

Decision No. 33250

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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

ORIGINAL

Application No. 23982

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 \$250,000 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 448 units of equipment. Of these, 402 units are carried in the investment account at a total figure of \$673,117.82 and are owned by applicant without encumbrances. The 46 remaining units are being acquired under conditional sale contracts. The original cost of the 46 units was \$164,135.38, of which \$63,196.44 was paid as of November 30, 1940.

The company reports that for the proper maintenance and operation of its auto truck lines, it desires, from time to time, to purchase additional units as the operations may require. It has filed with its application a copy of a proposed form of contract which it intends to enter into with various equipment manufacturers or agents in purchasing such equipment. The form provides for payments in monthly installments over a period of not exceeding thirty-six 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 December 31, 1941, 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 \$250,000 with interest at not to exceed six (6) per cent per annum for the purpose of financing in part

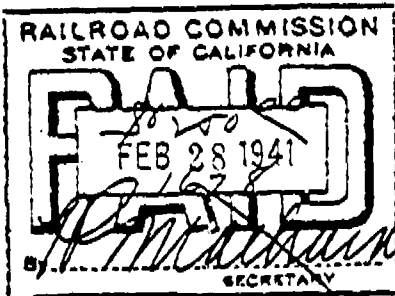
the cost of additional automotive equipment, provided,

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 Two Hundred and Fifty (\$250.00) Dollars.

Dated at ~~San Francisco~~ ^{Los Angeles}, California, this 25th day of February, 1941.



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Commissioners.