

61757

ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of ASSOCIATED FREIGHT LINES, a
California corporation, for
authority to execute a promissory
note and mortgage of chattels.

Application No. 43205

OPINION AND ORDER

This is an application filed on March 6, 1961, for an order of the Commission authorizing Associated Freight Lines, a California corporation, to execute a mortgage of chattels and to issue a note in the principal amount of \$67,200.

Applicant is engaged in business as a highway common carrier of general commodities, with certain exceptions, between points in California extending from the San Francisco and Sacramento areas to southern California. It now proposes to obtain a loan of \$60,000 through the issuance of a \$67,200 note in favor of Pacific National Bank of San Francisco, payable in 24 monthly installments of \$2,800, and secured by a mortgage of chattels. The difference between the sums of \$67,200 and \$60,000, or \$7,200, represents prepaid interest computed at a 6% discount rate over two years. Applicant proposes to expend the \$60,000 of loan proceeds as follows:

To pay balance due on promissory note for rent on the San Francisco terminal . . .	\$ 6,958.05
To pay balance due Pacific National Bank of San Francisco for certain obligations secured by chattel mortgages on equipment . . .	20,700.00
To pay insurance premiums now due	19,000.00
To provide working capital	<u>13,341.95</u>
Total	<u>\$60,000.00</u>

From a review of the verified application and applicant's financial statements, we are of the opinion that applicant's operations should be sufficient to service and to support the proposed borrowing without interfering with its public utility duties. We find and conclude that a public hearing is not necessary, that the application should be granted, that the money, property or labor to be procured or paid for by the proposed note 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; therefore,

IT IS ORDERED that -

1. Associated Freight Lines, a corporation, on or after the effective date hereof and on or before June 30, 1961, may execute a mortgage of chattels and may issue a note in the principal amount of not to exceed \$67,200 in the form and for the purposes set forth in this application.

2. Associated Freight Lines, a corporation, 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. This order shall become effective when Associated Freight Lines, a corporation, has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$68.

Dated at San Francisco, California,
this 4th day of April, 1961.

Charles W. Poff
President
Ed. H. Hill
S. J. Fox
George L. Brown
Frederic B. Holmoff
Commissioners

PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
21043
APR 4 - 1961
BY [Signature]