

ORIGINAL

Decision No. 41913

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application	)	
of THE RIVER LINES, INC., a	:	
corporation, for authority (1) to	)	
issue note, (2) to execute mortgage	:	
upon vessel, (3) to assign contract	)	Application
of purchase and (4) to enter into	:	No. 29532
contract to execute note, mortgage	)	
and assignment.	:	
-----	)	

OPINION AND ORDER

The River Lines, Inc., a corporation engaged in the operation of vessels for the transportation of property in interstate and intrastate commerce on San Francisco Bay and the Sacramento and San Joaquin Rivers and their tributaries, asks permission to issue a note for \$75,000 to finance in part the cost of an oil barge, to execute a mortgage, to assign a contract for the construction of such vessel, and to enter into a contract with The Anglo California National Bank of San Francisco, as hereinafter set forth.

Applicant reports that at present it owns and operates four oil barges for the transportation of fuel oil, that such equipment is not sufficient to enable it to handle all the oil tonnage offered to it and is not suitable for transportation on the Sacramento River above Sacramento where there is a demand for service, and that accordingly it has entered into a contract, dated July 16, 1948, with Pacific Coast Engineering Company for the construction of a welded steel bulk oil barge,

218'3" x 35'0" x 9'9", which, it reports, can be used for operations above Sacramento. The vessel will be named the "Placer".

The agreed contract price for the barge is the sum of \$104,700. In addition, applicant proposes to install two engines, silencers, fuel tanks, electrical equipment and other apparatus which will bring the total cost to it up to approximately \$125,000. It proposes to finance the total cost with cash on hand and with \$75,000 to be borrowed from The Anglo California National Bank of San Francisco. To this end it proposes to enter into a contract with said bank to issue to it a note for \$75,000, to execute a mortgage on the new oil barge and to assign to said bank its contract with Pacific Coast Engineering Company. The proposed note will be payable in thirty-six equal monthly installments, commencing December 31, 1948, with interest on the unpaid principal at the rate of 4% per annum.

A copy of the note, a copy of the mortgage, a copy of the assignment of applicant's interest in the construction contract, and a copy of the agreement with the bank are filed in this application as Exhibits "C", "D", "E", and "F", respectively.

The Commission has considered this application and is of the opinion that it is not a matter on which a hearing is necessary, that the money, property or labor to be procured or paid for by The River Lines, Inc. through the issue of said \$75,000 note is reasonably required for the purpose herein indicated, that the expenditures for said purpose are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. The River Lines, Inc., after the effective date hereof and on or before October 31, 1948, may issue to The Anglo California National Bank of San Francisco a promissory note for the sum of not exceeding \$75,000 for the purpose of paying, in part, the cost of the barge "Placer", said note to be in substantially the same form as the note filed in this proceeding as Exhibit "C".

2. The River Lines, Inc., after the effective date hereof and on or before October 31, 1948, may execute a mortgage in substantially the same form as the mortgage filed in this proceeding as Exhibit "D", for the purpose of securing the payment of said note.

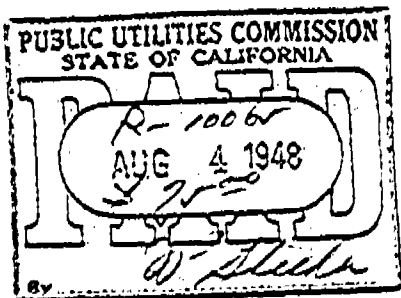
3. The River Lines, Inc., after the effective date hereof and on or before October 31, 1948, may enter into an agreement assigning its interest in said construction contract to The Anglo California National Bank of San Francisco, said assignment to be in substantially the same form as the assignment filed in this application as Exhibit "E".

4. The River Lines, Inc., after the effective date hereof and on or before October 31, 1948, may enter into an agreement with The Anglo California National Bank of San Francisco to execute said note, mortgage and assignment, said agreement to be in substantially the same form as the agreement filed in this application as Exhibit "F".

5. The authority herein granted will become effective when The River Lines, Inc. has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is seventy-five (\$75.00) dollars.

6. The River Lines, Inc., within thirty (30) days after the execution of said mortgage, shall file with the Commission a copy of the note, a copy of the mortgage, a copy of the assignment, and a copy of the agreement with said bank as executed under the authority herein granted, together with a statement showing the purpose for which applicant expended said \$75,000.

Dated at San Francisco, California, this 3<sup>rd</sup> day of August, 1948.



R. J. Anderson  
Frank Russell  
Harold P. Kild  
James H. Potter  
Commissioners