

ORIGINAL

Decision No. 49218

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of CAL-CENTRAL TRUCKING CO., INC., )  
a corporation, for an order pursuant )  
to section 851 of the Public Utilities )  
Code authorizing applicant to sell )  
operating real property for the sum )  
of \$175,000.00. )  
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Application  
No. 34792

O P I N I O N

Cal-Central Trucking Co., Inc., applicant herein, is engaged in business as a highway common carrier of property operating generally between Sacramento, Stockton and San Francisco, and as a contract, radial and city carrier. In this application it seeks authorization to sell certain operative real estate and improvements.

The properties to be sold consist of 3.79 acres of land in Yolo County and buildings and improvements thereon which have been, and are being, used by applicant for terminal purposes. Applicant reports that the book value of the properties is \$118,722.36 and that it has arranged to sell such properties to George K. Littlefield for a total consideration of \$175,000, payment to be made, in part, by the assumption by the purchaser of indebtedness outstanding against the properties in the amount of \$103,460.10.<sup>1/</sup> The sale is conditioned upon a leaseback of the properties to applicant for a period of ten years at an annual rental of \$21,000.

<sup>1/</sup> As to the remaining \$71,539.90 of the purchase price, applicant will receive cash in the amount of \$44,739.90 on or before December 31, 1953, and will receive from the purchaser 67 acres of farm land in Solano County having an estimated market value of \$26,800.

The purpose of the transaction is to enable applicant to improve its current cash position and to provide it with working capital. Applicant's financial position as of August 31, 1953, is indicated in its balance sheet filed in this proceeding as Exhibit A, a summary of which is as follows:

Assets

Plant and equipment, less depreciation		\$1,441,394.10
Current assets -		
Cash	\$ 8,334.17	
Accounts receivable	172,417.45	
Materials and supplies	67,004.94	
Prepaid expenses	<u>23,696.98</u>	
Total current assets		271,453.54
Deferred debits		<u>2,810.44</u>
	Total	<u>\$1,715,658.08</u>

Liabilities and Capital

Long-term debt		\$1,078,925.40
Current liabilities		255,443.27
Capital -		
Capital stock	\$360,349.80	
Surplus	<u>20,939.61</u>	
Total capital		<u>381,289.41</u>
	Total	<u>\$1,715,658.08</u>

Applicant has reported its gross revenues during 1952, its first full year of operations, at \$1,764,744 and its net income at \$9,588, after making provision of \$97,401 for depreciation. In the present application it does not set forth its gross revenues during 1953 but it does show, for the first eight months of the year, net income of \$39,719, before provision for the current year's tax liability.

From a review of the application and of the financial statements it appears that the proposed transaction will improve applicant's cash position by relieving it of interest and principal payments with respect to the \$103,460.10 obligation to be assumed by the purchaser and by bringing into its treasury a substantial

additional amount of cash working capital. Applicant's reports of operations indicate that its earnings are ample to enable it to meet its obligations arising under the proposed lease arrangements and it appears that its service will not be impaired or changed. Accordingly, we are of the opinion that the transaction will not be adverse to the public interest.

Upon the basis of the representations made by applicant, an order will be entered granting its request. The action taken herein shall not be construed to be a finding of the value of the properties authorized to be sold.

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 and that the application should be granted; therefore,

IT IS HEREBY ORDERED as follows:

1. Cal-Central Trucking Co., Inc. is authorized to sell the real property and improvements referred to in this application, and to enter into a lease agreement, upon the terms and conditions set forth in this application.
2. Applicant shall file with the Commission, within 60 days after the sale of such real property and improvements, a copy of each journal entry used to record the sale on its books.

3. The authority herein granted will become effective upon the date hereof.

Dated at San Francisco, California, this 20<sup>th</sup> day of October, 1953.

*R. E. Anderson*  
President

*James F. Reese*

*Herbert Pott*

*John E. Nichol*

*James Douglas*  
Commissioner