

Decision No. 53322

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )	
of HITCHCOCK TRANSPORTATION CO., )	Application
a California Corporation, for )	No. 38136
authority to issue promissory note )	
and execute chattel mortgage. )	
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OPINION AND ORDER

In this application the Commission is asked to make an order authorizing Hitchcock Transportation Co., a corporation, to execute a mortgage of chattels and to issue a note in the principal amount of \$120,000.

Applicant was organized on December 29, 1955, and in the early part of 1956 took over the highway common carrier and petroleum irregular route carrier operations of M. G. Hitchcock under authorization granted by the Commission by Decision No. 52884, dated April 17, 1956. In doing so it assumed the payment of certain equipment obligations which now are in the aggregate unpaid amount of \$113,553.79, as follows:

	<u>Amount</u>	<u>Payable</u>
Crocker-Anglo National Bank	\$53,000.00	\$2,000 monthly
Fruehauf Trailer	34,800.00	876 monthly
Fruehauf Trailer	18,444.00	348 monthly
Crocker-Anglo National Bank	2,009.79	July 15, 1958
Crocker-Anglo National Bank	1,400.00	152 monthly
Crocker-Anglo National Bank	<u>3,900.00</u>	250 monthly
Total	\$113,553.79	

The note for \$53,000 included in the above tabulation was issued by the predecessor under authorization granted by the Commission by Decision No. 50044, dated May 18, 1954, for the purpose of refinancing outstanding indebtedness and of providing the cost of equipment.

Applicant now desires to consolidate the six items of indebtedness into one new note and to increase its total borrowings to \$120,000 in order to provide additional working capital of \$6,446.21. It has made arrangements to obtain \$120,000 for these purposes from Crocker-Anglo National Bank, the amount to be represented by a note, at 5-1/2% simple interest, payable at the rate of \$2,000 a month for a period of 23 months, it being the intention that the balance at the end of that time will be refinanced. A copy of the form of the note has been filed in this proceeding as Exhibit D and a copy of the form of the mortgage as Exhibit E.

The refunding operation now proposed will produce more favorable terms for applicant in the reduction in the interest rate and in the smaller monthly cash outlay required for principal repayments. It appears to us upon reviewing the application that a public hearing is not necessary and that applicant's request should be granted, therefore,

IT IS HEREBY ORDERED as follows:

1. Hitchcock Transportation Co. may issue a note in the principal amount of \$120,000 for the purposes set forth in this application and may execute a mortgage of chattels, which note and mortgage of chattels shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit D and Exhibit E, respectively, it being the opinion of the Commission that the money, property or labor to be procured or paid for through the issue of said note 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.

2. Applicant shall file a report or reports with the Commission 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 \$67.

Dated at San Francisco, California, this 10<sup>th</sup> day of July, 1956.

Eric E. Mitchell  
President

Justin Z. Craemer

Ralph Lutz

William H. ...

R. ...

Commissioners

