

ORIGINAL

Decision No. 44911

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of A. D. WOOLLEY and R. E. WOOLLEY,)
copartners, doing business as)
WESTERN TRANSPORT COMPANY, for an)
order authorizing the issuance of)
equipment obligation.)
-----)

Application
No. 31817

O P I N I O N

This is an application for an order authorizing A. D. Woolley and R. E. Woolley to execute a conditional sale contract.

The application shows that A. D. Woolley and R. E. Woolley are copartners doing business under the name and style of Western Transport Company, and are, and since September 26, 1949, have been, engaged in operating a highway common carrier service for the transportation of general commodities, including fresh fruits and vegetables, between points in the Santa Clara Valley on the one hand, and points in the Los Angeles territory on the other hand. They have reported their operating revenues for the first six months of 1950 at \$366,625.72 and their net gain for the period at \$11,789.13.

Applicants' properties include shop and garage equipment, office equipment, dock equipment, leasehold improvements situated at their terminals in San Jose and Los Angeles, and the following motor vehicle equipment:

- 25 - Semi-trailer vans
- 4 - Butane-powered truck tractors
- 12 - Diesel truck tractors
- 8 - Gasoline truck tractors
- 16 - Pick-up and delivery trucks
- 5 - Sedans

In Exhibit 1 filed in this proceeding, applicants report their assets and liabilities as of June 30, 1950, as follows:

<u>Assets</u>		
Current assets -		
Cash	\$ 4,800.72	
Accounts receivable	48,204.16	
Prepayments	<u>10,961.77</u>	
Total current assets		\$ 63,966.65
Property and equipment -		
Cost	465,933.86	
Depreciation	<u>290,828.71</u>	
Net		<u>175,105.15</u>
	Total	<u>\$239,071.80</u>
<u>Liabilities</u>		
Notes payable		\$ 83,506.37
Accounts payable		31,297.22
Equipment obligations		27,247.30
Taxes accrued		7,685.40
Sub-total		<u>149,736.29</u>
Partners' capital account		77,546.38
Net gain - 6 months		<u>11,789.13</u>
	Total	<u>\$239,071.80</u>

It appears that applicants propose to enter into a conditional sale contract with Fruehauf Trailer Company for the purchase of 24 new semi-trailers for the total sum of \$195,498.21, with deferred payments in the aggregate amount of \$156,498.21, exclusive of interest. They report that the new equipment is needed to replace 23 units now in service and that the acquisition of such equipment will increase their operating efficiency and promote economies by reducing the amount of time the present equipment is out of service for repairs and also decreasing maintenance expenses and at the same time increasing the pay-load capacity.

Under the terms of the conditional sale contract, the deferred payments of \$156,498.21 will be payable in 56 monthly installments of \$2,794 each, except that the initial installment will be in the sum of \$2,828.21, plus interest on deferred balances at the rate of 6% per annum. A copy of the proposed form of conditional sale contract is on file in this proceeding as Exhibit 3.

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 application should be granted, as herein provided; that the money, property or labor to be procured or paid for through the execution of the conditional sale contract herein authorized is reasonably required by applicants 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,

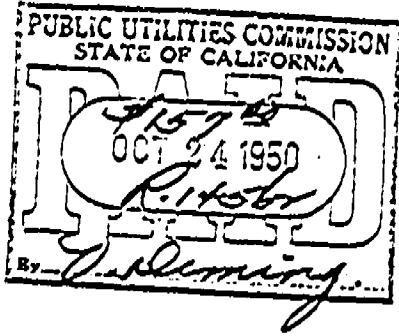
IT IS HEREBY ORDERED as follows:

1. A. D. Woolley and R. E. Woolley, copartners doing business as Western Transport Company, after the effective date hereof and on or before December 31, 1950, may execute a conditional sale contract in substantially the same form as that filed in this proceeding as Exhibit 3, providing for deferred payments, exclusive of interest, in the aggregate amount of \$156,498.21, for the purpose of financing in part the cost of the new equipment described in this proceeding.

2. Applicants shall file with the Commission a report, or reports, 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 applicants have paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is one hundred fifty-seven (\$157.00) dollars.

Dated at San Francisco, California, this 17th day of
October, 1950.



R. E. Anderson
Justice F. Galvan
Earl F. Sowell
Harold H. Kula
Kenneth H. Fettes
 Commissioners