

**ORIGINAL**

Decision No. 57825

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of EDWIN F.)  
 NELSON and EDWIN M. TAYLOR, partners )  
 doing business as Arroyo Grande Truck )  
 Company, and, ARROYO GRANDE TRUCK )  
 COMPANY, a California corporation, and )  
 PAUL C. MILLER, Executor of the Estate )  
 of CARL A. MILLER, Deceased, doing )  
 business as Mission Drayage Service, for )  
 approval of sale of utility property and )  
 transfer to Arroyo Grande Truck Company, a )  
 corporation, of certificates of public )  
 convenience and necessity to operate as a )  
 highway common carrier between certain )  
 points in California as granted to Arroyo )  
 Grande Truck Company, a partnership by )  
 Decision No. 44092 in Application No. 30393 )  
 and by Decision No. 56421 in Application )  
 No. 39853, and granted by Decision No. )  
 56367 in Application No. 36420 to Carl A. )  
 Miller. )  
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Application  
No. 40621

O P I N I O N

This is an application for an order of the Commission  
 (1) authorizing Edwin F. Nelson and Edwin M. Taylor, partners doing  
 business as Arroyo Grande Truck Company, and Paul C. Miller,  
 executor of the estate of Carl A. Miller, deceased, doing business  
 as Mission Drayage Service, to sell and transfer operative rights,  
 businesses and properties to Arroyo Grande Truck Company, a corpora-  
 tion, and (2) authorizing said corporation to assume indebtedness,  
 to issue 1,500 shares of its capital stock without par value, and  
 to issue a \$12,300 note.

Under authority granted by Decision No. 47206, dated  
 May 27, 1952, and by Decision No. 56421, dated April 1, 1958, Edwin  
 F. Nelson and Edwin M. Taylor acquired the certificates of public

convenience and necessity created by Decision No. 44092, dated April 25, 1950, and Decision No. 54900, dated April 22, 1957, respectively. By Decision No. 56367, dated March 17, 1958, the Commission granted a certificate of public convenience and necessity to Carl A. Miller, authorizing him to operate as a highway common carrier for the transportation of property. Arroyo Grande Truck Company, a corporation, now desires to acquire these three certificates of public convenience and necessity, their scope being set forth specifically in the decisions creating them.

The assets, liabilities and net worth of Mission Drayage Service at August 1, 1958, are reported as follows:

Assets

|                                 |                  |                    |
|---------------------------------|------------------|--------------------|
| Cash                            |                  | \$ 3,302.29        |
| Accounts receivable             |                  | 2,539.81           |
| Fixed assets                    | \$66,153.31      |                    |
| Less allowance for depreciation | <u>38,175.65</u> | <u>27,977.66</u>   |
| Total                           |                  | <u>\$33,819.76</u> |

Liabilities and Net Worth

|  |                    |
|--|--------------------|
| Accounts payable                                     | \$11,151.78        |
| Accrued withholding taxes, other taxes and insurance | 3,027.18           |
| Wages payable  | 1,420.90           |
| Installment contracts                                | 8,691.32           |
| Net worth  | <u>9,528.58</u>    |
| Total  | <u>\$33,819.76</u> |

Arroyo Grande Truck Company, a corporation, proposes to purchase the Mission Drayage Service properties and business, except cash and accounts receivable, for the sum of \$30,000, payable \$10,000 in cash, \$7,700 by assumption of balances due on truck purchase contracts, and \$12,300 to be evidenced by a note payable in monthly installments of \$500 including interest computed at the rate of 6% per annum on deferred balances.

The assets, liabilities and net worth of Arroyo Grande Truck Company, a partnership, at April 30, 1958, excluding land and structures, are summarized as follows:

| <u>Assets</u>                    |                   |                     |
|----------------------------------|-------------------|---------------------|
| Current assets                   |                   | \$ 40,824.91        |
| Revenue equipment                | \$234,010.75      |                     |
| Furniture and fixtures           | <u>6,115.58</u>   |                     |
|                                  | \$240,126.33      |                     |
| Less allowance for depreciation  | <u>158,264.64</u> | <u>81,861.69</u>    |
| Total                            |                   | <u>\$122,686.60</u> |
| <u>Liabilities and Net Worth</u> |                   |                     |
| Notes payable                    |                   | \$ 11,000.00        |
| Equipment contracts payable      |                   | 71,643.65           |
| Accounts payable                 |                   | 20,806.69           |
| Accrued liabilities              |                   | 11,293.97           |
| Net worth                        |                   | <u>7,942.29</u>     |
| Total                            |                   | <u>\$122,686.60</u> |

Arroyo Grande Truck Company, a corporation, proposes to issue 1,500 shares of its capital stock at a stated value of \$7,942.29 in exchange for properties and business of Arroyo Grande Truck Company, a partnership, excluding land and permanent improvements thereon which will be rented to the corporation at a nominal rent, and subject to outstanding indebtedness.

Upon reviewing the verified application, we are of the opinion, and so find, that the transfers will not be adverse to the public interest and should be authorized. The action taken herein shall not be construed to be a finding of the value of the rights and properties herein authorized to be transferred.

#### ORDER

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 stock and note herein authorized is reasonably required by Arroyo Grande Truck Company, a corporation, 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. Paul C. Miller, executor of the estate of Carl A. Miller, deceased, may sell and transfer to Arroyo Grande Truck Company, a corporation, the operative rights created by Decision No. 56367, dated March 17, 1958, together with the properties referred to in Exhibit A attached to this application, and Arroyo Grande Truck Company, a corporation, in acquiring the same, may assume payment of the balance due on outstanding equipment contracts, and may issue its note in the principal amount of not to exceed \$12,300, payable in the manner set forth in said Exhibit A.

2. Effective concurrently with the consummation of the transfer authorized by the preceding paragraph, Decision No. 53264, dated June 19, 1956, is hereby modified by substituting Arroyo Grande Truck Company, a corporation, for Carl A. Miller, doing business as Mission Drayage Service, in connection with joint arrangements with Fields Freight, Inc.

3. Edwin F. Nelson and Edwin M. Taylor may sell and transfer to Arroyo Grande Truck Company, a corporation, the operative rights created by Decision No. 44092, dated April 25, 1950, and by Decision No. 54900, dated April 22, 1957, together with the properties

referred to in Exhibit F attached to this application, and Arroyo Grande Truck Company, a corporation, in acquiring the same, may assume the payment of outstanding liabilities and may issue not to exceed 1,500 shares of its capital stock.

4. The land and permanent improvements thereon being withheld from transfer by Edwin F. Nelson and Edwin M. Taylor are not relieved from their devotion to the public use, and their status as public utility property shall continue as though no transfer had taken place.

5. On not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of such transfers, applicants shall supplement or reissue the tariffs on file with the Commission naming rates, rules and regulations governing the common carrier operations here involved to show that Carl A. Miller, Edwin F. Nelson and Edwin M. Taylor have withdrawn or canceled and Arroyo Grande Truck Company, a corporation, has adopted or established, as its own, said rates, rules and regulations. The tariff filings made pursuant to this order shall comply in all respects with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 80.

6. Arroyo Grande Truck Company, a corporation, 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.

7. The authority herein granted to issue a note will become effective when Arroyo Grande Truck Company, a corporation, has paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25. In other respects the authority herein granted will become effective five days after the date hereof.

Dated at San Francisco, California, this 6th day of January, 1959.

E. Z. Fox President  
Walter C. Rutledge  
Wendell J. ...  
Theodore J. ...

Commissioners

