

ORIGINAL

Decision No. 63617

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

MORRIS DRAYING COMPANY,

a corporation, for an Order
Authorizing the Issuance of
Evidence of Indebtedness.

Application No. 44514
Filed June 7, 1962

O P I N I O N

Morris Draying Company, applicant herein, is a California corporation engaged in business as a contract carrier of agricultural and petroleum products and, to a lesser extent, as a highway common carrier of general commodities. In this application it seeks authorization to issue a note in the principal amount of \$125,000 secured by a deed of trust on certain real property located in San Leandro. The note will be issued to Oakland Bank of Commerce and will be payable in monthly installments of \$1,400 including interest at the rate of 6 percent per annum.

Applicant proposes to use the proceeds from the note to finance a portion of the estimated cost of \$145,000 of a new warehouse type building, together with paving and fencing. The real property upon which the structure will be erected is vacant and, assertedly, is not used by applicant and is not necessary or useful in its public utility operations. At the

outset, applicant intends to lease the premises to Engineering Export Services, Inc., at a monthly rental of \$1,450 with the lessee paying real property taxes and insurance.

Applicant's 1961 annual report indicates a reasonably good financial position with current assets of \$278,871 (including cash and working funds of \$193,899) and current liabilities of \$108,877, and a capital structure consisting of long-term equipment obligations of \$36,557 and common stock and retained earnings of \$467,068. The report shows operating revenues for the year of \$1,522,917 and net profit of \$40,794, after deducting depreciation expense of \$52,237.

From a review of the application and the carrier's results of operation and financial experience, it appears to us, and we so find and conclude, that the terms of the proposed borrowing will not impair the carrier's ability to carry on its highway carrier operations and that the issue of the note may be authorized. Applicant may execute a deed of trust obligating its nonutility property without Commission authorization.

O R D E R

The Commission has considered the above-entitled matter, has determined that a public hearing is not necessary, and is 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 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; therefore,

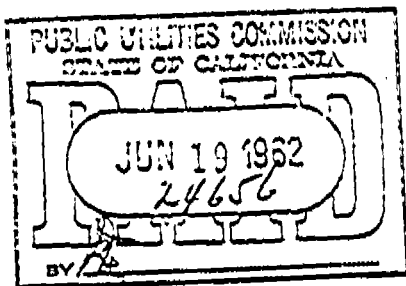
IT IS ORDERED that -

1. Morris Draying Company, a corporation, may issue a note in the principal amount of not to exceed \$125,000, secured by a deed of trust, said note to be issued in the form, under the terms and for the purpose set forth in this application.

2. Morris Draying Company 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 Morris Draying Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$125.

Dated at San Francisco, California, this 15th day of JUNE, 1962.



Handwritten signatures of the President and Commissioners: General [Signature] President, [Signature], George G. Hoover, Fredrick B. Holshoff

Commissioners

Commissioner C. Lyn Fox, being necessarily absent, did not participate in the disposition of this proceeding.