

ORIGINAL

Decision No. 67635

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:

STERLING TRANSIT COMPANY, INC., a corporation, for authority to issue a promissory note and deed of trust incident to the acquisition of new terminal property, pursuant to Sections 816-830 and 851-853 of the California Public Utilities Code.

Application No. 46815
Filed July 17, 1964

O P I N I O N

This is an application for an order of the Commission authorizing Sterling Transit Company, Inc. to execute a deed of trust and to issue a \$43,200 note.

Applicant is a California corporation operating as a highway common carrier in the transportation of general commodities, with certain exceptions, between San Francisco, Sacramento, Los Angeles, San Diego, El Centro and various intermediate points. The May 31, 1964 balance sheet, attached to the application, indicates that the carrier's investment in tangible operating property and equipment after deduction of accumulated depreciation totaled \$1,097,973; that long-term obligations and common stock equity amounted to \$525,485 and \$560,610, respectively; and that net operating revenue for the five-month period ended May 31, 1964 was \$92,170.

The application shows that the company is the exclusive tenant of terminal property located in Manteca for which it pays the owner, California Motor Express, Ltd., a monthly rental of \$500. Applicant asserts that said facility is required to provide adequate service to customers in the Stockton-Sacramento area, and it reports that arrangements have been made with the proprietor to purchase the property for the sum of \$48,000. As part payment, the company proposes to issue, in favor of California Motor Express, Ltd., a promissory note in the amount of \$43,200, secured by a deed of trust, and requiring repayment of principal by installments of \$450 per month, plus interest at the rate of 6% per annum.

The Commission has considered this matter and finds that: (1) the proposed note issue is for a proper purpose; (2) the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required for the purpose specified herein; and (3) such purpose is 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. Sterling Transit Company, Inc., on or after the effective date hereof and on or before October 31, 1964, may

issue a promissory note in the principal amount of not to exceed \$43,200 for the purpose specified in this proceeding, and may execute a deed of trust, which documents shall be in the same form, or in substantially the same form, as those attached to the application.

2. Sterling Transit Company, Inc. shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

3. This order 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 \$44.

Dated at San Francisco, California, this 4th day of August, 1964.

Frederick B. Haldeff
President

Clare A. [Signature]

George T. [Signature]

Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.

