

ORIGINAL

Decision No. 69638

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of AUTO PURCHASING AGENCY, INC.,)
a corporation, for authority to)
execute evidence of indebtedness)
and to encumber its property,)
pursuant to Sections 816-830 and)
851-853 of the Public Utilities)
Code.)

Application No. 47824
Filed August 17, 1965

O P I N I O N

This is an application for an order of the Commission authorizing Auto Purchasing Agency, Inc. to execute a deed of trust and to issue a note in the principal amount of \$120,000.

Applicant is a California corporation operating in the southern portion of the State of California as a highway common carrier engaged in transporting automotive and agricultural equipment, parts and supplies. For the year ended December 31, 1964 and the first six months of 1965, the company reported total operating revenues of \$717,931 and \$347,724, respectively. A summary of the carrier's June 30, 1965 balance sheet, obtained from Exhibit D attached to the application, is as follows:

<u>Assets</u>	
Cash and working funds	\$ 22,729
Temporary cash investment	100,310
Accounts receivable	42,689
Prepayments	2,472
Carrier property, less reserve for depreciation	147,097
Deferred debits	<u>1,700</u>
Total	<u>\$316,997</u>
<u>Liabilities</u>	
Accounts payable	\$ 24,342
C.O.D.'s unremitted	1,800
Accrued taxes payable	8,193
Other current liabilities	64,309
Capital stock	19,000
Earned surplus	<u>199,353</u>
Total	<u>\$316,997</u>

Applicant reports that the \$64,309 item of other current liabilities includes an amount of \$60,000 representing a short-term note issued on or about May 1, 1965, in favor of United California Bank. The understanding between applicant and the bank is that the loan may be renewed upon maturity and has, in fact, been renewed previously. Said \$60,000 should be included in a notes payable account. Applicant is placed on notice that it may not issue a renewal note payable more than one year after the date of the note evidencing the indebtedness as originally incurred, without first securing from the Commission an order authorizing such renewal note.

For the purpose of obtaining funds to meet construction costs of the new terminal facilities in the City of Vernon, applicant proposes to issue a \$120,000 note in favor of United

California Bank, which note will be repayable in monthly installments of \$1,190, including interest on unpaid principal at the rate of 6-1/4% per annum. The note will be secured by a deed of trust.

The application shows that the carrier is paying a monthly rental of \$1,700 for its present terminal facilities in the City of Vernon, which is \$510 more than the monthly installments of \$1,190 provided in the proposed note, and that the new terminal will encompass a larger area as compared with that of the present terminal.

The Commission has considered this matter and finds that: (1) the proposed deed of trust would not be adverse to the public interest; (2) the proposed note issue is for a proper purpose; (3) 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 (4) 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. Auto Purchasing Agency, Inc., on or after the effective date hereof and on or before December 31, 1965,

for the purpose specified in the application, may issue a note in the principal amount of not to exceed \$120,000, 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 as Exhibit A and Exhibit B, respectively.

2. Auto Purchasing Agency, 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 Auto Purchasing Agency, Inc. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$120.

Dated at San Francisco, California,
this 9th day of September, 1965.

Fredrick B. Holshoff
President
John E. Mitchell
George H. Grover
Augusta
William L. Burnett
Commissioners

