

Decision No. 45209**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
ACME TRANSPORTATION, INC. for
Authority to Execute Promissory Notes
and Conditional Sales Contracts.

Application
No. 31993

O P I N I O N

This is an application by Acme Transportation, Inc. for authority to execute promissory notes and conditional sales contracts providing for the payment of \$195,399.75 as follows:

<u>Payee</u>	<u>Number of Monthly Installments</u>	<u>Rate of Interest</u>	<u>Amount</u>
Bank of America National Trust & Savings Association	48	6%	\$ 95,850.00
Peterbilt Motors Co.	48	6%	54,720.00
Bank of America National Trust & Savings Association	36	6%	40,059.75
Howard B. Fredericks Co.	30	6%	<u>4,770.00</u>
Total			<u>\$195,399.75</u>

The application shows that applicant is engaged in business as a highway common carrier of petroleum products in California and as an interstate carrier between points in California and points in Oregon. In Exhibit G, it reports its operating revenues for the first nine months of 1950 at \$670,537.68 and its net income at \$26,344.54 after payment of operating expenses, interest and other income charges and provision for depreciation of \$52,552.21 and for income taxes. In Exhibit F, it reports its assets and liabilities, as of September 30, 1950, as follows:

<u>Assets</u>		
Current assets-		
Cash and deposits	\$ 13,568.24	
Notes and accounts receivable	36,676.82	
Materials and supplies	<u>20,870.25</u>	
Total current assets		\$ 71,115.31
Tangible property-		
Carrier operating property	470,325.51	
Reserve for depreciation	<u>272,169.01</u>	
Net tangible property		198,156.50
Intangible property		15,000.00
Prepayments		<u>34,129.44</u>
Total		<u>\$318,401.25</u>

<u>Liabilities</u>		
Current liabilities-		
Wages and accounts payable	\$56,137.08	
Accrued taxes	33,572.16	
Other current liabilities	<u>6,156.54</u>	
Total current liabilities		\$ 95,865.78
Equipment obligations		136,569.85
Miscellaneous reserve		1,948.72
Capital stock		30,000.00
Surplus		<u>54,016.90</u>
Total		<u>\$318,401.25</u>

Applicant reports that in the conduct of its business it has found it necessary to acquire additional equipment to meet demands for service and that it contemplates the purchase of seven Kenworth trucks, four Peterbilt trucks, nine Beall trailers, six Beall truck tanks and one Mack truck at an aggregate cost of \$230,073.00. It plans to make down payments amounting to \$34,673.25 and to execute the several instruments to which reference has been made in evidence of the deferred payments of \$195,399.75.

A review of applicant's financial statements indicates that it is necessary for it to execute the evidences of indebtedness to acquire the additional units of property. Accordingly, an order will be entered.

O R D E R

The Commission having considered this application and being of the opinion that a public hearing 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 execution of the evidences of indebtedness herein authorized is reasonably required 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 April 30, 1951, may execute promissory notes and conditional sales contracts, in substantially the same form as those filed in this proceeding, providing for deferred payments of not exceeding \$195,399.75 for the purpose of paying in part for the equipment referred to herein.
2. Applicant may execute said promissory notes and conditional sales contracts for a shorter time than the periods indicated herein and may thereafter renew or extend the time for payment for the total periods so indicated.
3. Applicant shall file with the Commission a copy of each promissory note and conditional sales contract, executed under the authority herein granted, within thirty days after its date.

4. 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 \$196.00.

Dated at San Francisco, California, this 3rd day of January 1951.

A. J. Anderson
Harold P. Hull
Margaret Potter

Commissioners

