

ORIGINAL

Decision No. 49424

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 to)
issue note and to execute deed)
of trust.)
-----)

Application
No. 34911

O P I N I O N

The River Lines, Inc., applicant herein, is a California corporation engaged in the transportation of property in interstate and intrastate commerce on the waters of the San Francisco Bay and the Sacramento and San Joaquin rivers and their tributaries. It has filed this application for authorization to execute a deed of trust and to issue a note in the principal amount of \$29,000 for the purpose of financing the cost of real property.

Applicant presently owns shipyard facilities located on the banks of the Sacramento River in West Sacramento, Yolo County, which it utilizes for maintenance and repair service on its tugs and barges and for the construction of certain equipment. Applicant reports that in its opinion it is necessary for it to expand its facilities in order to handle properly the maintenance, repair and construction of its floating equipment and that accordingly it has made arrangements to purchase, for \$30,000, additional real estate adjoining its present shipyard facilities. It reports that the acquisition of such property and the expansion of its shipyard will permit it to build and repair larger pieces of equipment and will result in savings in maintenance and repair expense.

It appears that applicant does not consider it advisable to withdraw cash to provide the full purchase price and that it has arranged to borrow the sum of \$29,000 from The Anglo California National Bank of San Francisco to meet most of the cost. The sum to be thus borrowed will be represented by a note, repayable at the rate of \$300 a month including interest at the rate of 4½% per annum, said note to be secured by a deed of trust covering the property to be acquired as well as portions of the adjacent property upon which its shipyard now is located.

A review of applicant's financial statements on file with the Commission shows that during 1952 its operating revenues amounted to \$1,232,327 and its net income, after payment of all charges, to \$72,565, and that during the first nine months of 1953 its operating revenues aggregated \$882,618 and its gross profit, before provision for federal income taxes, \$34,491. Applicant's financial position as of September 30, 1953, as reflected by its balance sheet of that date, is indicated in the following:

<u>Assets</u>		
Current assets -		
Cash	\$120,053.44	
Accounts receivable	<u>76,599.65</u>	
Total current assets		\$ 196,653.09
Property and equipment, less related reserves		1,083,362.11
Noncarrier property		21,859.24
Investment securities		321.00
Deferred debits		<u>39,764.81</u>
	Total	<u>\$1,341,960.25</u>
<u>Liabilities and Capital</u>		
Current liabilities		\$ 340,776.23
Capital -		
Capital stock	\$460,330.00	
Surplus	<u>540,854.02</u>	
Total capital		<u>1,001,184.02</u>
	Total	<u>\$1,341,960.25</u>

Upon considering this matter it is our opinion that applicant will have need for the proceeds from the issue of the note for the purpose indicated, that its assets and earnings should be ample to enable it to meet its obligations under the proposed borrowing, that the money, property or labor to be procured or paid for by the issue of the note is reasonably required by applicant for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. Accordingly, we will enter an order granting applicant's request.

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 and that the application should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. The River Lines, Inc., on or before March 31, 1954, may execute a deed of trust in substantially the same form as the deed of trust filed in this proceeding as Exhibit C, and may issue a promissory note in the principal amount of not exceeding \$29,000 for the purpose of financing in part the purchase price of the real property referred to in this proceeding, said note to be repayable at the rate of \$300 a month including interest at the rate of 4½% per annum.

2. The River Lines, Inc. 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 The River Lines, Inc. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$29.00.

Dated at San Francisco, California, this 15th day of December, 1953.

[Signature]
President

[Signature]

[Signature]

[Signature]
Commissioners

