

**ORIGINAL**

Decision No. 73495

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of E. A. BEERS and )  
 WILLIAM G. MINNIS, partners, )  
 doing business as BEERS & MINNIS, )  
 for an order authorizing them to )  
 issue a promissory note to )  
 purchase vessels and equipment )  
 and to issue a mortgage on those )  
 vessels and equipment securing )  
 said note. )

Application No. 49814  
 Filed November 22, 1967  
 and Amendment  
 Filed November 29, 1967

O P I N I O N

In this proceeding E. A. Beers and William G. Minnis, doing business as Beers & Minnis, seek an order of this Commission authorizing them to issue a note in the principal amount of \$325,000 and to execute and deliver a Loan Agreement, a Preferred Mortgage and a Security Agreement.

Applicants, as a partnership, are engaged in business as a carrier by water of property between points on San Francisco, Suisun and San Pablo Bays and on the Sacramento and San Joaquin Rivers and their tributaries. Their operating authority was acquired from The River Lines, Inc. pursuant to Decision No. 72494, dated May 23, 1967, in Application No. 49229.

For the four months ended October 31, 1967, the income statement, attached to the application as Exhibit No. 6, shows total revenues of \$556,057 and net income of \$102,177. The balance sheet as of October 31, 1967, attached to the

application as Exhibit No. 5, shows total assets of \$272,628, which are offset by current liabilities of \$114,451 and partners' capital of \$158,177.

The application shows that the vessels and other equipment used in the common carrier service are being operated under leasing arrangements, that applicants now propose to purchase certain of these vessels and equipment for \$325,000, and that the purchase price is the fair market value arrived at by arm's length bargaining.

In order to finance the purchase, applicants propose to borrow \$325,000 under a Loan Agreement with Crocker-Citizens National Bank. The borrowing will be evidenced by a note in the principal amount of \$325,000 repayable in monthly installments of \$5,500, together with interest at the commercial prime rate in effect from time to time plus not exceeding 1-1/2% per annum, and will be secured by a Preferred Mortgage and a Security Agreement.

The Commission has considered this matter and finds that: (1) the proposed note 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; (3) such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; and (4) the proposed Loan Agreement, Preferred Mortgage and Security Agreement 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 application, as amended, should be granted. The action taken herein shall not 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. E. A. Beers and William G. Minnis, on or after the effective date hereof and on or before March 31, 1968, for the purpose specified in this proceeding, may execute and deliver a Loan Agreement, a Preferred Mortgage and a Security Agreement, and may issue a note in the principal amount of not exceeding \$325,000. Said documents shall be in the same form, or in substantially the same form, as those filed in this proceeding as Exhibits Nos. 2, 3 and 8.

2. E. A. Beers and William G. Minnis 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 E. A. Beers and William G. Minnis have paid the fee prescribed by Section 1904 (b) of the Public Utilities Code, which fee is \$325.

Dated at San Francisco, California, this 19<sup>th</sup> day of DECEMBER, 1967.

[Signature]  
President

[Signature]

[Signature]

[Signature]

[Signature]  
Commissioners

