

ORIGINAL

Decision No. 61682

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

DAIGH & STEWART TRUCK CO., a
corporation,

to purchase real property.

Application No. 43133
Filed February 6, 1961

O P I N I O N

Daigh & Stewart Truck Co., a corporation, has filed this application for authorization to execute a deed of trust and note for \$50,000 to finance, in part, the cost of real property and improvements.

The company is engaged, as a highway common carrier, in the transportation of certain specified classes of property generally throughout the state. It reports that recently it has sold its real property in Kern County to the State of California for highway purposes and that it has made arrangements to purchase other property upon which to relocate its operations. The agreed purchase price of such property is \$85,000, payable \$35,000 in cash and \$50,000 in the form of a note bearing interest at the rate of 6.5% per annum and being payable, principal and interest, in monthly installments of \$567.80, or more, a total of \$6,813.60 for a twelve-months' period.

The property to be purchased consists of five acres of land, all fenced, and improved by an office building, two all metal shop buildings, an all metal building for tire and lubrication service and an all metal storage building.

The carrier's financial statements show that its operations have been profitable. As of March 31, 1960, it had outstanding \$80,000 of common stock and had accumulated and retained earnings of \$54,285, or total proprietary investment of \$134,285, as compared with long-term borrowings of \$49,595. Its current assets were \$92,830 as compared with current liabilities of \$76,586. For the fiscal year ended March 31, 1960, internally generated funds aggregated \$32,034 consisting of net income transferred to surplus of \$10,897 and depreciation accruals of \$21,137.

From a review of the verified application, it appears to us, and we so find and conclude, that the application should be granted, 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 herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

An order will be entered.

O R D E R

The Commission having considered the above-entitled application and being of the opinion that a public hearing is not necessary,

IT IS ORDERED that -

1. Daigh & Stewart Truck Co., a corporation, may execute a deed of trust and issue a note in the principal amount of not to exceed \$50,000 under the terms and for the purpose set forth in this application, namely, for the acquisition of real property and improvements to be used in its operations.

2. Daigh & Stewart Truck Co. 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 authorization herein granted is not to be construed as a finding of value of said real property and improvements.

4. The authority herein granted will become effective when Daigh & Stewart Truck Co. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$50.

Dated at San Francisco, California,
this 21st day of March, 1961.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners

