

**ORIGINAL**Decision No. 44786

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 )  
for construction of vessel, and )  
(4) to enter into a contract to )  
execute note, mortgage and assign- )  
ment. )  
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Application  
No. 31732O P I N I O N

In this application, the Commission is asked to make an order authorizing The River Lines, Inc. to issue a note in the principal amount of \$150,000, and to execute a mortgage, an assignment, and a contract, for the purpose of financing the cost of equipment.

Applicant is 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. In its financial statements on file with the Commission, it has reported its revenues and expenses for the years 1948 and 1949 and the first six months of 1950, as follows:

	1948	1949	6 Months 1950
Operating revenues	\$954,180	\$1,230,301	\$617,952.30
Operating expenses, including taxes	<u>867,305</u>	<u>1,119,298</u>	<u>569,799.54</u>
Net operating revenues	86,875	111,003	48,152.76
Income charges - net	<u>865</u>	<u>3,776</u>	<u>765.76</u>
Net income	<u>\$ 86,010</u>	<u>\$ 107,227</u>	<u>\$ 47,387.00</u>

In Exhibit A filed in the present proceeding, applicant reports its assets and liabilities, as of June 30, 1950, as follows:

Assets

Cash and accounts receivable		\$187,300.47
Property and equipment-less reserves		690,093.10
Other investments		321.00
Deferred debits		<u>38,015.77</u>
	Total	<u>\$915,730.34</u>

Liabilities and Net Worth

Current liabilities		\$134,642.10
Net worth -		
Capital stock	\$460,780.00	
Surplus	<u>320,308.24</u>	
Total net worth		<u>781,088.24</u>
	Total	<u>\$915,730.34</u>

Applicant reports that at present it operates five oil barges for the transportation of fuel oil, that such equipment is not sufficient to enable it to handle adequately and efficiently all the oil tonnage which is offered to it, and that only one of said barges has a draft sufficiently shallow to allow it to navigate the Sacramento River above Sacramento, where there is a growing demand for service from shippers of bulk oil. Accordingly, it proposes to enter into a contract for the construction of a welded steel bulk oil barge at an estimated cost of approximately \$150,000, which barge will have a capacity of approximately 12,000 barrels, an overall length of approximately 200 feet, a beam of approximately 40 feet, and a depth of approximately 10 feet.

The application shows that The Anglo California National Bank of San Francisco has agreed to loan applicant a sum of not to exceed \$150,000 for the purpose of meeting all or a portion of the cost of the new barge. The sum to be thus advanced by the bank will be represented by a promissory note, payable in fifty equal monthly installments with interest at the rate of 3½% per annum, payable monthly. The payment of said note will be secured by a mortgage on said barge and by an assignment covering all of applicant's right,

title and interest in and to such contract as may be executed for the construction of the barge.

A copy of the agreement with the bank has been filed in this proceeding as Exhibit B, a copy of the proposed note as Exhibit C, a copy of the mortgage as Exhibit D, and a copy of the assignment as Exhibit E.

The application indicates that applicant has need for the funds to be obtained through the issue of the note for the purpose indicated. Accordingly, an order will be entered.

O R D E R

The Commission having considered the above entitled matter and being of the opinion that a public hearing thereon is not necessary; that the application should be granted, as herein provided; that the money, property or labor to be procured or paid for through the issue of the note herein authorized is reasonably required by The River Lines, Inc. for the purpose specified herein; and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. The River Lines, Inc., after the effective date hereof and on or before September 30, 1951, may issue a promissory note for the sum of not exceeding \$150,000, for the purpose of financing the cost of the new barge to which reference is made in this application, said note to be in substantially the same form as that filed in this proceeding as Exhibit C, and may enter into an agreement with The Anglo California National Bank of San Francisco, in substantially the same form as the agreement filed as Exhibit B.

2. The River Lines, Inc., after the effective date hereof and on or before September 30, 1951, may execute a mortgage in substantially the same form as that filed in this proceeding as Exhibit D, and may enter into an agreement assigning its interest in the proposed construction contract to The Anglo California National Bank of San Francisco, said assignment to be in substantially the same form as that filed in this proceeding as Exhibit E.

3. The River Lines, Inc., within thirty (30) days after exercising the authority herein granted, shall file with the Commission a copy of the note, a copy of the mortgage, and a copy of the assignment as executed, together with a statement showing the purpose for which it expended the proceeds received through the issue of the note herein authorized.

4. 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 one hundred fifty (\$150.00) dollars.

Dated at San Francisco, California, this 19<sup>th</sup> day of September, 1950.

*R. F. [Signature]*  
*James F. [Signature]*  
*[Signature]*

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Commissioners

