

ORIGINAL

Decision No. 68479

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Ralph S. Newcomer)
d/b/a Real Transportation)
Company, a common carrier,)
to execute a trust deed on)
terminal property.)

Application No. 47209
Filed December 23, 1964

O P I N I O N

Ralph S. Newcomer, an individual doing business as Real Transportation Company, has filed this application for authorization to execute a deed of trust and to issue a promissory note in the principal amount of \$135,000.

Applicant is engaged in business as a highway common carrier of general commodities, with certain exceptions, in the Los Angeles Basin Territory. For the ten months ended October 31, 1964 the company reports gross revenue of \$431,553.01 and net income of \$29,134.08. The application shows that as of October 31, 1964, outstanding equipment and other long-term obligations amounted to \$106,736.73. Applicant reports that the aggregate balance of such obligations has been reduced to \$99,367 as of December 31, 1964.

The company proposes to issue a promissory note in the principal amount of \$135,000 in favor of State Mutual Savings and Loan Association and to use the proceeds to discharge the \$99,367 long-term debt, to augment working capital by \$6,833 and to pay \$28,800 for the following:

Accounts payable 30 days or more past due	\$12,650
Taxes due on terminal property	1,400
1965 Licenses and taxes on revenue equipment	6,000
1965 City taxes	750
1964 Income taxes	<u>8,000</u>
Total	<u>\$28,800</u>

The indebtedness evidenced by the note will be secured by a deed of trust and will be repayable over a period of 15 years in monthly installments of \$1,276, including interest at the rate of 7.8% per annum.

Applicant reports that in the operation of his business, it has been necessary to negotiate loans generally at a flat 8% per annum interest rate. He asserts that the proceeds available from the borrowing proposed in this proceeding will eliminate the former requirement to obtain short-term loans and will allow sufficient working capital to meet the incidents of conducting the business.

The Commission has considered this matter and finds that: (1) the proposed note issue is for proper purposes; (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 purposes specified herein; and (3) such purposes, except as otherwise indicated previously in this opinion, 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. On or after the effective date hereof and on or before April 30, 1965, Ralph S. Newcomer may issue a promissory note in the principal amount of not to exceed \$135,000 and may execute a deed of trust for the purposes specified in this proceeding. Said documents shall be in the same form, or in substantially the same form, as those attached to the application.

2. Ralph S. Newcomer 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 Ralph S. Newcomer has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$135.

Dated at San Francisco, California, this 12th day of January, 1965.

Fredrick B. Halaloff
President
John E. Mitchell
George H. Trover

William A. Beards
Commissioners

