

ORIGINAL

Decision No. 67412

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of: }

SNYDER TRANSFER COMPANY, INC., a corporation, for authority to issue a promissory note and deed of trust pursuant to Sections 816-830 and 851-853 of the Public Utilities Code.

Application No. 46682
Filed May 28, 1964

O P I N I O N

In this application Snyder Transfer Company, Inc. requests an order of the Commission authorizing it to issue a promissory note in the principal amount of \$79,722.60 and to execute a deed of trust.

Applicant is a California corporation operating as a highway common carrier in the transportation of general commodities, with certain exceptions, between various points and places in the Los Angeles Basin Area. It also conducts business as a public utility warehouseman in the City of Vernon and vicinity pursuant to a prescriptive operative right authorizing the operation of 10,000 square feet of storage or warehouse floor space, exclusive of the expansion permissible under Section 1051 of the Public Utilities Code.

The application shows that on or about August 7, 1963 the company issued in favor of the Community Bank a 6-1/4% promissory note in the principal amount of \$85,000 secured by a deed of trust. Applicant reports that it expended the note proceeds for the purpose of financing the construction of approximately 15,000 square feet of additional space for its warehouse and terminal facilities in order to provide adequate service to the public.

Applicant did not obtain authorization from the Commission to issue said note or to execute the deed of trust as required by Sections 818 and 851 of the Public Utilities Code. It appears that the company's failure to do so was through inadvertence and that when the requirements of the Code were called to its attention, applicant forthwith filed the present application requesting authority from the Commission to issue a new note and to execute a new deed of trust. The proposed new note in the amount of \$79,722.60 will reflect the outstanding balance of principal remaining on the unauthorized note after payment of the installment which became due on June 10, 1964. Said new note will be issued in favor of the Community Bank and will provide for repayment of principal and 6-1/4% per annum interest in monthly installments of \$900 or more. The indebtedness to be represented by the note will be secured by a new deed of trust.

Sections 825 and 851 of the Public Utilities Code declare void any long-term note or other evidence of indebtedness of a public utility, or any encumbrance of utility property, made without authority of the Commission.

The Commission has considered this matter and finds that: (1) the proposed new note issue is for a proper purpose; (2) the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required for the purpose specified herein; and (3) such purpose is 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. The authorization herein given is not to be construed as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. Snyder Transfer Company, Inc., on or after the effective date hereof and on or before September 30, 1964, may issue its new 6-1/4% promissory note in the principal amount of not to exceed \$79,722.60 for the purpose set forth in this proceeding and may execute a new deed of trust, which documents shall be in the same form, or in substantially the same form, as those attached to the application.

2. Within thirty days after issuing the new note herein authorized, Snyder Transfer Company, Inc. shall file with the Commission a copy thereof as actually issued.

3. This order shall become effective when Snyder Transfer Company, Inc. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$80.

Dated at San Francisco, California, this 23rd day of June, 1964.

[Signature] President
[Signature]
George J. Hoover
Frederick B. Hallock
 Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.

