

**ORIGINAL**

Decision No. 58253

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 (1) to issue note, (2) to execute mortgages upon two vessels, and (3) to enter into a contract to execute note, mortgages and assignment.

Application No. 40956

O P I N I O N

The River Lines, Inc., applicant herein, is a California corporation engaged in the transportation of property by water on San Francisco Bay and on the Sacramento and San Joaquin Rivers and their tributaries. It has filed this application for authorization to issue a note in the principal amount of \$250,000 and to execute a contract and two preferred mortgages.

The purpose of the proposed transaction is to finance the cost of additional equipment. Applicant proposes to call for bids for the construction of a molded steel hull bulk grain barge having a capacity of approximately 1,600 tons of cargo, an over-all length of approximately 200 feet, a beam of approximately 44 feet and a depth of approximately 12 feet. The total cost is estimated at between \$250,000 and \$300,000.

The application shows that applicant has entered into a contract with Crocker-Anglo National Bank under which said bank agrees to loan the sum of not to exceed \$250,000, the amount to be represented by a note payable in 60 equal monthly installments with

interest at the rate of 5% per annum, payment to be secured by a preferred mortgage on the new barge and by a preferred mortgage on one of the present barges. Applicant reports that it will be unable to meet the construction cost of the new equipment without borrowing said sum of money.

Exhibit B, filed in this proceeding shows applicant's assets, liabilities and capital as of December 31, 1958. A summary of the same is as follows:

Assets

Current and prepaid assets -		
Cash	\$224,415	
Accounts receivable	88,741	
Prepaid expenses	<u>82,630</u>	
Total current and prepaid assets		\$ 395,786
Net investment in property and equipment		1,255,518
Other assets		<u>179,050</u>
Total		<u>\$1,830,354</u>

Liabilities and Net Worth

Current liabilities -		
Notes payable	\$146,794	
Accounts payable	86,939	
Accrued taxes	<u>67,837</u>	
Total current liabilities		\$ 301,570
Common stock and surplus		<u>1,528,784</u>
Total		<u>\$1,830,354</u>

A review of applicant's financial statements shows its reported operating revenues for the year 1958 in the amount of \$1,432,943 and its net income at \$107,009, after making provision for income taxes and depreciation.

Upon the basis of the representations made in this proceeding and upon a review of applicant's financial reports, it appears to us that applicant will have need for the funds to be obtained through the issue of the note for the purpose of financing the cost of the new equipment, that its revenues should be sufficient to service its proposed borrowing, and that an order should be entered granting its 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, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for by the issue of the note herein, authorized 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; NOW, THEREFORE,

IT IS HEREBY ORDERED as follows:

1. The River Lines, Inc., on and after the effective date hereof and on or before March 31, 1960, may issue a promissory note in the principal amount of not to exceed \$250,000 for the purpose of financing the cost of a new barge and may execute a contract and two preferred mortgages, all as set forth in this proceeding.

2. Within 90 days after exercising the authority herein granted, The River Lines, Inc., shall file with the Commission a copy of the contract for the construction of the barge, a copy of

the note and a copy of each mortgage, together with a statement showing the purpose for which it expended the proceeds received through the issue of said note.

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 \$250.

Dated at San Francisco, California, this 14<sup>th</sup> day of April, 1959.

E. Lynn Fox  
President  
Michael J. Deane  
Theodore J. Turner  
Carroll W. Sage  
Commissioners

PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
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