

ORIGINAL

Decision No. 68132

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CHESTER S. THOMAS
doing business as T AND D TRANSFER
AND STORAGE to Encumber Utility
Property.

Application No. 47021
Filed October 2, 1964

O P I N I O N

Chester S. Thomas, an individual doing business as T and D Transfer and Storage, requests an order of the Commission authorizing him to encumber public utility property, to issue a \$90,000 note, to enter into a loan agreement and to complete related documents securing repayment of the indebtedness.

Applicant is engaged in trucking activities under permits issued by this Commission and also conducts business as a public utility warehouseman pursuant to the prescriptive operative right determined by the Commission on August 23, 1960, in Case No. 6870. Said right authorizes the operation of 15,000 square feet of storage or warehouse floor space in Chula Vista, exclusive of the expansion permissible under Section 1051 of the Public Utilities Code. The income statement, attached to the application as Exhibit B, indicates that for the six months ended June 30, 1964, storage revenues totaled \$13,715, that gross operating revenues amounted to \$38,314, and that net income for the period was \$8,047. For the year 1963, reported

gross operating revenues and net income were \$81,547 and \$16,391, respectively.

In this proceeding, applicant proposes to borrow \$90,000 from the Small Business Administration under the terms of a loan agreement, a copy of which is attached to the application. The borrowing will be evidenced by a note in the principal amount of \$90,000, bearing interest at the rate of 4% per annum. Principal and interest on said note will be repayable in monthly installments of \$1,244 each until seven years after its date, when the unpaid balance of principal and interest will become due and payable. Repayment of the loan will be secured by a deed of trust, two mortgages of chattels and an assignment of life insurance policy. The application indicates that the proceeds will be used (a) for construction of a warehouse building at a contemplated cost of \$25,117, (b) to repay existing obligations amounting to approximately \$33,885, and (c) to purchase new vans and power equipment at an estimated cost of \$30,998.

The Commission has considered this matter and finds that: (1) the proposed note is for proper purposes; (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 purposes specified herein; and (3) 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. 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.

ORDER

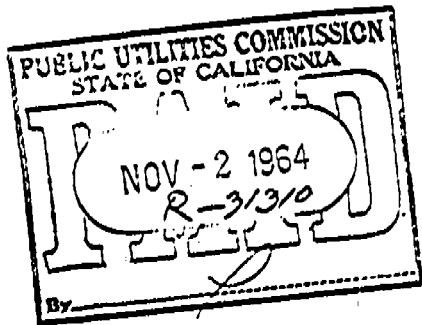
IT IS ORDERED that:

1. On or after the effective date hereof and on or before January 31, 1965, Chester S. Thomas, for the purposes specified in this proceeding, may encumber his public utility property and issue a note in the principal amount of not to exceed \$90,000, and may enter into a loan agreement and complete documents relating to the transactions herein authorized, which instruments shall be in the same form, or in substantially the same form, as those attached to the application.

2. Chester S. Thomas shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

3. This order shall become effective when Chester S. Thomas has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$90.

Dated at San Francisco, California, this 27th day of October, 1964.



Frederic B. Holschoff
President
George H. Crow
William V. Bennett
Commissioners