

Decision No. 48970**ORIGINAL**

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 )	Application
execute chattel mortgages and )	No. 34562
instalment notes. )	
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O P I N I O N

Acme Transportation, Inc., applicant herein, is a California corporation engaged in the transportation of petroleum and petroleum products in bulk throughout the state. In this application it seeks authorization to execute and issue to Bank of America National Trust and Savings Association two mortgages of chattels and two promissory notes, one in the principal amount of \$97,554.97 payable over a period of 48 months with interest at the rate of 6% per annum, and the other in the principal amount of \$157,275.90 payable over a period of 54 months with interest at the rate of 6% per annum, a total in principal amount of \$254,830.87.

The purpose of the proposed financing is to consolidate existing indebtedness and to provide the cost of new equipment. Presently applicant has outstanding, among other items, 23 conditional sales contracts, having an aggregate unpaid balance of \$109,156.37 representing the purchase of equipment, which contracts were executed under authorizations granted by the Commission, and it proposes to increase its borrowings in order to purchase, for \$55,790.25, five new Beall trailers with attached tanks, and to purchase, for \$89,884.25, five new Kenworth trucks. The total amount thus required to refinance the existing contracts and to meet the new costs is \$254,830.87.

Applicant reports that the principal amounts of the presently outstanding obligations are payable at various times throughout

the month and that the proposal to consolidate them into two new obligations will simplify its bookkeeping and will decrease its present monthly payments from \$6,526.86 to \$4,944.92. It states that the new trucks and trailers are required in the conduct of its business.

In presenting this application to the Commission, applicant has filed its financial statement as of May 31, 1953. A summary of its assets and liabilities as of that date is as follows:

Assets

Current assets	\$ 95,125.21
Tangible property, less depreciation reserve	347,914.15
Intangible property	15,000.00
Other investments	<u>4,276.47</u>
Total	<u>\$462,315.83</u>

Liabilities

Current liabilities	\$102,033.00
Equipment obligations	188,353.77
Insurance reserves	913.33
Common stock equity	<u>171,015.73</u>
Total	<u>\$462,315.83</u>

For the year 1952 applicant reports operating revenues of \$948,382 and net income of \$15,574, and for the five months ended May 31, 1953, operating revenues of \$378,608.12 and net income of \$11,417.47. In arriving at the net income it made provision for depreciation in the amount of \$66,139 in 1952 and \$25,663.99 in the 1953 period.

A review of this application indicates that applicant will have need for the proceeds from the issue of its notes for the purposes set forth in this proceeding.

**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 application should be granted, as herein provided, that the

money, property or labor to be procured or paid for by the issue of the notes herein authorized is reasonably required by applicant for the purposes specified herein, and that such purposes are 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. may execute two mortgages of chattels and may issue two promissory notes, on or before December 31, 1953, for the purposes indicated in this application, one note to be in the principal amount of \$97,554.97 and the other in the principal amount of \$157,275.90.

2. Applicant shall file with the Commission monthly 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 applicant has paid the fee prescribed by Section 1904(b) of the Public Utilities Code.

Dated at San Francisco, California, this 18<sup>th</sup> day of August, 1953.

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President

Justin J. Galloway  
Harold Hule  
John E. Mitchell

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Commissioners

