

Decision No. 44448

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
STERLING TRANSIT COMPANY, INC.
for Approval of Conditional Sales
Contract for the Purchase of
Equipment

Application
No. 31464

OPINION AND ORDER

Sterling Transit Company, Inc., a corporation engaged in business as a highway common carrier of property between San Francisco, Los Angeles and San Diego, reports that on December 13, 1949, it entered into a conditional sale contract with Brown Industries of California, Inc. providing for deferred payments of \$21,420.72 for the purchase of two new Brown dollies and five new Brown semi-trailers, payment of said amount to be made in thirty-six monthly installments of \$595.02 each, including interest at the rate of 5% per annum. Applicant reports that it did not become a highway common carrier until September, 1949, that it was not aware of the provisions of the Public Utilities Act requiring the Commission's authorization of evidences of indebtedness payable over periods of more than twelve months, and that consequently it did not request such authorization prior to the execution of said conditional sale contract. It now asks the Commission to give its approval at this time to said contract.

The Public Utilities Act provides, among other things, that an evidence of indebtedness payable at a period of more than twelve months after its date, if issued by a utility without order of the Commission then in effect, shall be void. The Commission does not believe that at this time it can make an order

approving the execution of an evidence of indebtedness declared void by the Act, and is of the opinion that it will be necessary for Applicant to execute a new instrument in lieu of that heretofore issued without Commission authorization.

The Commission is of the opinion that a public hearing on the application is not necessary and that an order should be entered as herein provided; therefore

IT IS HEREBY ORDERED as follows:

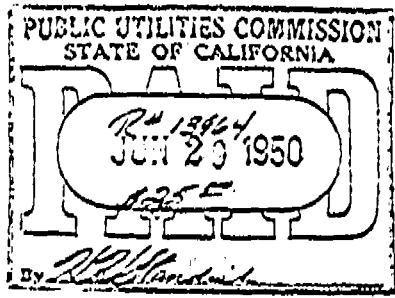
1. Sterling Transit Company, Inc., after the effective date hereof and on or before August 31, 1950 may execute a conditional sale contract in substantially the same form as that filed in this proceeding as Exhibit A, in lieu of the conditional sale contract executed on December 13, 1949, without an order from this Commission, providing for deferred payments in the total amount of not exceeding \$21,420.72 for the purchase of the equipment referred to herein, it being the opinion of the Commission that the money, property or labor to be procured or paid for through the execution of such contract is reasonably required by applicant for the purpose specified herein, and that the expenditures for such purpose, other than for interest, are not, in whole or in part, reasonably chargeable to operating expenses or to income.

2. Applicant shall file with the Commission a report as required by General Order No. 24-A, which order, insofar as applicable is made a part of this order.

3. The authority herein granted will become effective when applicant has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is \$25.00.

Dated at San Francisco, California, this 27th day
of June, 1950.

R. E. [Signature]



Leah K. [Signature]

Harold [Signature]

Commissioners