

ORIGINAL

Decision No. 52151

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
TED PETERS TRUCKING COMPANY, INC.,
a corporation, for authority to
issue promissory note and execute
chattel mortgage.

Application No. 37387

OPINION AND ORDER

This is an application for an order of the Commission authorizing Ted Peters Trucking Company, Inc., to execute a mortgage of chattels and to issue a note in the principal amount of \$47,748.85.

Applicant is a California corporation engaged in business as a highway common carrier of property generally between San Francisco and Gustine, Sacramento and Gustine and peninsula points and Gustine. It commenced its operations in April of 1953 and since that time has reported its operating revenues and its net income, before making provision for depreciation, as follows:

	<u>Operating Revenues</u>	<u>Net Income</u>
1953	\$489,067	\$34,653
1954	726,705	57,853
1955 (6 mos.)	363,762	44,552

Exhibit A attached to the application shows the carrier's net investment in properties at \$213,322 and in current and deferred assets at \$101,145, a total of \$314,967 which had been financed, according to the exhibit, through current liabilities of \$58,627, long-term debt of \$159,354 and equity capital of \$96,986.

The application shows that during 1954 and 1955 the carrier

purchased five units of equipment through the execution of conditional sales contracts providing for monthly payments of \$1,329.05. It appears that the unpaid balances on the five contracts amount to \$41,074.30 and that applicant now desires to refinance the indebtedness so as to reduce the monthly cash outlay required to satisfy the obligations. It has made arrangements, therefore, to borrow \$47,748.85 from Bank of America National Trust and Savings Association, the amount to include the \$41,074.30 and interest charges of \$6,674.55 computed at the rate of 3½% per annum.

The new borrowing will be represented by a note for \$47,748.85 payable in 60 monthly installments of approximately \$795 each. The payment of the note will be secured by a mortgage of chattels covering the five units.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the application should be granted and that the money, property or labor to be procured or paid for by the issue of the note is reasonably required by applicant for the purpose specified herein, which purpose, except for the payment of the interest, is not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. Ted Peters Trucking Company, Inc., on or after the effective date hereof and on or before March 31, 1956, may execute a mortgage of chattels and may issue a note in the amount of not exceeding \$47,748.85 for the purpose set forth in this application, which mortgage of chattels and note shall be in, or substantially in, the same form as those filed in this proceeding.

2. Applicant shall file a report 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 \$48.

Dated at San Francisco, California, this 1st day of November, 1955.

[Signature]
President

[Signature]
[Signature]
[Signature]

Commissioners

