

ORIGINAL

Decision No. 68311

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)
chattel mortgage, pursuant to)
Sections 816-830 and 851-853 of)
the California Public Utilities)
Code)

Application No. 47097
Filed November 9, 1964

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 principal amount of \$600,000.

Applicant is a California corporation engaged in business as a highway common carrier of general commodities, with certain exceptions, between San Francisco, Sacramento, Los Angeles, San Diego, El Centro and intermediate points. For the nine months ended September 30, 1964 it reports gross revenues of \$3,237,423 and net operating revenues of \$248,369.

By Decision No. 64096, dated August 14, 1962, in Application No. 44663, the company was authorized to issue 6% promissory notes from time to time in favor of Bank of America National Trust and Savings Association in an aggregate principal amount of not to exceed \$500,000 for purposes of consolidating its debt and financing the cost of additional equipment. The

company asserts that it intends to purchase twenty-nine new units of equipment consisting of van trailers and diesel tractors at an estimated cost of \$150,000. In this proceeding, applicant now seeks authority to increase its indebtedness to the Bank of America National Trust and Savings Association as authorized by said Decision No. 64096 from \$500,000 to \$600,000 in order to obtain the funds necessary to consummate the purchase of new equipment. The proposed note, or notes, to be issued from time to time will bear interest at the rate of 6% per annum and will be secured by a mortgage, or mortgages, of chattels.

The Commission has considered this matter and finds that: (1) the proposed note issues are for proper purposes; (2) 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 (3) such purposes 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. Sterling Transit Company, Inc. may issue a note, or notes, from time to time for the purposes specified in this proceeding, provided that the aggregate amount of the notes

shall not exceed \$600,000 at any one time outstanding, and to secure said notes may execute a mortgage, or mortgages, of chattels. Said 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 \$100.

Dated at San Francisco, California,
this 9th day of DECEMBER, 1964.

Frederick B. Holdhoff
President

George E. Hoover

William W. Beune

Commissioners

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

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

