

Decision No. 92001 JUL 2 1980

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
HASLETT COMPANY for authority to
issue a promissory note and security
therefor.

Application No. 59631
(Filed May 2, 1980)

O P I N I O N

Haslett Company.(Haslett) seeks authority, (a) to issue a promissory note in a principal amount of \$415,000, and (b) to execute a security agreement. Authority is sought pursuant to Sections 817 and 851 of the Public Utilities Code. Notice of the filing of the application appeared on the Commission's Daily Calendar of May 6, 1980.

An in lieu certificate of public convenience and necessity authorizing Haslett to engage in operations as a highway common carrier* throughout a substantial part of the State of California was granted by Decision No. 84803, dated August 19, 1975, in Application No. 54265. The certificate is also the subject of a coextensive Certificate of Registration, issued by the Interstate Commerce Commission, under its Docket No. MC-73826 authorizing Haslett to engage in the transportation of property moving in interstate and foreign commerce. Haslett also operates as a highway permit carrier more fully described in File No. T-14710.

Haslett also operates as a public utility warehouseman (W-135) under a prescriptive operative right and certificate of public convenience and necessity issued by this Commission in Case No. 6610, dated July 12, 1960.

For the year ending December 31, 1979, Haslett generated total operating revenues of \$4,424,332 and incurred a net loss of \$301,997.

Haslett's financial position as of December 31, 1979 as shown in Appendix D, attached to the application, is summarized as follows:

<u>Assets</u>	<u>Amount</u>
Current Assets	\$575,276
Investments	12,943
Property and Equipment (Net)	174,113
Other Assets	185,801
Total	<u>\$948,133</u>
<u>Liabilities and Stockholders Equity</u>	
Current Liabilities	\$517,528
Long-Term Debt	454,349
Other Deferred Credits	117,199
Stockholders Equity	<u>(140,943)</u>
Total	<u>\$948,133</u>

Haslett is indebted to Warehouse Investment Company, owner of 57% of the corporate stock of Applicant in the amount of \$415,000 which Applicant is unable to pay, currently. The company's attorney has informed the Commission's staff that the purpose of the cash furnished by Warehouse Investment Company was to meet working capital needs of Haslett.

Haslett proposes to discharge its current obligation by issuing a five-year Negotiable Promissory Note in the amount of \$415,000 at an interest rate of twelve percent per annum. A form of the proposed note is attached to the application as Appendix A.

As security for the note Haslett proposes to execute a Security Agreement, a copy of which is attached to the application as Appendix B. The Security Agreement provides that Haslett's accounts receivable, inventory, vehicles and equipment, operative rights and all its other assets will be encumbered as security for the note. A schedule describing the collateral is attached to the application as Schedule A to Appendix B.

The Revenue Requirements Division has reviewed this matter and concludes that the authority requested is reasonable and not adverse to the public interest. No protests have been received.

Findings of Fact

1. The proposed transaction would not be adverse to the public interest.
2. The proposed note and related security agreement would be for a proper purpose.
3. There is no known opposition and no reason to delay granting the authority requested.
4. The money, property or labor to be procured or paid for by the issuance 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.

Conclusions of Law

1. A public hearing is not necessary.
2. The application should be granted to the extent set forth in the order which follows.

The authorization granted by this decision 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. On or after the effective date hereof and on or before December 31, 1980, for the purpose specified in the application, Haslett Company may issue and deliver a promissory note in the principal amount of \$415,000 in the form of Appendix A attached to the application.

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2. On or after the effective day hereof and on or before December 31, 1980, Haslett Company may issue and deliver a security agreement in the form of Appendix B and Appendix B, Schedule A, attached to the application.

3. Haslett Company 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.

4. This order shall become effective when Haslett Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code which fee is \$830.

Dated July 2 1980 at San Francisco, California.

John E. Bayon
President
Donald L. Stinson
Michael W. Howell
Charles J. DeLuca
Lawrence J. Quinn
Commissioners

