

Decision No. 53093**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 a Promissory Note
 and to Execute a Deed of Trust on
 real property.

Application
 No. 37988

O P I N I O N

J. A. Nevis Trucking, Inc., applicant herein, is a California corporation engaged as a highway common carrier primarily for the transportation of steel products within the State of California. In its application it seeks authorization to execute a deed of trust on certain real property in Montebello and to issue a note in the principal amount of \$75,000 for the purpose of paying outstanding indebtedness.

From financial statements on file with the Commission, it appears that applicant's operations have been increasing in volume and that they have been conducted with favorable results. A summary statement of its revenues and expenses during the last three calendar years is as follows:

	<u>1953</u>	<u>1954</u>	<u>1955</u>
Revenues	\$2,258,785	\$2,270,863	\$2,597,096
Less -			
Operating expenses	1,927,824	1,909,740	2,221,180
Operating taxes	133,311	158,392	175,628
Income taxes	-	12,813	12,403
Income deductions	30,992	34,622	28,754
Total	<u>2,092,127</u>	<u>2,115,567</u>	<u>2,437,965</u>
Balance	166,658	155,296	159,131
Depreciation	<u>141,931</u>	<u>139,507</u>	<u>140,338</u>
Net Income	<u>\$ 24,727</u>	<u>\$ 15,789</u>	<u>\$ 18,793</u>

During this period applicant has not paid dividends on its outstanding shares of stock and has utilized its funds to reduce its long-term debt. Its financial statements show that during the three-year period it has reduced its current obligations from \$556,837 to \$309,870.

Applicant's financial position as of December 31, 1955, is indicated in the following condensed balance sheet:

<u>Assets</u>		
Carrier operative property		\$546,589
Other property		13,563
Intangible capital		<u>10,200</u>
	Total	<u>\$570,352</u>
<u>Liabilities and Capital</u>		
Current accounts -		
Current liabilities	\$400,663	
Less - Current assets	<u>282,230</u>	
Net current liabilities		\$118,433
Long-term obligations		309,870
Common stock equity		<u>142,049</u>
	Total	<u>\$570,352</u>

The outstanding indebtedness includes, among other things, a secured obligation of \$9,675.28 in favor of Steve G. Bonorris and Cula S. Bonorris and unsecured obligations of \$65,324.72 which have been incurred in the past in the acquisition of materials and supplies and in the conduct of applicant's common carrier service, the two items aggregating \$75,000.

Applicant now desires to refinance the \$75,000 indebtedness through the issue of a new note in the total amount of \$75,000, to be secured by a deed of trust on its Montebello properties, and to be payable in monthly installments of \$1,250, with interest at the

rate of 6% per annum upon declining balances. The note will be issued to the Employees' Profit Sharing Fund of the Utility Trailer Manufacturing Company.

From a review of the application it appears that applicant's earnings should be ample to enable it to meet its requirements under the proposed borrowing and that the transaction, as proposed, will improve applicant's position by converting current obligations into a long-term one. Accordingly, we will enter our order approving its request.

Q 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 money, property or labor to be procured or paid for through the issue of the note herein authorized is reasonably required for the purpose specified 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. J. A. Nevis Trucking, Inc., may issue a promissory note on or before December 31, 1956, in the principal amount of \$75,000 for the purpose of paying outstanding obligations of like amount 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 as Exhibit A.

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(b) of the Public Utilities Code, which fee is \$75.

Dated at San Francisco, California, this 22nd day of May, 1956.

[Signature]
President

Justus J. Caswell

Ralph Venturini

[Signature]

[Signature]
Commissioners

