

Decision No. 45547

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
J. A. NEVIS doing business as JOE A.  
NEVIS TRUCKING for authority to  
issue promissory notes and execute  
chattel mortgage and deeds of trust.

Application  
No. 32236

O P I N I O N

In this application J. A. Nevis, doing business as Joe A. Nevis Trucking, requests authority to issue promissory notes and to execute a chattel mortgage and deeds of trust in order to consolidate outstanding indebtedness and to finance, in part, the purchase of new equipment and facilities.

Applicant is a highway common carrier of property operating under authority granted by this Commission in Decision No. 43267, dated August 29, 1949. He is engaged primarily in the transportation of iron and steel articles and tin plate, composition roofing, chemicals and crude rubber, between Pittsburg, on the one hand, and points located in the San Francisco territory and the Los Angeles territory, Stockton, Sacramento, North Sacramento, Petaluma, Santa Rosa and Sebastopol, and from the Los Angeles territory to the San Francisco territory.

In Exhibit F filed in this proceeding, applicant reports for the twelve months ended November 30, 1950, operating revenues of \$1,793,278.99 and net income of \$114,309.62, after deducting \$70,554 for depreciation. Applicant's assets and liabilities, as reported in his November 30, 1950 balance sheet, are summarized as follows:

| <u>Assets</u>                  |                   |                     |
|--------------------------------|-------------------|---------------------|
| Cash                           |                   | \$ 45,621.86        |
| Accounts receivable            |                   | 127,250.88          |
| Material and supplies          |                   | 13,894.41           |
| Land                           |                   | 61,500.00           |
| Depreciable tangible property  | \$629,057.75      |                     |
| Less: Reserve for depreciation | <u>228,979.72</u> | 400,078.03          |
| Other assets                   |                   | 2,189.60            |
| Prepaid expenses               |                   | 23,499.47           |
| Tires and tubes                |                   | 5,823.51            |
| Other deferred debits          |                   | <u>7,128.69</u>     |
| Total assets                   |                   | <u>\$686,986.45</u> |

| <u>Liabilities</u>              |  |                     |
|---------------------------------|--|---------------------|
| Notes payable                   |  | \$ 69,918.96        |
| Accounts payable                |  | 129,807.01          |
| Other current liabilities       |  | 29,163.65           |
| Advances payable                |  | 1,800.00            |
| Other deferred credits          |  | 2,483.94            |
| Equipment long term obligations |  | 306,660.80          |
| Proprietor's account            |  | <u>147,152.09</u>   |
| Total liabilities               |  | <u>\$686,986.45</u> |

The \$306,660.80 shown in the balance sheet as equipment long term obligations includes \$214,350 due on contracts entered into prior to May, 1950 and \$91,810.80 due on contracts entered into subsequent to May, 1950. The total purchase price of the equipment acquired under the above equipment contracts was \$653,608.

Applicant now advises that he is desirous of issuing a promissory note in the principal amount of not exceeding \$387,000 ✓ for the purpose of refinancing and consolidating the present outstanding long term indebtedness and to provide approximately \$80,339 with which to finance, in part, the purchase of five Peterbilt diesel tractors. The note which applicant proposes to issue is to be repaid over a period of approximately thirty-six months in equal monthly installments of \$10,750 plus interest at the rate of 5% per annum on deferred balances and is to be secured by a chattel mortgage on applicant's automotive equipment. A copy of the note and chattel mortgage which applicant proposes to issue is attached to the application as Exhibit C.

Applicant also advises that he has made arrangements to purchase two parcels of land, one at Pittsburg and one at Montebello, California, to be used as operating terminals. The parcel of land at Pittsburg is to be acquired at a cost of \$35,000 and applicant has made a down payment of \$12,000. The \$23,000 balance is to be financed through the issue of a promissory note secured by a deed of trust and is to be repaid in equal monthly installments of \$500 over a period of approximately forty-six months with interest at the rate of 4% per annum on deferred balances. The parcel of land at Montebello is being acquired at a cost of \$26,500 and applicant has made a down payment of \$5,000 on the purchase. The \$21,500 balance is to be financed through the issue of a promissory note secured by a deed of trust and is to be repaid in equal monthly installments of \$179.17 over a period of approximately 120 months, with interest at the rate of 5% per annum on deferred balances. A copy of the form of note and deed of trust which applicant proposes to execute in connection with the purchase of the parcels of land is attached to the application as Exhibits E and D, respectively.

It appears that applicant has need for the funds to be procured through the issue of the promissory notes and the execution of a chattel mortgage and deeds of trust. Accordingly, an order will be entered in this matter.

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 execution of promissory notes and chattel mortgage and the deeds of trust herein authorized is reasonably required by applicant for the purposes specified herein and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

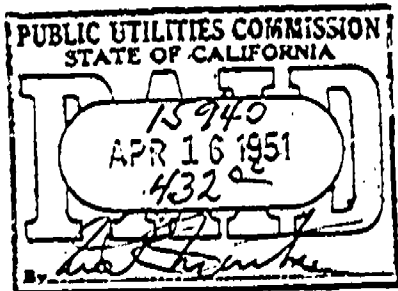
IT IS HEREBY ORDERED as follows:

1. J. A. Nevis, doing business as Joe A. Nevis Trucking, after the effective date hereof and on or before September 30, 1951, may execute promissory notes and a chattel mortgage and deeds of trust in the aggregate principal amount of not exceeding \$431,500 for the purpose of refinancing and consolidating outstanding indebtedness and to finance in part, the cost of new equipment and facilities. The promissory notes and chattel mortgage and deeds of trust shall be in, or substantially in, the same form as those filed in this proceeding as Exhibits C, D and E.

2. Within thirty days after the execution of said promissory notes, chattel mortgage and deeds of trust, applicant shall file a copy of each with the Commission.

3. The authority granted herein will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$432.00.

Dated at San Francisco, California, this 10<sup>th</sup> day of April, 1951.



[Signature]  
Harold R. Auld  
[Signature]  
[Signature]

Commissioners