorization to issue notes up to \$350,000, it appears that it actually

^{1/} For the 11 months ended November 30, 1954, applicant reports operating revenues of \$3,797,211 and net profit of \$83,736, after provision for depreciation and taxes on income.

proposes to issue notes at this time in the amount of \$317,255.53 to refinance the existing indebtedness of \$211,279.31 and to meet the purchase price of \$105,976.22 for the new equipment.

The sum to be borrowed from the bank under the present arrangement will be represented by two 5-1/2% notes, one in the amount of \$211,279.31 payable in 36 equal monthly installments, and the other in the amount of \$105,976.22 payable in 34 equal monthly installments. The payment of the notes will be secured by a mortgage of chattels covering applicant's equipment.

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 notes in the principal amount of \$317,255.53 is reasonably required by applicant for the purposes specified herein, and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. Signal Trucking Service, Ltd., on or after the effective date hereof and on or before July 31, 1955, may execute a mortgage of chattels and may issue its promissory notes in the aggregate amount of not exceeding \$317,255.53 for the purposes set forth in this application, which mortgage of chattels and notes shall be in, or substantially in, the same form as those filed in this proceeding.

2. Signal Trucking Service, Ltd. 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 fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$318.

Dated at San Francisco, California, this 15th day of March, 1955.

John E. Marshall
President

Justin J. Calmes
Paula Luterer
William D. Dooly

Commissioners

