

ORIGINAL

Decision No. 66247

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of G. I. TRUCKING COMPANY, a
California corporation, for
authority to borrow money, issue
evidences of indebtedness, and
to construct new facilities.

Application No. 45871
Filed October 14, 1963

O P I N I O N

This is an application for an order of the Commission authorizing G. I. Trucking Company, a corporation, applicant herein, to execute a deed of trust and to issue a note in the principal amount of \$446,260.

Applicant is a California corporation engaged in business as a highway common carrier between Santa Maria and San Diego, serving intermediate points. For the first eight months of 1963, it reports total freight revenues of \$1,201,552.04, and a net profit, after taxes, of \$17,587.07. Pursuant to authority granted by Decision No. 61367, dated January 24, 1961, in Application No. 43010, and by Decision No. 62175, dated June 27, 1961, in Application No. 43426, the company incurred a \$300,000 indebtedness to Bank of America National Trust and Savings Association payable, together with interest at the rate of 5-1/2% per annum, over a period of thirteen years at the rate of \$2,696 per month. The principal balance due on said indebtedness will approximate \$266,240 as of December 1, 1963, according to the application.

For the purpose of paying said balance of approximately \$266,240, and of obtaining additional funds amounting to approximately \$180,000 for meeting costs of constructing private warehouse facilities on its present premises located at 6121 E. Randolph Street, Los Angeles, applicant proposes to issue a \$446,260 note in favor of said bank payable, together with interest at the rate of 5-1/2% per annum, over a period of thirteen years at the rate of \$4,062.03 per month. The indebtedness to be evidenced by said note will be secured by a deed of trust. Applicant will use for working capital any balance of proceeds which might remain after it discharges said existing obligation and after it finances the construction of said warehouse facility.

Applicant reports that the proposed warehouse will consist of a reinforced concrete single-story building with dimensions approximating 130 ft. by 260 ft. resulting in 33,800 square feet of available warehouse space, that it will provide an additional source of income through the conducting of a private warehouse operation or from rental proceeds to be received from a lessee of the warehouse facility, that at the present time the area proposed to be improved by erection of said warehouse facility lies dormant and is unproductive insofar as the business operations are concerned and that said area is not an integral part, nor is it vital or necessary, to its continued successful motor truck operations.

The Commission has considered this application and is of the opinion, and finds, that (1) the proposed indebtedness is for proper purposes; (2) applicant's assets and earnings will be sufficient to support and to service the proposed note; (3) the proposed financing will not interfere with applicant's ability to maintain its public service obligations; (4) the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required for the purposes specified herein; and (5) such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income. A public hearing is not necessary.

On the basis of the foregoing findings, we conclude that the application should be granted. Applicant is hereby placed on notice that said warehouse facility cannot be used for operations as a warehouseman as that term is defined in Section 239(b) of the Public Utilities Code, without the certificate of public convenience and necessity required by Section 1051 of such code.

O R D E R

IT IS ORDERED that:

1. G. I. Trucking Company, a corporation, on or after the effective date hereof and on or before March 31, 1964, for the purposes specified in this proceeding, may issue a note in the principal amount of not to exceed \$446,260, and may execute a deed of trust, which documents

shall be in the same form, or in substantially the same form, as those attached to the application.

2. G. I. Trucking Company, a corporation, 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. This order shall become effective when G. I. Trucking Company, a corporation, has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$181.

Dated at San Francisco, California, this 5th day of November, 1963.

William A. Brund
President

George G. Grover

Frederick B. Hallock
Commissioners

