

Decision No. 44590

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of ACME TRANSPORTATION, INC., a
corporation, for authority to
execute promissory notes and
conditional sales contracts.

Application
No. 31579

ORIGINAL

O P I N I O N

In this application the Commission is asked to make an order authorizing Acme Transportation, Inc. to execute conditional sales contracts as hereinafter set forth.

Applicant is a corporation organized on or about October 14, 1947 under the laws of the State of California. It presently is operating as a highway carrier for the transportation of petroleum products in bulk, in tank trucks and trailers, under a certificate granted to applicant by the Commission in Decision No. 42623 dated March 15, 1949.⁽¹⁾

In its 1949 annual report applicant reports operating revenues of \$715,133, operating expenses including income taxes of \$704,207, and net operating income of \$10,926. In the present application it reports for the first three months of 1950 operating revenues of \$166,935, operating expenses of \$163,611, and net operating revenues of \$3,324. It reports its assets and liabilities as of March 31, 1950 as follows:

(1) Applicant's 1949 annual report shows operations over regular routes between Oakland and Klamath Falls and between Bakersfield and Hanford, and Klamath Falls.

<u>Assets</u>		
Current assets		\$ 53,019.44
Tangible property	\$388,196.92	
Less: Reserve for depreciation	<u>235,959.42</u>	152,237.50
Intangible property		15,000.00
Prepayments		<u>20,268.00</u>
Total Assets		<u>\$240,524.94</u>

<u>Liabilities</u>		
Current liabilities		\$ 79,243.59
Equipment obligations		100,254.93
Insurance reserves		2,112.77
Capital stock		30,000.00
Unappropriated surplus		<u>28,913.65</u>
Total Liabilities		<u>\$240,524.94</u>

Applicant reports that it contemplates purchasing 4 trucks, 10 tank trailers and 4 truck tanks at an aggregate cost of \$111,302. It contemplates making an initial or down payment of \$19,188.80 and financing the balance of \$92,113.20 through the execution of conditional sales contracts with Bank of America National Trust and Savings Association as shown in the following tabulation:

	Purchase Price	Down Payment	Balance
4 - Kenworth trucks	\$ 57,578.00	\$ 5,757.80	\$51,820.20
10 - Beall tank trailers	47,500.00	11,875.00	35,625.00
4 - Beall truck tanks	<u>6,224.00</u>	<u>1,556.00</u>	<u>4,668.00</u>
Total	<u>\$111,302.00</u>	<u>\$19,188.80</u>	<u>\$92,113.20</u>

The \$51,820.20 representing the unpaid balance on the 4 Kenworth trucks is to be financed by a conditional sales contract requiring the payment of 48 monthly installments of \$1,079.59 each, plus interest at the rate of 6% per annum payable monthly on the unpaid balance. The \$35,625 unpaid balance on the purchase of the 10 Beall tank trailers is to be financed by a conditional sales contract requiring the payment of 36 monthly installments of \$989.59 each, plus interest at the rate of 6% per annum payable

monthly on the unpaid balance. The \$4,668 unpaid balance of the purchase of 4 truck tanks is to be financed by a conditional sales contract requiring 36 monthly installment payments of \$129.67 each, plus interest at the rate of 6% per annum payable monthly on the unpaid balance. A copy of the form of the conditional sales contract which applicant proposes to execute is attached to the application as Exhibit A.

A review of the application indicates that applicant has need for the funds to be procured through the execution of the conditional sales contracts. Accordingly, an order will be entered in this matter.

O R D E R

The Commission having considered the above entitled matter and being of the opinion that a public hearing is not necessary, that the money, property or labor to be procured or paid for through the execution of the conditional sales contracts herein authorized is reasonably required by applicant 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,

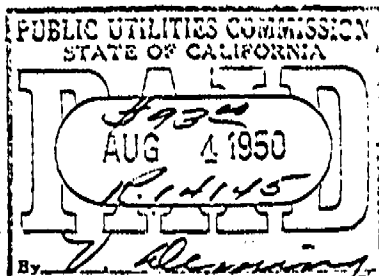
IT IS HEREBY ORDERED as follows:

1. Acme Transportation, Inc. after the effective date hereof and on or before October 31, 1950, may execute conditional sales contracts in, or substantially in, the same form as that filed in this proceeding as Exhibit A, providing for deferred payments in the aggregate amount of not exceeding \$92,113.20, for the purpose of financing the cost of equipment.

2. Applicant shall file with the Commission a copy of each contract executed under the authority herein granted, such filings to be made within thirty days after the date of the contract.

3. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$93.00.

Dated at Los Angeles, California, this 1st day of August, 1950.



Justin F. Craven

Chas. F. Powell

Harold A. Kile

Herbert H. Pottel

Commissioners