

Decision No. 43291

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of DELTA LINES, INC., a corpora-
tion, for authority to execute
conditional sale contracts on
automotive equipment.

Application
No. 30561

OPINION AND ORDER

Delta Lines, Inc., a California corporation, has applied to the Public Utilities Commission for authority to execute conditional sale contracts providing for payments of \$110,456.63 for the acquisition of forty units of equipment.

Applicant is engaged in business as a highway common carrier of property principally between points on the San Francisco Bay, on the one hand, and Sacramento and Stockton, on the other hand. It commenced its operations on May 11, 1946, and since that time has reported the following:

	<u>Operating Revenues</u>	<u>Expenses</u>	<u>Net Operating Income</u>
1946 (May 11-Dec. 31)	\$ 520,920	\$ 571,992	\$(51,072)
1947	1,100,229	1,047,439	52,790
1948	1,339,718	1,229,749	109,969
1949 (Jan. 1-June 30)	717,022	662,667	54,355

According to applicant's annual reports on file with the Commission, it operated 108 units of equipment at the close of 1946, 131 at the close of 1947 and 165 at the close of 1948.

The present application shows that during 1948 and 1949 applicant purchased twenty-seven units of equipment, and that it now proposes to purchase thirteen additional units, all of which are reported necessary in the performance of its highway common

carrier service. The following tabulation shows the equipment purchased, or to be purchased, the prices and the unpaid balances and terms of payment:

<u>Description and Date of Purchase</u>	<u>Purchase Price</u>	<u>Unpaid Balance</u>	<u>Term</u>
7 pickup trucks and 5 pickup tractors, Dodge, to be acquired	\$ 42,000.00	\$ 42,000.00	36 mo.
1 White tractor, to be acquired	6,737.70	6,737.70	48 mo.
10 Fruehauf semi-trailers, July 30, 1948	30,436.00	23,584.00	48 mo.
1 Kenworth tractor, August 20, 1948	10,445.78	5,517.86	36 mo.
10 Reliance semi-trailers and 4 converter dollies, October 10, 1948	40,858.78	22,815.64	36 mo.
2 Reliance insulated vans, August 10, 1949	<u>10,532.62</u>	<u>9,748.43</u>	48 mo.
Totals	<u>\$141,060.88</u>	<u>\$110,456.63</u>	

All unpaid balances bear interest at the rate of 5% per annum, payable monthly.

Applicant proposes to execute conditional sale contracts covering the unpaid balances. A copy of the proposed form of contract has been filed in this proceeding as Exhibit "B".

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

IT IS HEREBY ORDERED as follows:

1. Delta Lines, Inc., after the effective date hereof and on or before November 30, 1949, may execute conditional sale contracts in, or substantially in, the same form as that filed in this proceeding as Exhibit "B", providing for deferred payments of not exceeding \$110,456.62, payable in monthly installments over periods of not exceeding 48 months, for the purpose of financing in part the purchase prices of the forty units of equipment referred to herein.
2. Within thirty (30) days after the execution of a conditional sale contract under the authority herein granted, applicant shall file with the Commission a copy thereof as actually executed.
3. 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 eleven (\$111.00) dollars.

Dated at San Francisco, California, this 13th day of September 1949.

J. E. Zimmerman
Justus F. Cruesen
Harold P. Hulst
Francis J. Potter
Commissioners

