

ORIGINAL

Decision No. 44194

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. 31349

O P I N I O N

In this application, Pacific Freight Lines, a corporation engaged in business as a highway common carrier, asks permission to execute agreements extending the time for payment of certain sums, in the aggregate amount of \$54,705.45, to become due under conditional sales contracts heretofore executed by it for the purpose of acquiring automotive equipment. A copy of the proposed form of extension agreement is on file in this application as Exhibit A.

The following is a summary of the conditional sales contracts to which reference is made in this application:

- A. Contract with Pacific Built Trailer Company, dated May 24, 1949, covering the purchase of two new Pacific Built converter gear at a cost of \$3,360 payable as follows: \$840 as down payment, 11 equal successive monthly installments of \$70 each beginning June 24, 1949, and one final payment of \$1,750 on May 24, 1950, with interest on deferred balances at the rate of 4% per annum. Applicant asks permission to extend the payment due May 24, 1950, over a period of 25 months.
- B. Contract with Brown Industries of Calif. Inc., dated July 1, 1949, covering the purchase of four new 1949 model trailers at a cost of \$19,073.75 payable as follows: \$5,239.90 as down payment, 11 equal successive monthly payments of \$290 each beginning September 1, 1949, and one final payment of \$10,643.85 on June 29, 1950, with interest on deferred balances at the rate of 4% per annum. Applicant asks permission to extend the payment due June 29, 1950, over a period of 36 months.

- C. Contract with J. T. Jenkins Company, dated July 1, 1949, covering the purchase of two 1949 model Kenworth 6, 200 HP, Coe Tractors at a cost of \$26,341.66 payable as follows: \$6,641.66 as down payment, 11 equal successive monthly payments of \$410 each beginning September 1, 1949, and one final payment of \$15,190 on June 29, 1950, with interest on deferred balances at the rate of 4% per annum. Applicant asks permission to extend the payment due June 29, 1950, over a period of 37 months.
- D. Contract with Pacific Built Trailer Company dated August 1, 1949, covering the purchase of one 1949 model Pacific Built convertible dolly at a cost of \$1,506.75 payable as follows: \$376.75 as down payment, 11 equal successive monthly payments of \$30 each beginning September 2, 1949, and one final payment of \$800 on August 2, 1950, with interest on deferred balances at the rate of 4% per annum. Applicant asks permission to extend the payment due August 2, 1950, over a period of 26 months.
- E. Contract with Reliable Truck Sales, dated July 30, 1949, covering the purchase of 19- 1942 model International 2 axle Vans, 5- 1942 model International 2 axle tractors and 17- 1942 model Fruehauf 1 axle Stake Semi at a cost of \$19,361 payable as follows: 11 equal successive monthly payments of \$645.40 beginning September 1, 1949, and one final payment of \$12,261.60 on August 1, 1950, with interest on deferred balances at the rate of 4% per annum. Applicant asks permission to extend the payment due August 1, 1950, over a period of 18 months.
- F. Contract with Fruehauf Trailer Company, dated August 15, 1949 covering purchase of 20 used Fruehauf trailers at a cost of \$37,080 payable as follows: \$9,270 as down payment, 11 equal successive monthly payments of \$1,250 beginning September 14, 1949, and one final payment of \$14,060 on September 14, 1950, with interest on deferred balances at the rate of 4% per annum. Applicant asks permission to extend the payment due September 14, 1950 over a period of 17 months.

The application shows that all of the above contracts are now held by Bank of America National Trust & Savings Association and that said bank has indicated its willingness to enter into extension agreements giving applicant additional time to make the final payments due under the several contracts. The contracts as executed covered the purchase of 70 units of equipment at an aggregate cost of \$106,723.16, with deferred payments over a period of approximately twelve months. The sum total of the

final payments under all the contracts is \$54,705.45. The interest rate under the extension agreements will be the same as under the original contracts, to-wit; 4% per annum payable monthly on deferred balances due under the contracts.

Applicant reports that it has not sufficient funds on hand to meet the final payments due under the several contracts. It is for that reason that it is asking permission to execute extension agreements so that the final payments under the present contracts will be extended over the periods stated.

Q R D E R

The Commission has considered this application and is of the opinion there is no need to hold a hearing thereon, that the money, property or labor to be procured or paid for by the execution of the extension agreements to which reference is made in the foregoing opinion is reasonably required by Pacific Freight Lines for the purpose of acquiring said equipment, which purpose is 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 as follows:

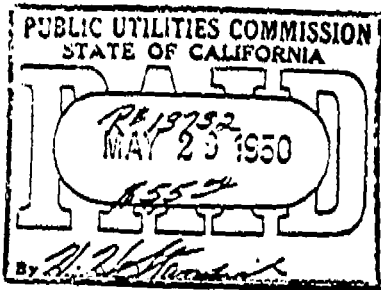
1. Pacific Freight Lines, after the effective date hereof and on or before September 30, 1950, may execute extension agreements in, or substantially in, the form of the extension agreement filed in this proceeding as Exhibit A, providing for extensions of time as indicated in the foregoing opinion and in this application, for the payment of the balances, aggregating not exceeding \$54,705.45, to become due under the conditional

sales contracts referred to in said opinion.

2. The authority herein granted will become effective when Pacific Freight Lines has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$55.00.

3. Pacific Freight Lines shall file with the Commission a copy of each extension agreement executed under the authority herein granted within thirty days after the date of each agreement.

Dated at San Francisco, California, this 23rd day of May 1950.



R. E. Anderson  
Justin J. Greiner  
John A. Powell  
Harold P. Kuler

Commissioners

Commissioner Kenneth Patton, being necessarily absent, did not participate in the disposition of this proceeding.