

ORIGINAL

Decision No. 78717

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )	
of )	
RED LINE WAREHOUSES, INC. )	Application No. 52600
)	Filed May 6, 1971
for authority to issue a )	
promissory note. )	

O P I N I O N

Red Line Warehouses, Inc. seeks an order of the Commission authorizing it to issue a \$26,000 note in exchange for 25 shares of its capital stock.

Applicant is a California corporation operating as a public utility warehouseman in the City of San Jose. For the year 1970 it reports operating revenues and net income of \$113,469 and \$3,047, respectively. The company's reported assets and liabilities as of December 31, 1970 are summarized from Appendix A, attached to the application, as follows:

Assets

Net warehouse utility plant	\$43,245
Current assets	<u>19,213</u>
Total	<u>\$62,458</u>

Liabilities

Common stock	\$ 5,000
Capital surplus	168
Earned surplus	53,871
Current and accrued liabilities	<u>3,419</u>
Total	<u>\$62,458</u>

The application shows that the corporation's outstanding capital stock consists of 50 shares of the par value of \$100 each and that N. J. Radunich and the Estate of Ben F. Hawes, Deceased, each hold 25 of said shares. Applicant desires

to reacquire and retire the shares held by the latter in exchange for a \$26,000 note repayable in monthly installments of \$301.90 including interest at the rate of 7% per annum.

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; and (3) such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

On the basis of the foregoing findings we conclude that the application should be granted. A public hearing is not necessary. 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. Red Line Warehouses, Inc., on or after the effective date hereof and on or before September 30, 1971, for the purpose specified in the application, may issue a note in the principal amount of not exceeding \$26,000. The note shall be in the same form, or in substantially the same form, as that attached to the application as Appendix C.

2. Red Line Warehouses, Inc. shall file with the Commission a report 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 Red Line Warehouses, Inc. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$52.

Dated at San Francisco, California, this 25<sup>th</sup> day of MAY, 1971.

[Signature]  
Chairman  
[Signature]  
[Signature]  
[Signature]  
Commissioners

