

Decision No. 22689

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Applications of
PACIFIC MOTOR TRUCKING COMPANY
for authority to issue evidences of
indebtedness for the purchase of
additional automotive equipment.

Application No. 23197

ORIGINAL

BY THE COMMISSION:

ORDER

Pacific Motor Trucking Company has applied to the Railroad Commission for permission to issue evidences of indebtedness in the form of contracts of conditional sale in the total amount of \$160,000. for the purpose of financing in part the cost of additional units of automotive equipment, including passenger cars, trucks, tractors, trailers, semi-trailers and dollies, of various rated tonnage capacities, such contracts to be executed from time to time as its operations may require.

Applicant's physical properties consist of 408 units of equipment. Of these, 396 units are carried in the investment account at a total figure of \$664,601.75 and are owned by applicant without encumbrances. The 12 remaining units are being acquired under purchase contracts. The original cost of the 12 units is \$26,979.22, of which \$10,947.62 was paid as of October 31, 1939.

The company has filed with its application a copy of the proposed form of contract which it intends to enter into with various equipment manufacturers or agents. It provides for payments in monthly installments over a period of twenty-three months, beginning one month after date of delivery and acceptance of the equipment purchased, with interest at the rate of 6% per annum,

payable monthly, on the unpaid balance of the purchase price at the date of each installment payment.

The Commission has considered the company's request and is of the opinion that a hearing is not necessary on this matter, that the money, property or labor to be procured or paid for through the execution of such contracts of conditional sale is reasonably required for the purpose specified herein and that the expenditures for such purpose are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted, as herein provided, therefore,

IT IS HEREBY ORDERED that Pacific Motor Trucking Company be, and it hereby is, authorized to issue, on or before September 30, 1940, evidences of indebtedness in, or substantially in, the form of the contract of conditional sale filed with this application, providing for the payment of an aggregate amount of not exceeding \$160,000 for the purpose of financing in part the cost of additional automotive equipment, provided-

1. That the authority herein granted is for the purpose of this proceeding only and is granted only insofar as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of such contracts of conditional sale as to such other legal requirements to which they may be subject;
2. That applicant shall file a copy of each contract executed under the authority herein granted, within thirty (30) days after such execution; and

3. That 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 One Hundred and Sixty (\$160.00) Dollars.

DATED at San Francisco, California, this 27th day of December, 1939.

Ray Swabing
James D. Smith
Ray J. Carey
M. B. M.

Commissioners.

