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ORIGINAL

Decision No. _____

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 chattel mortgage.

Application No. 44663
Filed July 26, 1962

O P I N I O N

Sterling Transit Company, Inc., has filed this application for authorization to issue a promissory note, or notes, in the aggregate amount of \$500,000.00.

Applicant is a highway common carrier of general commodities, with certain exceptions, under an in-lieu certificate of public convenience and necessity granted by the Commission in Decision No. 59844, dated March 29, 1960, permitting operations between San Francisco, Sacramento, Los Angeles, San Diego, El Centro and intermediate points. It is undertaking the proposed financing in order to consolidate outstanding indebtedness of \$383,038.35, which is represented by two notes, one in the amount of \$168,180.00 previously approved by the Commission, and the other in the amount of \$214,858.35, and to finance the cost of additional equipment. It is intended by applicant to issue a note for \$383,038.35 forthwith and, from time to time, to issue additional notes

as required in an aggregate amount not to exceed \$500,000.00. At the time, or times, such additional borrowings are made, a new note will be issued by applicant in the amount of such borrowing, plus the then balance of the existing notes. The notes will bear interest at the rate of 6 percent per annum and will be payable in aggregate monthly installments of \$6,945.00.

Assertedly, the financial arrangements will benefit applicant by reducing the monthly payments now in the amount of \$9,728.33 to \$6,945.00 and by establishing one regular and fixed monthly payment for the entire amount of the installments.

Upon reviewing this application and applicant's reported results of operations, it appears that the operations should be ample to service the proposed notes and that an order should be entered granting the carrier's request.

O R D E R

The Commission has considered the above-entitled matter and has determined that a public hearing is not necessary and is of the opinion that the money, property or labor to be procured or paid for by the issue of the note, or notes, herein authorized is reasonably required for the purposes specified herein, and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS ORDERED that -

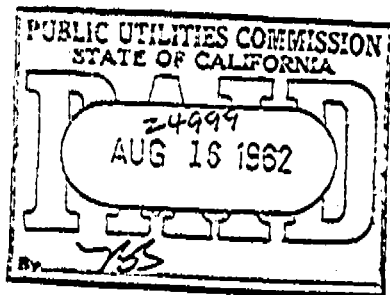
1. Sterling Transit Company, Inc., on or after the effective date hereof and on or before June 30, 1963, may issue its note, or notes, and may refinance such notes from time to time, provided the aggregate amount of the notes shall not exceed \$500,000.00 at any one time outstanding. Sterling Transit Company, Inc., may execute a mortgage, or mortgages, of chattels in the same form, or substantially in the same form, as that filed in this proceeding as Exhibit B.

2. Sterling Transit Company, Inc., may use the proceeds received from the notes to refinance outstanding indebtedness and to provide the cost of new equipment.

3. Sterling Transit Company, Inc., 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.

4. The authority herein granted shall become effective when Sterling Transit Company, Inc., has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$332.

Dated at San Francisco, California,
this 14th day of AUGUST, 1962.



George T. Traver President
Edwin E. [Signature]
Frederick B. Hillhoff

C. Lyn Fox
Commissioner
Everett C. McKeage, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioners