

Decision No. 85170**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)

ASSOCIATED FREIGHT LINES, a)
California corporation, for authority)
to execute a credit agreement,)
security and subordination agreements.)Application No. 56037
(Filed October 30, 1975)O P I N I O N

Associated Freight Lines seeks authority to execute a Security Agreement, a Subordination Agreement, and a Credit Agreement evidencing an indebtedness of not exceeding \$1,500,000.

Applicant is a California corporation operating as a highway common carrier pursuant to authority granted by five certificates of public convenience and necessity. In addition, the corporation possesses a petroleum irregular route carrier certificate of public convenience and necessity and also operates under Interstate Commerce Commission authority and under permits issued by this Commission. For the year 1974, the carrier reported operating revenues and net carrier operating income in the respective amounts of \$10,890,131 and \$169,839.

The carrier and an affiliated nonutility propose to enter into a Credit Agreement with United California Bank which would result in increasing the \$1,300,000 maximum amount of a previously authorized commitment to \$1,500,000. Interest would be

payable at the rate of 1-1/2% above the bank's prime interest rate as it is from time to time established. The related documents would be similar to those previously authorized. Among the items which would be encumbered by the proposed Security Agreement are six certificates of public convenience and necessity previously granted by this Commission.

The proposed Credit Agreement would replace the one authorized by Decision No. 80057, dated May 16, 1972, in Application No. 53296, and it would provide an expanded borrowing base for the acquisition of additional and replacement motor vehicle equipment.

After consideration the Commission finds that:

1. The proposed documents would not be adverse to the public interest.
2. The proposed evidence of indebtedness is for proper purposes.
3. The money, property or labor to be procured or paid for by the evidence of indebtedness herein authorized is reasonably required for the purposes specified herein, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

On the basis of the foregoing findings we conclude that the application should be granted. A public hearing is not necessary.

O R D E R

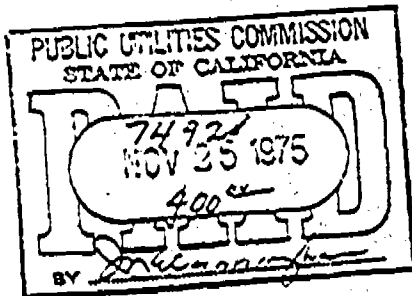
IT IS ORDERED that:

1. For the purposes specified in this proceeding, Associated Freight Lines may execute and deliver a Security Agreement, a Subordination Agreement, and a Credit Agreement evidencing an indebtedness of not exceeding \$1,500,000, which documents shall be in substantially the same forms as those attached to the application.

2. Associated Freight Lines shall file with the Commission the reports 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 Associated Freight Lines has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$400.

Dated at San Francisco, California, this 25th day
of NOVEMBER, 1975.



[Signature] President
William Lyons
[Signature]
Leonard [Signature]
[Signature] Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.