

A. 30916 EB

Decision No. 42804

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
COGGESHALL LAUNCH COMPANY for  
Authority to purchase Tugboat.

Application  
No. 30916

O P I N I O N

This is an application by Coggeshall Launch Company for an order authorizing it to issue notes and to assume the payment of indebtedness in acquiring a tugboat for use in its operations.

Applicant is a California corporation engaged in the operation of vessels for the transportation of passengers, baggage and express between Eureka and points on Humboldt Bay. In statements filed with the Commission it has reported its revenues and expenses as follows:

	<u>1947</u>	<u>1948</u>	<u>1949</u>
Revenues	\$37,044.21	\$53,588.42	\$41,834.50
Expenses	36,847.05	50,793.80	43,429.05
Net revenues	<u>\$ 197.16</u>	<u>\$ 2,794.62</u>	<u>\$(1,594.55)</u>

As of December 31, 1949, applicant reports its assets and liabilities as follows:

Assets

Property and equipment	\$125,777.99	
Less- reserve for depreciation	<u>95,528.59</u>	
Net property and equipment		\$30,249.40
Current assets-		
Cash	323.57	
Accounts receivable	<u>2,443.45</u>	
Total current assets		2,767.02
Goodwill		36,828.03
Other debits		<u>1,085.00</u>
Total		<u>\$70,929.45</u>

Liabilities

Capital stock		\$50,000.00
Current liabilities-		
Notes payable	\$7,182.50	
Accounts payable	1,890.96	
Accrued liabilities	<u>273.85</u>	
Total current liabilities		9,347.31
Other liabilities		6,441.85
Surplus		<u>5,140.29</u>
	Total	<u>\$70,929.45</u>

Applicant's 1948 annual report showed that it owned two tugboats, four passenger vessels and six barges. It now reports that it has found it desirable to purchase from Cuyler O. G. Thompson, the registered licensed owner, the tugboat "Prospector" as an addition to its present fleet. It states that such acquisition is desirable for the reason that it has been compelled to turn away business because it has not been equipped for off-shore towing. The tugboat was built in 1943 and has an estimated present value of \$25,000.

The purchase price is stated at \$15,200. In payment, applicant proposes to assume a note and chattel mortgage, dated August 24, 1948, held by Reconstruction Finance Corporation in the amount of \$3,842.38 payable over a period of five years after its date with interest at the rate of 4% per annum, and to issue unsecured 6% notes to Cuyler O. G. Thompson and his associates, as follows:

<u>Payee</u>	<u>Monthly Installment</u>	<u>Amount</u>
Cuyler O. G. Thompson	\$ 50.00	\$ 2,357.62
Orlo Thompson	30.00	1,500.00
Joe Clancy	50.00	2,500.00
Clarence Plant	25.00	1,000.00
Lloyd J. Newton	100.00	<u>4,000.00</u>
Total		<u>\$11,357.62</u>

The action taken herein shall not be construed to be a finding of the value of applicant's properties or of the tugboat to be acquired by it.

O R D E R

The Commission having considered the above entitled matter and being of the opinion that a public hearing thereon is not necessary, that the request of applicant should be granted, as herein provided, that the money, property or labor to be procured or paid for through the issue of notes in the aggregate amount of \$11,357.62 is reasonably required by Coggeshall Launch Company for the purpose specified herein and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. Coggeshall Launch Company, after the effective date hereof and on or before June 30, 1950, in part payment for the tugboat "Prospector", may assume the payment on the note and chattel mortgage dated August 24, 1948, held by Reconstruction Finance Corporation and may issue promissory notes as indicated in the preceding opinion in the aggregate principal amount of not exceeding \$11,357.62.
2. Applicant 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 applicant has paid the minimum fee prescribed by Section 57

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of the Public Utilities Act, which fee is \$25.00.

Dated at San Francisco, California, this 14th day  
of February 1950.

R. F. Dwyer  
Justice J. C. ...  
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...  
Commissioners

