

ORIGINAL

Decision No. 74387

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application)
of)
WALTER F. PETERS, an individual)
doing business as PETERS TRUCK)
LINES,)
for authority to issue promissory)
note and for authority to enter)
into a security agreement.)

Application No. 50359
Filed June 27, 1968

O P I N I O N

This is an application for an order of the Commission authorizing Walter F. Peters, doing business as Peters Truck Lines, to execute and deliver a Deed of Trust and a Security Agreement, and to issue a note in the principal amount of \$110,500.

Applicant conducts business as a highway common carrier in northern California. In addition, he possesses a prescriptive operative right as a public utility warehouseman, and holds a cement carrier certificate of public convenience and necessity as well as permits for other trucking activities. For the year ended December 31, 1967, applicant reports operating revenues of \$1,169,370 and net income of \$5,679 after deducting \$49,354 for depreciation expense.

Exhibit No. 1, attached to the application, contains financial statements of applicant which show operating revenues totaling \$560,867, depreciation expense of \$19,631, and a \$20,533 net profit for the five months ended May 31, 1963. The balance sheet as of May 31, 1963, is summarized from said exhibit as follows:

<u>Assets</u>	
Current Assets	\$ 129,096
Fixed Assets - Net	283,772
Intangibles	<u>16,983</u>
Total	<u>\$ 429,851</u>
<u>Liabilities</u>	
Current Liabilities	\$ 190,631
Long-term Debt	137,041
Proprietor's Equity	<u>102,179</u>
Total	<u>\$ 429,851</u>

The application indicates that the carrier has been unable to pay current obligations promptly and that arrangements have been made to borrow a sum of \$110,500 for the purposes of retiring some obligations and implementing working capital. As evidence of such borrowing, applicant proposes to issue a \$110,500 note in favor of Freuhauf Corporation repayable in monthly installments of \$1,500, including interest at the rate of 10% per annum. Said note will be secured by a Deed of Trust and a Security Agreement.

Although the interest rate on the proposed indebtedness is higher than the Commission would authorize under normal circumstances, it appears that applicant has made a diligent effort without success to obtain funds at a lower interest rate.

After consideration the Commission 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 in this proceeding; (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. Walter F. Peters, on or after the effective date hereof and on or before October 31, 1968, for the purposes specified in this proceeding, may issue a note in the principal amount of not exceeding \$110,500 and may execute and deliver a Deed of Trust and a Security Agreement. Said documents shall be in the same form, or in substantially the same form, as those attached to the application as Exhibits Nos. 2, 4, and 5, respectively.

2. Walter F. Peters 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 Walter F. Peters has paid the fee prescribed by Section 1904 (b) of the Public Utilities Code, which fee is \$111.

Dated at San Francisco, California,
this 9th day of JULY, 1968.

William J. Lyons, Jr.
President

William C. Bennett

Augusta

Adel P. Morisset
Commissioners

