

ORIGINAL

Decision No. 44648

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SAVAGE TRANSPORTATION CO., INC.,
for authority to execute
conditional sales contracts.

Application
No. 31638

O P I N I O N

In this application the Commission is asked to make an order authorizing Savage Transportation Co., Inc., to execute conditional sale contracts as hereinafter set forth.

Applicant is a corporation organized under the laws of the State of California. It is engaged in operating as a highway common carrier of property generally between San Francisco, on the one hand, and Los Angeles, on the other hand. In its 1949 annual report it reports operating revenues of \$1,026,521, operating expenses, including income taxes, of \$1,013,747, and net carrier operating income of \$12,774. In the present application it reports, for the six months ended June 30, 1950, operating revenues of \$515,303, operating expenses of \$519,441, and net carrier operating loss of \$4,138. Exhibit A shows that presently it owns and operates 30 trucks, 21 tractors and 30 semi-trailers.

Applicant reports that it is necessary for it to acquire additional equipment and that it contemplates purchasing twelve semi-trailers and six dollies from Fruehauf Trailer Company at an aggregate cost of \$63,548 and six tractors from Peterbilt Motor Company at an aggregate cost of \$74,118. It contemplates making a down payment of \$9,500 on the equipment to be purchased from Fruehauf Trailer Company and financing the balance of \$54,048

through the execution of a conditional sale contract calling for 57 monthly payments of \$948.20 or more. A copy of the proposed conditional sale contract is attached to the application as Exhibit B. The cost of the equipment to be purchased from Peterbilt Motor Company will be financed in its entirety through the execution of a conditional sale contract calling for 60 equal successive monthly installments of \$1,235.60, plus interest at the rate of 6% per annum payable monthly on the deferred balances. A copy of the proposed conditional sale contract covering the equipment to be purchased from Peterbilt Motor Company is attached to the application as Exhibit B-1.

A review of the application indicates that applicant has need for the funds to be procured through the execution of the conditional sale contracts. Accordingly an order will be entered in this matter.

O R D E R

The Commission having considered the above entitled matter and being of the opinion that a public hearing is not necessary, that the money, property or labor to be procured or paid for through the execution of the conditional sale contracts herein authorized is reasonably required by applicant 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. Savage Transportation Co., Inc., after the effective date hereof and on or before November 30, 1950, may

execute conditional sale contracts in, or substantially in, the same form as those filed in this proceeding as Exhibits B and B-1, providing for deferred payments in the aggregate amount of not exceeding \$128,166 for the purpose of financing the cost of equipment.

2. Applicant shall file with the Commission a copy of each contract executed under the authority herein granted, such filing to be made within thirty days after the date of the contract.

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 \$129.00.

Dated at San Francisco, California, this 15th day of August 1950.

R. J. [Signature]
Justice J. C. [Signature]
[Signature]
[Signature]
[Signature]
Commissioners

