

LBM

Decision No. 91422.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the  
GOLDEN GATE STAGES,  
a corporation of the State of California,  
for permission to sign its corporate name  
to two conditional agreements of sale of  
the Pioneer Motor Coach Manufacturing  
Company, a corporation of the State of  
California.

ORIGINAL

Application No. 15829

Joseph Miller, for applicant.

BY THE COMMISSION:

O P I N I O N

Golden Gate Stages, a corporation, has applied to the Railroad Commission for permission to incur long term indebtedness in the amount of \$18,000.00.

The application shows that the corporation is engaged in the business of transporting passengers by auto stages between San Francisco and Santa Rosa and intermediate points, Santa Rosa and Monte Rio and intermediate points, and Santa Rosa and Calistoga and intermediate points, and also express between Santa Rosa and Calistoga and intermediate points. The company reports its revenues and expenses from the operation of its business during the last two

calendar years as follows;-

	1927	1928
Operating revenue . . . .	\$135,177.94	\$141,954.93
Operating expenses . . . .	119,593.98	127,641.62
Net operating revenue	\$ 15,583.96	\$ 14,313.31
Nonoperating revenue . . . .	144.00	--
Net income . . . . .	\$ 15,727.96	\$ 14,313.31
Nonoperating expenses	1,570.16	2,866.03
Profit for year . . . .	\$ 14,157.80	\$ 11,447.28
Dividends declared . . . .	9,000.00	9,000.00
Balance for year...	\$ 5,157.80	\$ 2,447.28

At the close of 1928, the company reported its investment in fixed capital at \$192,062.65 and in cash and other current assets at \$35,542.64, making total assets of \$227,605.29. Offsetting such assets, it reports notes and accounts payable of \$16,079.62, reserves of \$115,945.27, capital stock of \$90,000.00 and surplus of \$5,580.40.

The company reported at the end of 1928 that it owned and operated twenty-two passenger cars. It is of record that in order to improve and modernize its equipment, it has decided to purchase from Pioneer Motor Coach Manufacturing Company two new thirty-four passenger auto stages, with Hall Scott motors, at a cost of \$12,000.00 each. It appears that the purchase is being made under conditional contracts of sale providing for the payment of \$3,000.00 a car, upon delivery, and of \$9,000.00 in monthly installments, with interest at the rate of seven percent. per annum, final payment being made on April 26, 1931.

In our opinion, purchase contracts and conditional agreements of sale, providing in whole or in part for payments later than one year after date, are evidences of indebtedness coming within the meaning of Section 52 of the Public Utilities Act. In the present

case it appears to us that applicant's assets and earnings are ample to support an additional indebtedness of \$18,000.00 and to enable it to meet its requirements under the two contracts. An order authorizing the creation of the indebtedness will be entered.

O R D E R

Golden Gate Stages having applied to the Railroad Commission for an order authorizing it to incur indebtedness, and the Commission being of the opinion that this is a matter in which a public hearing is not necessary and that the money, property or labor to be procured or paid for is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expense or to income, and that this application should be granted, as herein provided, therefore,

IT IS HEREBY ORDERED that Golden Gate Stages, for the purpose of paying in part for the two new auto stages described in this application, be, and it hereby is, authorized to enter, on or before October 1, 1929, into two conditional agreements of sale providing for the purchase of said <sup>two</sup> new auto stages and the payment of \$18,000.00, payable in monthly installments, with interest at the rate of seven percent per annum, final payment being due on or before April 26, 1931.

The authority herein granted is subject to the following conditions:-

1. Within sixty days from the effective date hereof, applicant shall file with the Commission a report, as required by the Commission's General Order No. 24, which order, insofar as applicable, is made a part of this order.

2. 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 Twenty-five (\$25.00) Dollars.

DATED at San Francisco, California, this 3rd day of August, 1929.

Thos. S. Latta

Leon O'Connell

Atty. Gen.  
Commissioners.

