

Decision No. 54023

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of PACIFIC TRUCK SERVICE, INC., a corporation, for authority to execute a chattel mortgage and a promissory note.

} Application No. 38482

O P I N I O N

This is an application for an order authorizing Pacific Truck Service, Inc., to execute a mortgage of chattels and to issue a note in the principal amount of \$145,333.33.

Applicant is engaged in the transportation of petroleum and petroleum products in bulk, as a highway common carrier and as a petroleum irregular route carrier, under certificates of public convenience and necessity granted by the Commission. It reports that during 1956 it acquired 16 units of equipment at a cost of \$174,624.21 and that it met such costs in part with treasury funds and in part with monies borrowed from the Bank of California from time to time on a short-term basis. It now desires to refinance its outstanding indebtedness and it has made arrangements to borrow \$145,333.33 from the Bank of California for this purpose. The proposed borrowing will be represented by a note payable in monthly installments of \$2,500 with interest at the rate of 5% per annum on declining balances.

A review of the company's financial reports shows that its net investment in tangible assets, as of July 31, 1956, amounted to \$804,489 and that it has financed itself primarily with long-term indebtedness of \$239,652, capital stock issues of \$105,198 and

surplus of \$448,560. In 1955 the company had operating revenues of \$1,523,309 and net income available for fixed charges of \$68,027.

From a review of the application and of the financial statements, it appears that applicant will have need for additional borrowing to liquidate its short-term borrowings and that its assets and earnings should be ample to support the new note issue. Accordingly, we will enter an order granting applicant's request.

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 money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required for the purpose specified herein and that the expenditure for such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Pacific Truck Service, Inc., may execute a mortgage of chattels and issue a note in the principal amount of not exceeding \$145,333.33 for the purpose set forth in this application, said mortgage of chattels and note to be in, or substantially in, the same form as those filed in this proceeding as Exhibit "A".

2. Pacific Truck Service, Inc., shall file a report, or 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 \$146.

Dated at San Francisco, California, this 5th day of November, 1956.

[Signature]  
President  
[Signature]  
[Signature]  
[Signature]

Commissioners

Commissioner C. Lyntay did not participate in the disposition of this proceeding.

