

ORIGINAL

Decision No. 62476

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of:

HERCULES OIL COMPANY OF SAN DIEGO,
INC., a corporation, for authority
to issue promissory notes and a
chattel mortgage pursuant to
Sections 816-830 and 851-853 of
the California Public Utilities
Code.

Application No. 43647
Filed August 2, 1961

O P I N I O N

Hercules Oil Company of San Diego, Inc., has filed this application for authorization to issue two notes, one in the principal amount of not to exceed \$50,000 and the other in the principal amount of not to exceed \$45,000.

Applicant is engaged primarily in nonutility activities in San Diego. However, in 1959, pursuant to authorization granted by Decision No. 57901, dated January 20 of that year, it acquired operative rights to transport petroleum and petroleum products in tank trucks and trailers, over irregular routes, between all points and places in the state and it commenced operations as a certificated carrier.

The application shows that, subsequent to the date it inaugurated public utility operations, the company issued an unsecured long-term promissory note, dated May 1, 1961, in the amount of \$50,000 payable to Edna Bell Jackson, in order to obtain working capital, and on May 5, 1959, a secured long-term note payable to Seaside Oil Company for \$45,000 to liquidate indebtedness.

The company did not obtain from the Commission authorization to incur these two items of long-term indebtedness but, assertedly, its failure to do so was through inadvertence and with no intent to evade the provisions of the Public Utilities Code. The carrier now seeks an order authorizing it to reissue the two notes.

The note to Edna Bell Jackson is payable in monthly installments of \$1,000, plus interest at the rate of 6 per cent per annum, while the note to Seaside Oil Company is payable in monthly installments of \$477.32, including interest at the rate of 5 per cent per annum. The note to the order of Seaside Oil Company is secured by a mortgage on nonutility gasoline station equipment.

We have reviewed this matter and are of the opinion that the application should be granted; that the money, property or labor to be procured or paid for through the issue of the two notes 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. It is unnecessary for the company to obtain authorization from the Commission to execute the mortgage on the nonutility properties.

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,

IT IS ORDERED that -

1. Hercules Oil Company of San Diego, Inc., may issue a promissory note in the principal amount of not to exceed \$50,000 to the order of Edna Bell Jackson and a promissory note in the principal amount of not to exceed \$45,000 to the order of Seaside Oil Company, such notes to be issued under the terms and for the purposes set forth in this application.

2. Hercules Oil Company of San Diego, 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 shall become effective when Hercules Oil Company of San Diego, Inc., has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$95.

Dated at San Francisco, California,
this 29th day of AUGUST, 1961.

Garret W. Page
President
D. E. Muehl
S. L. Fox
George L. Grover
Fredrick B. Hallock
Commissioners

