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ORIGINAL

Decision No. 78753

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
Shippers-Encinal Express, Inc., a)
California corporation, and of CNA)
Nuclear Leasing, Inc., a Delaware)
corporation, for authority to trans-)
fer certain utility property.)

Application No. 52631
(Filed May 21, 1971)

O P I N I O N

Shippers-Encinal Express, Inc., presently providing service as a highway common carrier for the transportation of general commodities moving in both intrastate and interstate commerce between points within California, requests authority to sell and transfer a total of 175 units of equipment consisting of tractors and trailers.

The proposed transfer consists of what is commonly called a sale-and-leaseback whereby applicant would sell said equipment to CNA Nuclear Leasing, Inc., a commercial, non-carrier leasing company, which would thereupon lease the identical property back to applicant. The proposed cash consideration for the transfer is \$664,216.

It is alleged that the proposed sale and leaseback will enable applicant to pay off and eliminate burdensome short term notes and conditional sales contracts presently outstanding as to these tractors and trailers; that applicant will save approximately \$22,000 in interest; that the proposed transactions will provide applicant with approximately \$250,000 in additional working capital; that by spreading the cost of the operating equipment over the longer period of the lease, applicant will improve its cash flow position; and that with the immediate leaseback there will be no reduction of property which is necessary or useful in the performance of applicant's duties to the public.

After consideration, the Commission finds that the proposed sale and leaseback of equipment would not be adverse to the public interest. A public hearing is not necessary.

O R D E R


IT IS ORDERED that:

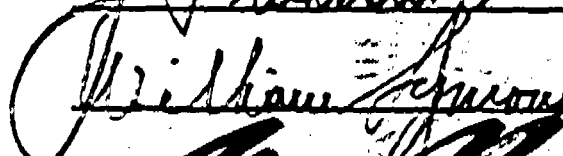
1. Shippers-Encinal Express, Inc., is authorized to sell and lease back the property referred to in Exhibit I, attached to the application, according to the terms and conditions set forth in Exhibit II, attached to the application.

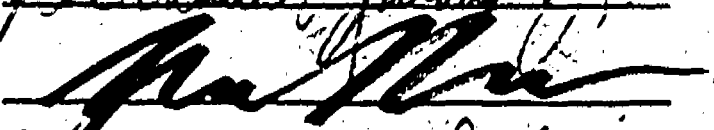
2. Within thirty days after the consummation of the transfer-leaseback herein authorized, applicant shall notify the Commission, in writing, of that fact and within said period shall file with the Commission true copies of all instruments executed to effect said transfer and leaseback.


The effective date of this order shall be the date hereof.


Dated at San Diego, California, this 2nd day
of JUNE, 1971.



Chairman








Commissioners