

Decision No. 66643

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
GARDEN CITY TRANSPORTATION CO., LTD.,
for authority to issue notes and
mortgage certain utility property.

Application No. 46065
Filed December 30, 1963

O P I N I O N

Garden City Transportation Co., Ltd., applicant herein, is a California corporation engaged in business as a highway common carrier of general commodities, with certain exceptions, primarily between points in Monterey County and Santa Cruz and San Francisco and Richmond, and of specified commodities generally between San Jose, on the one hand, and Stockton and Sacramento, on the other hand. In this application the company seeks an order of the Commission authorizing it to execute a document entitled "Mortgage of Chattels" evidencing an indebtedness of \$164,625.12, which document would represent a combined promissory note and chattel mortgage.

For the first ten months of 1963, applicant reports revenues of \$1,426,425.69 and a net profit of \$38,920.44. Its balance sheet, as of October 31, 1963, is summarized from Exhibit C attached to the application, as follows:

Assets

Current assets	\$289,164.08
Tangible property	379,459.10
Intangible property	85,352.18
Investments and securities	25,421.76
Deferred assets	29,645.56
Reacquired securities	<u>19,573.80</u>
Total	<u>\$828,616.48</u>

Liabilities and Capital

Current liabilities	\$240,089.16
Advances payable	189,602.67
Equipment obligations	144,395.93
Other long-term obligations	8,183.92
Common capital stock	240,325.00
Earned surplus	<u>6,019.80</u>
Total	<u>\$828,616.48</u>

For the purpose of obtaining \$150,000 of funds to retire notes having outstanding balances aggregating \$124,123.73 and to provide itself with \$25,876.27 of additional working capital, applicant proposes to execute a document evidencing an indebtedness of \$164,625.12 in favor of Crocker-Citizens National Bank and payable in 36 monthly installments of \$4,572.92 each. The difference of \$14,625.12 between the \$164,625.12 indebtedness and the \$150,000 borrowing represents discounted interest on \$150,000 computed at the rate of 3-1/4% per annum.

The Commission has considered this matter and finds that:

(1) the proposed indebtedness is for proper purposes; (2) the money, property or labor to be procured or paid for by the issue of the evidence of indebtedness herein authorized is reasonably required for the purposes specified herein; and (3) such purposes.

except discounted interest, are not, in whole or in part, reasonably chargeable to operating expenses or to income. On the basis of these findings we conclude that the application should be granted. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Garden City Transportation Co., Ltd., on or after the effective date hereof and on or before April 30, 1964, for the purposes specified in this proceeding, may issue an evidence of encumbrance and indebtedness in the principal amount of not to exceed \$154,625.12, in the same form, or in substantially the same form, as that entitled "Mortgage of Chattels" attached to the application as Exhibit A.

2. Garden City Transportation Co., Ltd. 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 Garden City Transportation Co., Ltd. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$165.

Dated at San Francisco, California, this 21st day of January, 1964.

William L. Bennett
President

George H. Driver

Fredrick B. Holdhoff
Commissioners

