

ORIGINAL

Decision No. 59797

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

PETROLEUM TANK LINE

for Authorization to Issue a  
Promissory Note and Chattel  
Mortgage and a Deed of Trust.

Application No. 42000

OPINION AND ORDER

Petroleum Tank Line, applicant herein, is a California corporation engaged in business as a highway common carrier and as a petroleum irregular route carrier. In this proceeding, which was filed on March 2, 1960, it seeks authorization to execute a deed of trust and a mortgage of chattels and to issue a note in the face amount of \$36,438.72.

The proposed note will be issued to American Trust Company and will be repayable in equal successive monthly installments of \$3,036.56, or more, with interest calculated at the rate of 5 per cent per annum. Its payment will be secured by a deed of trust covering two parcels of real estate in Yolo County and by a mortgage of chattels covering 37 pieces of highway equipment. The proceeds from the borrowing will be used to liquidate existing indebtedness of \$4,703.64, including accrued interest of \$195, and to increase applicant's working cash.

In presenting this application to the Commission, the carrier has filed statements which indicate its financial position as of the end of 1959 as follows:

Assets

Current assets -		
Cash on hand and in bank	\$ 3,940.77	
Accounts receivable	113,168.49	
Inventory	26,346.90	
Special deposit	4,000.00	
Prepaid expense	<u>2,777.24</u>	
Total current assets		\$150,233.40
Tangible assets, less depreciation		<u>113,257.52</u>
Total		<u>\$263,490.92</u>

Liabilities and Net Worth

Current liabilities	\$115,677.93
Notes payable	<u>24,228.70</u>
Total liabilities	139,906.63
Common stock and surplus	<u>123,584.29</u>
Total	<u>\$263,490.92</u>

From a review of this application and of the financial statements, it appears that the company is in need of additional working cash and that its earnings, assets and financial structure should be ample to support the proposed borrowing. We are of the opinion, therefore, and so find, 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 purposes specified herein and that such purposes, except as otherwise authorized, are not, in whole or in part, reasonably chargeable to operating expenses or to income; NOW THEREFORE,

IT IS HEREBY ORDERED as follows:

1. Petroleum Tank Line, on or after the effective date hereof and on or before June 30, 1960, may execute a mortgage of chattels and a deed of trust and may issue a promissory note in the face amount of not to exceed \$36,438.72, which documents shall be in, or substantially in, the same form as those filed in this proceeding as Exhibits A, B, and C. Applicant shall use the proceeds from the borrowing to refinance existing indebtedness and for working capital.

2. Petroleum Tank Line shall file with the Commission 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 Petroleum Tank Line has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$32.

Dated at San Francisco, California, this  
22<sup>nd</sup> day of March, 1960,

1900.

President

Commissioners

PUBLIC UTILITIES COMMISSION