

LEM

Decision No. 19741.

**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
MONTICELLO STEAMSHIP COMPANY, )  
a corporation, for order authorizing ) Application No. 14622  
issuance of renewal note. )

McCutchen, Olney, Mannon and Greene,  
by E. D. Costigan, for applicant.

BY THE COMMISSION:

O P I N I O N

Monticello Steamship Company, a corporation engaged in operating vessels for the transportation of passengers, freight and vehicles between San Francisco and Vallejo, has applied to the Railroad Commission for authority to issue an unsecured promissory note in the principal amount of \$390,000.00, dated April 29, 1928, payable to the order of Golden Gate Ferries, Incorporated, on or before two years after date, with interest at the rate of seven percent per annum, for the purpose of renewing a one-year note of like amount that matured on April 29, 1927.

The application shows that Monticello Steamship Company has outstanding, at present, \$600,000.00 of stock, all of which is owned by Golden Gate Ferries, Incorporated. Its indebtedness as of February 29, 1928, consisted of the one note payable of \$390,000. and other working liabilities of \$26,080.87.

Its assets and liabilities, as of February 29, 1928, are reported as follows:-

ASSETS:

Investment in property and equipment..	\$2,325,135.00	
LESS-Reserve for depreciation	655,727.70	\$1,669,407.30
Working assets:		
Cash . . . . .	45,285.12	
Accounts receivable . . . . .	24,226.39	
Materials and supplies . . . . .	8,014.63	
Other working assets . . . . .	1,687.76	79,213.90
Deferred debits . . . . .		16,833.24
Total assets.....		<u>\$1,765,454.44</u>

LIABILITIES:

Capital stock .....		\$ 600,000.00
Working liabilities:		
Notes payable . . . . .	\$390,000.00	
Accounts payable . . . . .	16,929.07	
Other working liabilities	9,151.90	416,080.97
Accruals . . . . .		16,633.45
Corporate surplus . . . . .		<u>732,740.02</u>
Total liabilities.....		<u>\$1,765,454.44</u>

The financial statement attached to the petition shows that on the outstanding capital stock of \$600,000.00, the company during the last five years has paid dividends as follows:-

<u>Year</u>	<u>Rate-Percent</u>	<u>Amount paid</u>
1923	10	\$60,000.
1924	2	12,000.
1925	10	60,000.
1926	10	60,000.
1927	12	72,000.

The record shows that applicant is the owner of four vessels, namely: the "City of Sacramento", "Napa Valley", "Calistoga", and "General Frisbie". It appears that during 1926 and 1927 the company, as shown in Exhibit "B", expended \$390,728.70 in making addi-

tions, betterments and improvements consisting of the double ending and widening of the first three named vessels and of increasing the carrying capacity, that of the "City of Sacramento" and the "Calistoga" being increased from about 80 to 115 vehicles and that of the "Napa Valley" from about 70 to 100 vehicles. The "General Frisbie", it is reported, is not now in operation. In addition the Vallejo terminal was constructed to take care of the double ended vessels. The exhibit shows the expenditures for these purposes as follows:-

Remodeling of "City of Sacramento" . . . . .	\$131,639.80
Remodeling of "Calistoga" . . . . .	94,365.00
Remodeling of "Napa Valley" . . . . .	106,600.00
Construction of new slip at Vallejo . . . . .	58,123.90
Total.....	<u>\$390,728.70</u>

Of the total cost it is reported that \$390,000.00 was obtained through the issue to Golden Gate Ferries, Incorporated, of a one year seven percent note for \$390,000.00, and the balance from current funds on hand. The note matured on April 29, 1928 and this petition is made to obtain permission to issue a two year seven percent note for \$390,000.00 to refund said note.

The Commission has given consideration to applicant's request, and its financial condition, and is of the opinion that applicant should be permitted to issue a \$390,000.00 two year six percent note.

ORDER

Monticello Steamship Company having applied to the Railroad Commission for permission to issue a note for \$390,000.00, a public hearing having been held before Examiner Fankhauser, and the Railroad Commission being of the opinion that the application

should be granted only as herein provided, and that the money, property or labor to be procured or paid for through the issue of the note is reasonably required for the purpose specified herein, and that the expenditures are not in whole or in part reasonably chargeable to operating expenses or to income,

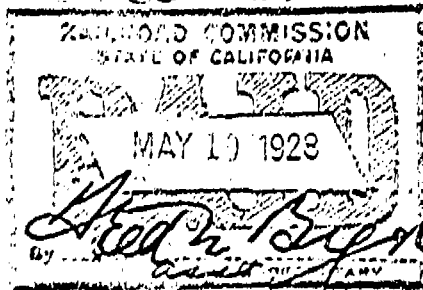
IT IS HEREBY ORDERED that Monticello Steamship Company be, and it hereby is, authorized to issue its unsecured promissory note for \$390,000.00 payable on or before two years after date of issue, with interest at not exceeding six percent per annum for the purpose of paying or refunding the \$390,000.00 note referred to in the foregoing opinion.

The authority herein granted is subject to the following conditions:-

1. Applicant shall keep such record of the issue and delivery of the note herein authorized as will enable it to file, within thirty days after such issue, a verified report, as required by the Railroad Commission's General Order No. 24, which order, insofar as applicable, is made a part of this order.

2. The authority herein granted shall become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$390.00.

DATED at San Francisco, California, this 9<sup>th</sup> day of May, 1928.



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Commissioners.