

ORIGINAL

Decision No. 55599

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of STERLING TRANSIT COMPANY, INC.,
a corporation, for an order
authorizing the issuance of a
promissory note and deed of trust.

Application No. 39415

OPINION AND ORDER

Sterling Transit Company, Inc., has filed this application for authorization to execute a deed of trust and to issue a note in the principal amount of \$75,000.

Applicant is a highway common carrier of general commodities, with certain exceptions, between San Francisco, Los Angeles and San Diego, and between San Francisco and Los Angeles, on the one hand, and Fresno and Bakersfield, on the other hand. It reports that the volume of freight handled by it has increased substantially in the last few years, that its terminal facilities in the San Francisco Bay area are inadequate, and that it has made arrangements to erect new terminal buildings and facilities, upon land now owned by it in San Leandro, at a cost of \$115,000. The improvements will consist of a 60 by 180 foot concrete and steel building, containing office space and dock area, and a separate garage and maintenance building.

In order to finance, in part, the total construction costs, applicant has made arrangements to borrow \$75,000 from the Central Valley National Bank, the borrowing to be represented by a note in

that amount payable in monthly installments of \$851.62, with interest at the rate of 6½ per cent per annum. The note will be secured by a deed of trust on real property in Alameda County.

A review of applicant's financial statement shows that its gross revenues have increased from \$1,179,621 in 1954 to \$1,391,863 in 1955, and \$1,769,002 in 1956. Its net income has increased during these three years from \$33,596 to \$63,452, after provision for depreciation. For the first six months of 1957, its gross revenues amounted to \$1,004,410 and its net income to \$71,458. At the end of June of this year, the company reported long-term obligations of \$433,648 and proprietary capital of \$503,161. The financial statements indicate that the company's earnings are ample to service the existing and proposed indebtedness.

The Commission has given consideration to this application and is 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 by applicant for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, and that the application should be granted; therefore,

IT IS HEREBY ORDERED as follows:

1. Sterling Transit Company, Inc., may issue a note in the principal amount of not exceeding \$75,000, for the purpose of financing, in part, the cost of the improvements referred to in this application, and may execute a deed of trust to secure its

payment, which note and deed of trust shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit A and Exhibit B, respectively.

2. Sterling Transit Company, Inc., shall file with the Commission a monthly 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 Sterling Transit Company, Inc., has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$75.

Dated at Los Angeles, California, this 24th day of September, 1957.

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

