

**ORIGINAL**

Decision No. 73473

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of )  
) )  
SCOTT TRANSPORTATION CO., )  
a California corporation )  
) )  
for authority to issue promissory )  
notes and encumber utility )  
property )

Application No. 49836  
Filed December 1, 1967

O P I N I O N

This is an application for an order of the Commission authorizing Scott Transportation Co. to execute a Deed of Trust and a Security Agreement and to issue a note in the principal amount of \$115,000.

Applicant is a California corporation engaged in business as a highway common carrier transporting general commodities, with certain exceptions, between various points and places in southern California. For the year ended December 31, 1966, the company reports total operating revenues of \$217,580 and net income of \$18,208.

The application shows that the carrier has incurred certain obligations in connection with the purchase of equipment and terminal property, which obligations currently aggregate approximately \$86,000.

In order to refinance said obligations and to increase working capital by approximately \$29,000 applicant requests authority to issue a note in the principal amount of \$115,000 in favor of United States National Bank. The indebtedness to be represented by said note will be secured by a Deed of Trust and a Security Agreement, and will be repayable in equal monthly installments of \$2,304.37 each, including interest at the rate of 7-1/2% per annum. It is reported that repayment of the note will be guaranteed by the Small Business Administration.

According to the application, in addition to improving applicant's cash position, the proposed refinancing will reduce payments by \$700 per month on the carrier's outstanding obligations, some of which bear interest at annual effective rates ranging from 9% to 12%.

The Commission has considered this matter and finds that: (1) the proposed note 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; (3) such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; and (4) the proposed Deed of Trust and Security Agreement will not be adverse to the public interest. 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. Scott Transportation Co., on or after the effective date hereof and on or before March 31, 1968, for the purposes specified in this proceeding, may execute a Deed of Trust and a Security Agreement, and may issue a note in the principal amount of not exceeding \$115,000. Said documents shall be in the same form, or in substantially the same form, as those attached to the application.

2. Scott Transportation Co. 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 Scott Transportation Co. has paid the fee prescribed by Section 1904 (b) of the Public Utilities Code, which fee is \$115.

Dated at San Francisco, California, this 12<sup>th</sup> day of DECEMBER, 1967.

[Signature]  
President

[Signature]

[Signature]

[Signature]

[Signature]  
Commissioners

