

ORIGINAL

Decision No. 40588

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application )  
of Pacific Freight Lines for )  
permission to execute extension )  
agreements covering payments of )  
purchase price of automotive )  
equipment purchased under )  
conditional sales contracts. )  
-----

Application  
No. 28615

OPINION AND ORDER

Pacific Freight Lines, a corporation engaged in business as a highway common carrier, has applied to the Public Utilities Commission for an order authorizing it to execute agreements extending the time for payment of certain sums payable under conditional sales contracts heretofore executed by it when acquiring automotive equipment. A copy of the form of the proposed extension agreements is attached to the application herein as Exhibit "A".

The application shows that during 1946 and 1947 the company acquired fifty-two units of equipment at a total cost of \$114,859.66 and that in order to finance the cost, in part, it executed five conditional sale contracts providing for deferred payments of \$97,627.86 as follows:

1. Contract with Sterling Motors Corp., dated August 30, 1946, providing for eleven monthly installments of \$150 each and a final payment of \$4,550 on August 23, 1947, with interest at the rate of 4%.

2. Contract with Fruehauf Trailer Company, dated December 26, 1946, providing for eleven monthly installments of \$950 each and a final payment of \$46,275.86 on December 24, 1947,

with interest at the rate of 4%.

3. Contract with Harry Mann Chevrolet Company, dated December 31, 1946, providing for eleven monthly installments of \$230 and a final payment of \$8,342 on December 26, 1947, with interest at the rate of 4%.

4. Contract with Sterling Motors Corp., dated January 7, 1947, providing for eleven monthly installments of \$200 each and a final payment of \$10,130 on January 2, 1948, with interest at the rate of 4%.

5. Contract with Brokaw-Bauer Company, dated January 25, 1947, providing for eleven monthly installments of \$240 each and a final payment of \$8,860 on January 20, 1948, with interest at the rate of 4%.

The company desires to make provision for the payment of the final balances under each of the contracts and accordingly has arranged with Bank of America National Trust & Savings Association, the present holder of the contracts, to enter into extension agreements whereby the time for payment of the \$4,550 balance under the contract of August 30, 1946, will be extended over a period of thirty months; the time for payment of the \$8,342 balance and the \$8,860 balance under the contracts of December 31, 1946, and January 25, 1947, over a period of thirty-six months; and the time for payment of the \$46,275.86 balance and the \$10,130 balance under the remaining two contracts, over a period of forty-eight months, all with interest at the rate of 4% per annum on deferred balances.

The Commission has considered the matter and is of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, and that the money,

property or labor to be procured or paid for is reasonably required by applicant for the purpose indicated herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED that Pacific Freight Lines be, and it hereby is authorized to execute five extension agreements in, or substantially in, the same form as the extension agreement filed in this proceeding as Exhibit "A", providing for extensions of time, as indicated herein, for the payment of balances aggregating \$78,157.86 due under the conditional sales contracts referred to in this proceeding provided:

1. That applicant shall file with the Commission a copy of each agreement executed under the authority herein granted within thirty days after such execution, and

2. 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 Seventy-nine (\$79.00) Dollars.

Dated at Los Angeles, California, this 5<sup>th</sup> day  
of August, 1947.

Harold J. Kula  
Justice J. Calver  
Irving H. Powell  
Samuel L. Foster

Commissioners

