

ORIGINAL

Decision No. 51819

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

| | | |
|---|---|-------------|
| In the Matter of the Application of |) | |
| FORTIER TRANSPORTATION COMPANY, a | : | Application |
| corporation, for authority to execute a |) | No. 37130 |
| chattel mortgage and promissory note. | : | |
| ----- |) | |

OPINION

In this application Fortier Transportation Company, a corporation, seeks authorization to execute a mortgage of chattels and to issue a note in the principal amount of \$470,000 for the purpose of refinancing outstanding obligations and of providing additional working capital.

Applicant was organized in 1946 and is engaged in the transportation of commodities, primarily general freight and liquid petroleum products, as a highway carrier in California. For the calendar year 1954 it has reported operating revenues in the amount of \$3,669,629 and other revenues of \$12,114. After payment of interest and other income charges it has reported net income of \$27,612. In arriving at its net income it has deducted depreciation on its equipment in the amount of \$224,775.

The application shows that the carrier has invested \$2,487,260 in tangible property and that it has financed itself in part from internal sources and in part with equity funds and borrowed money. Its financial position as of May 31, 1955, is indicated in the following condensed balance sheet:

for current obligations and by increasing its working cash position. The carrier's financial reports show that it is called upon to invest substantial sums in accounts receivable in carrying on its business.

On the basis of the information now before us, we will enter an order granting applicant's requests.

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 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. Fortier Transportation Company, a corporation, may execute a mortgage of chattels and issue a promissory note in the principal amount of \$470,000 on or before December 31, 1955, for the purposes set forth in this application, such mortgage of chattels and note to be in, or substantially in, the same form as those filed in this proceeding as Exhibit A.
2. Fortier Transportation Company 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 \$470.

Dated at San Francisco, California, this 16th day of August, 1955.

[Signature]
President

Justin J. Casner

Karl Ventremer

[Signature]

R. Hardy
Commissioners

