

ORIGINAL

Decision No. 51245

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
FOSTER TRANSPORTATION, INC., for an)
order authorizing refinancing in the)
amount of \$4,279.20.)
-----)

Application
No. 36787

O P I N I O N

Foster Transportation, Inc. has filed this application for authorization to issue an unsecured note in the face amount of \$4,279.20.

Applicant is engaged in operating a passenger stage service in and about Alhambra, Monterey Park and San Gabriel. It reports that it has become indebted for the purchase of repair parts in the amount of \$3,565.97, that its working cash has become depleted, and that it is necessary for it to borrow moneys to liquidate its obligations. Accordingly, it has arranged to obtain the required funds from Crown Body and Coach Corporation and to issue in evidence of its borrowing its promissory note in the amount of \$4,279.20, which includes principal of \$3,565.97 and interest of \$713.23, representing 6% simple interest for a period of five years. The note will be payable in 60 equal consecutive monthly installments of \$71.32.

It appears that applicant's revenues have been insufficient to enable it to meet its requirements and that, in fact, it has conducted its operations at a loss. As a result, its obligations have been increased and at the close of November, 1954, its current liabilities aggregated \$39,042 as contrasted with current assets of

\$14,624. For the first 11 months of the year its net loss from operations amounted to \$3,976.

However, applicant has undertaken to improve its position. It has arranged the present long-term financing to take care of current obligations and it has sought and obtained increases in fares. Recently the Commission, by Decision No. 51066, dated February 1, 1955, approved tariff changes which were designed to increase its operating revenues by about \$10,000 and to produce net revenues of \$4,420 for 1955, with a corresponding estimated operating ratio of 97.6%.

Upon the basis of the information before us in the present application and also in the recent rate proceeding we will authorize the issue of the note as requested.

O R D E R

The Commission has considered the above entitled 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 the note herein authorized is reasonably required by applicant for the purposes specified herein, and that such purposes, except for the payment of interest, are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. Foster Transportation, Inc., on or after the effective date hereof and on or before June 30, 1955, may issue its promissory note in the amount of not exceeding \$4,279.20 for the purposes set

forth in this application, said note to be in, or substantially in, the same form as that filed in this proceeding as Exhibit B.

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.

Dated at San Francisco, California, this 29th day of March, 1955.

Robert E. Mitchell

President

Justice F. Calver

Paul [unclear]

Commissioners

