

Decision No. 52426

**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  
(Third Supplemental)

SECOND SUPPLEMENTAL OPINION

Under authorization granted by Decision No. 47137, dated May 13, 1952, J. A. Nevis Trucking, Inc. executed a deed of trust on its terminal property at Pittsburg and issued to Cameron's, Inc. a promissory note in the principal amount of \$75,000, payable in monthly installments of \$2,000 with interest at the rate of 5% per annum, for the purpose of refinancing indebtedness which had been incurred for construction purposes. The principal amount of the note has been reduced to \$37,959.97.

In a third supplemental application filed in this proceeding on December 15, 1955, applicant reports it desires to refinance the remaining balance payable to Cameron's, Inc. and to restore its borrowings to \$75,000 in order to obtain funds to liquidate indebtedness of \$37,040.03 which it has incurred in its operations. It therefore proposes and seeks authorization to execute a new deed of trust and to issue a new note for \$75,000, such note to be payable in monthly installments of \$2,000 with interest at the rate of 5% per annum.

Applicant is engaged in business as a highway common carrier of certain classes of property between points in Northern California and points in Southern California. Its financial reports filed with

the Commission show that the volume of its business has been increasing and that its net earnings and financial position have been improving. A summary statement showing its operating revenues, its depreciation charges, and its net operating revenues before income taxes, for the periods indicated, is as follows:

	<u>Operating Revenues</u>	<u>Depreciation Charges</u>	<u>Net Operating Revenues</u>
1952	\$2,090,370	\$129,617	\$ 9,139
1953	2,256,900	141,931	53,834
1954	2,267,718	139,507	60,079
1955 (8 mos.)	1,158,151	56,818	59,673

A condensed statement of applicant's assets, liabilities and capital reflecting its financial position as of August 31, 1955, is shown below.

Assets

Current assets -		
Cash and deposits	\$ 20,714	
Accounts receivable	173,023	
Prepaid expenses	58,169	
Materials and supplies	<u>64,198</u>	
Total current assets		\$316,104
Operating property		542,054
Non-carrier property		13,702
Intangible capital		<u>1,933</u>
Total		<u>\$873,793</u>

Liabilities and Capital

Current liabilities		\$398,704
Long-term debt		320,039
Common stock and surplus		<u>155,050</u>
Total		\$873,793

From a review of the verified application and of the financial statements, it clearly appears that applicant has need for

additional funds to increase its working capital and to enable it to liquidate current obligations. Its statements indicate that its earnings should be sufficient to service the existing and the proposed indebtedness and accordingly we will enter an order granting the pending request.

THIRD SUPPLEMENTAL ORDER

The Commission having considered the application of J. A. Nevis Trucking, Inc. to issue a note in the principal amount of \$75,000 and to execute a deed of trust, and being of the opinion that a public hearing is not necessary and that the money, property, or labor to be procured or paid for by the issue of such note is reasonably required by applicant, therefore,

IT IS HEREBY ORDERED as follows:

1. J. A. Nevis Trucking, Inc. on or after the effective date hereof and on or before April 30, 1956, may issue a note in the principal amount of not exceeding \$75,000 for the purpose of paying outstanding indebtedness and may execute a deed of trust to secure its payment, which note and deed of trust shall be in, or substantially in, the same form as those filed in this proceeding with applicant's third supplemental application.

2. J. A. Nevis Trucking, Inc. shall file a report with the Commission 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 J. A. Nevis Trucking, Inc. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$38.

Dated at San Francisco, California, this 4<sup>th</sup> day of January, 1956

[Signature]  
President

[Signature]

[Signature]

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Commissioners

