

ORIGINAL

Decision No. 41404.

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 condi-
tional sales contracts.

Application
No. 29185

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 agreement is attached to the application herein as Exhibit "A".

The application shows that during 1947 the company acquired twenty-two units of automotive equipment at a total cost of \$50,982.25 and that in order to finance the cost, in part, it executed thirteen conditional sales contracts, providing for deferred payments aggregating \$42,990, with various firms, each calling for eleven equal monthly installments and a final payment of the balance on or before the end of the twelfth month with interest, payable monthly, on the deferred balances until paid, at the rate of 4% per annum, as follows:

1. Contract with Frank Carroll, dated April 12, 1947, providing for eleven monthly installments of \$46 each and one final payment of \$1,694 on April 5, 1948.

2. Contract with International Harvester Co., dated April 12, 1947, providing for eleven monthly installments of \$100 each and one final payment of \$3,600 on April 5, 1948.
3. Contract with Prokaw Bauer Co., dated April 12, 1947, providing for eleven monthly installments of \$220 each and one final payment of \$8,080 on April 20, 1948.
4. Contract with Culver Motors, dated April 12, 1947, providing for eleven monthly installments of \$30 each and one final payment of \$1,020 on April 5, 1948.
5. Contract with Wray Bros., dated April 30, 1947, providing for eleven monthly installments of \$24 each and one final payment of \$388 on April 28, 1948.
6. Contract with University Motors, dated June 3, 1947, providing for eleven monthly installments of \$72 each and one final payment of \$2,608 on May 30, 1948.
7. Contract with Geo. Haberfelde, Inc., dated June 3, 1947, providing for eleven monthly installments of \$36 each and one final payment of \$1,304 on May 30, 1948.
8. Contract with Mecca-Freese, Inc., dated June 12, 1947, providing eleven monthly installments of \$48 each and one final payment of \$1,776 on June 10, 1948.
9. Contract with A.M. Klum, dated June 24, 1947, providing for eleven monthly installments of \$40 each and one final payment of \$1,420 on June 22, 1948.
10. Contract with Mecca-Freese, Inc., dated July 23, 1947, providing for eleven monthly installments of \$48 each and one final payment of \$1,776 on July 20, 1948.
11. Contract with Mecca-Freese, Inc., dated Sept. 8, 1947, providing for eleven monthly installments of \$48 each and one final payment of \$1,776 on Sept. 6, 1948.
12. Contract with Mecca-Freese, Inc., dated Oct. 17, 1947, providing for eleven monthly installments of \$96 each and one final payment of \$3,552 on October 15, 1948.
13. Contract with Mecca-Freese, Inc. dated Oct. 21, 1947, providing for eleven monthly installments of \$96 each and one final payment of \$3,552 on October 13, 1948.

The company desires to make provision for the payment of the final balances, which aggregate \$33,046, as they fall due, and accordingly has arranged with Bank of America National Trust and Savings Association, the present holder of the contracts, to enter into extension agreements whereby the times for payment of the final installments will be extended over further periods of thirty-six months, except in the case of the contract with Culver Motors where the time for payment will be extended over a period of thirty-four months, with interest at the rate of 4% per annum. The monthly installments under the extension agreements will be the same as those under the present contracts and will aggregate \$904. Any remaining balances not paid out over the lives of the extension agreements will be due on the date of the last installments.

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 the Pacific Freight Lines be, and it hereby is authorized, to execute, after the effective date hereof and on or before October 31, 1948, thirteen 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 \$33,046 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 thirty-four (\$34.00) dollars.

Dated at San Francisco, California, this 30th day of March, 1948.

R. F. Johnson
Justice F. Crocker
Frank S. Russell
Harold P. Kula
Samuel L. Patten
Commissioners

