

ORIGINAL

Decision No. 72439

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of Los Angeles Transport &)
Warehouse Co. for authorization)
to execute evidence of)
indebtedness and to incumber)
real property)

Application No. 49296
Filed April 18, 1967
Amended April 27, 1967

O P I N I O N

This is a proceeding for an order of the Commission authorizing Los Angeles Transport & Warehouse Co. to execute a Deed of Trust and to issue a \$50,000 note.

Applicant operates as a public utility warehouseman in the City of Vernon, and as a highway common carrier in portions of the southern part of California. The income statement for the year ended December 31, 1966, attached to the amended application as Exhibit B, shows gross operating revenues and net profit of \$507,691 and \$8,730, respectively.

The assets and liabilities of the corporation as of December 31, 1966, shown on the balance sheet attached to the amended application as Exhibit A, are summarized as follows:

Assets

| | |
|---|------------------|
| Current assets | \$ 35,319 |
| Fixed assets less accumulated depreciation | 206,446 |
| Other assets | <u>30,951</u> |
| Total | <u>\$272,716</u> |

Liabilities

| | |
|----------------------------|------------------|
| Current liabilities | \$ 60,979 |
| Advances from stockholders | 23,915 |
| Long-term debt | 397* |
| Common stock equity | <u>187,425</u> |
| Total | <u>\$272,716</u> |

*After deducting \$15,020 long-term debt due within one year.

Applicant proposes to issue a \$50,000 note in favor of United California Bank, which note will be secured by a Deed of Trust. The note will be repayable in monthly installments of \$1,500, including interest at the rate of 6-3/4% per annum.

The amended application shows that the proceeds from the proposed note issue will be used as follows:

| | |
|--|---------------------|
| Retire balance of a previously authorized note | \$ 13,653.23 |
| Retire a short-term note used for working capital and equipment | 10,000.00 |
| Purchase new equipment | 9,100.00 |
| Provide additional working capital | <u>17,246.77</u> |
| Total | <u>\$ 50,000.00</u> |

The Commission has considered this matter and finds that: (1) the proposed note issue 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; (3) such purposes are not,

in whole or in part, reasonably chargeable to operating expenses or to income; and (4) the execution of the proposed Deed of Trust will not be adverse to the public interest. A public hearing is not necessary.

On the basis of the foregoing findings we conclude that the amended application should be granted. The authorization herein granted is for the purpose of this proceeding only and 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. Los Angeles Transport & Warehouse Co., on or after the effective date hereof and on or before September 30, 1967, for the purposes specified in this proceeding, may execute a Deed of Trust and may issue a note in the principal amount of not to exceed \$50,000. Said documents shall be in the same form, or in substantially the same form, as those attached to the amended application.

2. Los Angeles Transport & Warehouse Co. 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 Los Angeles Transport & Warehouse Co. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$37.

Dated at San Francisco, California, this 16th day of MAY, 1967.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners

