

ORIGINAL

Decision No. 40958

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
WESTERN VAN & STORAGE COMPANY, a  
corporation, for an order authori-  
zing applicant to encumber public  
utility property.

Application  
No. 28656

O P I N I O N

Western Van & Storage Company, a corporation, applicant herein, is engaged in business as a public utility warehouseman in Sacramento and also as a highway common carrier of property operating generally between Sacramento and San Francisco, Sacramento and Redding, Sacramento and Fresno and other points. It reports its assets and liabilities as of May 31, 1947, as follows:

<u>ASSETS</u>	
Cash and accounts receivable	\$10,383.15
Freight advances	1,170.91
Due from officer	740.00
Trucks and trailers	10,155.57
Warehouse and office equipment	2,471.67
Franchises	<u>1,100.00</u>
Total	<u>\$26,019.33</u>

<u>LIABILITIES</u>	
Notes payable	\$ 787.50
Due to officer	3,536.49
Capital stock	8,050.00
Surplus	<u>13,645.34</u>
Total	<u>\$26,019.33</u>

The application shows that formerly the company conducted its business in leased premises located at 1808 - 22nd Street, Sacramento, that it was compelled to vacate said premises on May 31, 1947, and that in order to continue in business it made

arrangements to purchase, for \$100,000, certain properties located at 108 - K Street, Sacramento, consisting of a lot 160 feet by 160 feet in dimensions, having frontages on both K and Front Streets, improved with a two-story building of brick and frame construction of approximately 60,000 square feet.

The contract of sale (Exhibit "A"), dated April 10, 1947, with Cardinal Grocery Stores, provides for the payment of \$5,000 of the purchase price upon the date of the contract and for the payment of the balance in installments of not less than \$1,342.80 a month with interest on unpaid installments at the rate of 5% per annum. The buyer has the right to pay the entire remainder of the purchase price, or any installment thereof, at any time during the existence of the contract. The contract further provides that at any time after \$5,000 or more has been paid on the purchase price, the seller, at its option, may execute a deed to the premises to the buyer whereupon the buyer will execute a note for the unpaid balance and secure the same by a deed of trust covering the premises.

Applicant reports that in order to obtain additional funds for the purchase of said property, it arranged to borrow the sum of \$21,000 from The Capitol National Bank of Sacramento, said sum to be represented by a note payable in monthly installments of \$400 up to October, 1948, and thereafter in monthly installments of \$500, with interest at the rate of 5% per annum, payment to be secured by a mortgage of chattels on applicant's trucks, equipment, tools, accessories and parts. A copy of the mortgage of chattels and note has been filed in this proceeding as Exhibit "B".

Under the contract of sale and the mortgage of chattels, applicant is called upon to make monthly payments of \$1,742.80 up to October 1948, and thereafter monthly payments of \$1,842.80, plus interest. While information on file with the Commission indicates that the company's revenues in the past have not been sufficient to yield these amounts, it is reported, by applicant's president, that the change in location of the business has resulted, and will result, in a substantial improvement in the volume of business and that applicant's revenue will be sufficient to meet the monthly charges. On this point, it is reported that the former location was three miles from the industrial district, had 22,000 square feet of warehouse space, exclusive of office and dock space, and had only two doors for truck docks, whereas the new location is on the lines of the Southern Pacific Railroad, has loading facilities at one time for three cars and nine trucks with trailers, and has 60,000 square feet of floor space. A review of the company's records since June 1, 1947, shows that its gross revenues increased from \$9,504.93 in June to \$11,600.50 in September.

The order herein will authorize the company to enter into the contract of sale to execute a mortgage of chattels and to issue a note for \$21,000. No authority has been requested, nor is any here granted, to execute a deed of trust covering the real properties. In the event the parties to the contract at a later date decide upon the issue of a note, secured by a deed of trust, to represent the purchase price, or any unpaid balance thereof, applicant should at that time file an application for authority to issue the note and execute the deed of trust.

O R D E R

The Public Utilities Commission having considered the above entitled application and being of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, and that the money, property or labor to be procured or paid for through the execution of the contract of sale and the mortgage of chattels and the issue of a note for \$21,000, is reasonably required by Western Van & Storage Company for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. Western Van & Storage Company, on or before February 28, 1948, may execute and enter into a contract of sale providing for deferred payments of \$95,000, in the form of the contract filed in this proceeding as Exhibit "A", and may execute a mortgage of chattels and issue a note for not exceeding \$21,000, in the form of the mortgage of chattels and note filed in the proceeding as Exhibit "B", all for the purpose of acquiring the property referred to in the preceding opinion.

2. Western Van & Storage Company on or before March 31, 1948, shall file with the Commission a report as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. The authority herein granted will become effective when Western Van & Storage Company has paid the fee prescribed by Section 57 of the Public Utilities Act.

Dated at San Francisco, California, this 25<sup>th</sup> day  
of November, 1947.

Harold P. Lule  
Justin J. Cullen  
Grant Pearce  
R. E. Anderson  
Kenneth Potter

Commissioners

