

Decision No. 77317

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )

BEERS AND MINNIS, INC., )  
a corporation, )for an order authorizing it to issue )  
a promissory note of \$450,000 to )  
purchase a vessel and to execute and )  
deliver a mortgage on the vessel to )  
secure the note. )Application No. 51907  
Filed May 18, 1970O P I N I O N

Beers and Minnis, Inc. seeks an order of the Commission authorizing it to execute and deliver a Preferred Mortgage, and to issue a note in the principal amount of \$450,000.

Applicant is a California corporation engaged as a common carrier by water between points on San Francisco, San Pablo and Suisun Bays, and on the Sacramento and San Joaquin Rivers and their tributaries, and as a highway common carrier between Colusa and Grimes. Pursuant to authority granted by Decision No. 76032, dated August 19, 1969, in Application No. 51269, the corporation has succeeded to the operations formerly conducted by E. A. Beers and William G. Minnis, a partnership. For the year 1969, the reported gross operating revenues and net income amount to \$2,448,195 and \$371,309, respectively.

For the sum of \$490,842 the carrier intends to acquire a new steel tug boat with dimensions of 85' by 26' by 12'6" and

built by Walter Marine Services at its yard in New Orleans, Louisiana. Applicant proposes to finance the purchase price, in part, with funds to be obtained from Wells Fargo Bank, N.A. by issuing a \$450,000 note with the principal repayable in monthly installments of not less than \$2,000 through 1972; \$7,000 through 1973; and \$15,000 thereafter. Interest will be payable monthly at a rate per annum equal to 2% above the bank's prime rate of interest from time to time in effect.

The carrier reports that the \$1,575,000 indebtedness incurred under previous authorizations by this Commission has been reduced to \$1,035,504 as of March 31, 1970, which amounts to a reduction of \$539,496.

After consideration the Commission 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, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.
3. The proposed Preferred Mortgage would not be adverse to the public interest.

On the basis of the foregoing findings we conclude that the application should be granted. A public hearing is not necessary. 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

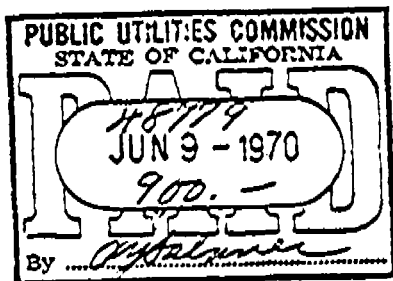
IT IS ORDERED that:

1. Beers and Minnis, Inc., on or after the effective date hereof and on or before September 30, 1970, for the purpose specified in this proceeding, may execute and deliver a Preferred Mortgage, and may issue a note in the principal amount of not exceeding \$450,000. The documents shall be in the same form, or in substantially the same form, as those filed in this proceeding as Exhibit A (as revised by a filing on May 20, 1970) and Exhibit B.

2. Beers and Minnis, Inc. 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 Beers and Minnis, Inc. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$900.

Dated at San Francisco, California, this  
9th day of JUNE, 1970.



William J. Sproule, Jr.  
President  
Margaret  
J. P. Korman  
Thomas J. Korman  
Vernon L. Sturgeon  
Commissioners

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3. The authority herein granted shall expire unless exercised within ninety days after the effective date of this order.

This order shall become effective twenty days after the date hereof.

Dated at San Francisco, California, this 9th day of June, 1970.

William Synovis Jr.  
President  
Augusta  
J. P. McKinnis Jr.  
James L. Sturgeon  
Commissioners