

ORIGINAL

Decision No. 45351

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
E. J. WILLIG TRUCK TRANSPORTATION CO. :
for Authority to Execute Promissory)
Notes, Conditional Sales Contracts, :
and Chattel Mortgages.)

Application
No. 32079

O P I N I O N

In this application, the Commission is asked to make an order authorizing E. J. Willig Truck Transportation Co. to execute a mortgage of chattels and conditional sales contracts, and promissory notes providing for the payment, in the aggregate, of the principal sum of \$245,433.96.

Applicant is a California corporation organized on August 31, 1935. For many years it operated as a highway contract carrier, but under authority granted by Decision No. 43003, dated June 14, 1949, it became engaged as a highway common carrier in the transportation of certain commodities between San Francisco and surrounding territory and Los Angeles and surrounding territory. It reports its operating revenues for the first ten months of 1950 at \$939,326.47, as compared with operating revenues for the corresponding period in 1949 of \$907,325.72, with net income for the ten-month period of 1950 of \$19,563.39, before provision for income taxes, as compared with a loss for the 1949 period of \$11,025.62. Its assets and liabilities as of October 31, 1950, are reported in Exhibit F as follows:

Assets

Current assets		\$ 95,641.44
Tangible property -		
Carrier operating property	\$680,057.43	
Less: depreciation reserve	<u>250,194.15</u>	
Net tangible property		429,863.28
Intangible property		19,323.64
Prepayments		78,223.27
Deferred debits		<u>428.97</u>
	Total assets	<u>\$623,480.60</u>

Liabilities

Current liabilities		\$ 90,031.94
Advances payable		13,130.00
Long-term obligations		328,499.34
Deferred credits		7,975.96
Common stock		92,907.00
Surplus		<u>90,936.36</u>
	Total liabilities	<u>\$623,480.60</u>

The present application shows, among other things, that subsequent to the time applicant became a highway common carrier it executed evidences of indebtedness in the aggregate amount of \$346,885.45 for the purpose of financing the cost of equipment reported necessary in the performance of its duties as a common carrier, which evidences of indebtedness were payable, in part, later than twelve months after the dates of execution.

Applicant did not obtain from this Commission authorization to incur this indebtedness. It now reports that it proposes to re-execute the several instruments to the payees and in the amounts which it reports will remain unpaid on March 1, 1951, as listed in the following tabulation:

Payee	Date	No. Monthly Installments	Original Amount	Interest Rate	Balance Due Mar. 1, 1951
1. Fruehauf Trailer Co.	Oct. 26, 1949	36	\$ 6,413.91	4%	\$ 3,560.00
2. Fruehauf Trailer Co.	Dec. 8, 1949	36	5,758.41	4%	3,498.00
3. The Morris Plan *	Apr. 21, 1950	24	115,200.00	4 $\frac{1}{2}$ %	61,700.00
4. Yellow Mfg. Acc. Corp.	June 23, 1950	24	1,940.37	6%	1,374.42
5. Anglo Calif. Nat. Bank	May 5, 1950	12	6,486.35	5%	4,866.35
6. Fruehauf Trailer Co.	June 15, 1950	36	7,935.92	4%	6,160.00
7. The Morris Plan	June 30, 1950	25	91,932.00	6%	74,082.00
8. Bank of America	June 20, 1950	24	14,000.00	4%	9,945.00
9. Peterbilt Motors Co.	July 28, 1950	12	10,759.00	6%	7,959.00
10. Peterbilt Motors Co.	Aug. 4, 1950	12	10,759.00	6%	8,359.00
11. Peterbilt Motors Co.	Aug. 10, 1950	12	15,759.00	6%	13,359.00
12. Anglo Calif. Nat. Bank	July 25, 1950	12	4,604.49	5%	3,709.19
13. Bank of America	Aug. 11, 1950	24	14,040.00	4%	11,115.00
14. The Morris Plan	Sept. 25, 1950	11	25,538.00	6%	21,988.00
15. Peterbilt Motors Co.	Sept. 22, 1950	12	15,759.00	6%	13,759.00
Totals			<u>\$346,885.45</u>		<u>\$245,433.96</u>

*Mortgage of chattels.

As to those instruments included in the tabulation which by their terms are payable in eleven or twelve monthly installments, applicant reports it is proposed that the time for payment of the final installment in each case will be extended so as to provide for payments at periods later than twelve months after date of the original indebtedness.

It appears that applicant's failure to obtain the authorization of the Commission was through inadvertence and with no intent to evade the provisions of the Public Utilities Act. Accordingly, an order will be entered in this matter in line with applicant's request.

ORDER

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 evidences of indebtedness 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. E. J. Willig Truck Transportation Co., after the effective date hereof and on or before June 30, 1951, may execute a mortgage of chattels, and conditional sales contracts and promissory notes in the principal amount of not exceeding \$245,433.96, in substantially the same form as those filed in this proceeding, for the purpose indicated herein, and may extend the time for payment of the indebtedness represented by certain of said instruments, in accordance with the terms set forth in this application.

2. Applicant shall file with the Commission a copy of each document executed under the authority herein granted, such filing to be made within thirty (30) days after the date of each of such documents so executed.

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 two hundred forty-six (\$246.00) dollars.

Dated at San Francisco, California, this 17th day
of February, 1951.

A. Z. Anderson
Justus J. Greene
Harold Hale
Conrad P. Potts
Edith Mitchell
Commissioners

