

Decision No. 47137

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
J. A. NEVIS TRUCKING, INC., for
Authority to Issue Promissory Notes
and Execute Deed of Trust and
Mortgage.

Application
No. 33369

O P I N I O N

J. A. Nevis Trucking, Inc., has filed this application for authorization to execute a deed of trust and a second mortgage and to issue two notes in the aggregate amount of \$123,680 for the purpose of paying outstanding indebtedness.

Applicant is engaged as a highway common carrier of certain classes of property generally along U.S. Highways 99 and 101 between North Sacramento and Santa Rosa, in the north, and Santa Ana and Colton, in the south, and between other points as set forth in its certificate of public convenience and necessity. In connection with its operations it has acquired a parcel of land at Pittsburg and one at Montebello and has constructed improvements thereon for its use for terminal purposes. In doing so, it became indebted on current account to Cameron's, Inc., in the amount of \$75,000 and to Federal Engineering Corporation, in the amount of \$48,680.

In this proceeding, applicant reports that it desires to liquidate its current obligations to these payees through the issue of long term notes. It proposes, if authorized by the Commission, to issue to Cameron's, Inc., a note for not to exceed \$75,000 payable in monthly installments of \$2,000 each, including interest at the rate of 5% per annum on decreasing balances, until March

1954, at which time the entire unpaid balance will be paid, and to execute a deed of trust on its properties at Pittsburg to secure the payment of the same. It proposes to issue to Federal Engineering Corporation a note for not to exceed \$48,680, payable in 120 unequal monthly installments of \$300 or more, plus interest at the rate of 4% per annum on decreasing balances, and to execute a second mortgage covering the Pittsburg properties and also covering the Montebello properties to secure the payment of the note.

Applicant's latest financial statement filed with this Commission shows that during 1951 its operating revenues amounted to \$2,403,720 and its net income, after provision for income taxes, to \$21,653. The report shows applicant's investment in its property at \$761,913 and in current assets at \$191,892, a total of \$953,805. The report further shows that applicant had outstanding current liabilities of \$417,412, equipment and other long term debt of \$421,871, and common stock equity capital of \$114,522.

A review of the application indicates that a conversion of the current accounts into long term debt, as here proposed, should improve applicant's financial position. Accordingly, its request will be granted.

O R D E R

The Commission having considered the above entitled matter and being of the opinion that a public hearing 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 notes herein authorized is reasonably required for the purpose specified herein; and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED as follows:

1. J. A. Nevis Trucking, Inc., after the effective date hereof and on or before September 30, 1952, may execute a deed of trust and a second mortgage and may issue a note for \$75,000 and a note for \$48,680, under the terms and conditions set forth in this application, and use the proceeds to retire outstanding indebtedness of like amount.

2. Applicant shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 1904 of the Public Utilities Code, which fee is \$124.00.

Dated at San Francisco, California, this 13th day of May, 1952.

R. J. ...
 President
James J. ...
Harold P. ...
Kenneth V. ...
John ...
 Commissioners

