

Decision No. 27953

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
TANNER MOTOR TOURS, LTD.,)
a corporation, for authority to enter)
into certain agreements for the pur-) Application No., 19946
chase of equipment.)

BY THE COMMISSION:

ORIGINAL

OPINION AND ORDER

Tanner Motor Tours. Ltd., a corporation engaged, among other things, in the operation of a public utility sight-seeing automotive business, has applied to the Railroad Commission for permission to enter into a contract for the purchase of automotive equipment providing for payments over a period of more than one year.

A copy of the purchase order, filed as Exhibit A, shows that the company proposes to purchase from The White Motor Company two model 54 A White "Airstream" coaches for the total sum of \$25,730.00, with interest at the rate of seven percent. per annum on deferred payments. Of the total purchase price it seems that the contract provides for the payment of \$500.00 upon the signing of the agreement, \$2,073.00 on or before delivery of the equipment, and \$23,157.00 in monthly installments of \$652.00 the first month and \$643.00 thereafter, over a period of thirty-six months, plus interest. It appears that the interest charges over the three years will amount to \$2,499.13.

It is recited in Exhibit A that the purchaser, if required by the seller, will execute a chattel mortgage or conditional sale contract for the total amount of any and all such monthly installments. In the event applicant is required to execute a chattel mortgage, it

will be necessary, of course, for it to file copies of the proposed chattel mortgage with the Commission and to receive permission to execute the same.

In its balance sheet as of March 31, 1935 the company reports cash on hand of \$4,749.23 and accounts receivable of \$5,371.97, a total of \$10,121.20, current and accrued liabilities of \$7,410.89, exclusive of inter-company accounts. For the year ending December 31, 1934 it reports gross revenues at \$77,283.49 and a net balance for the twelve months at \$15,243.45 before depreciation, and at \$7,786.57 after depreciation. For the first three months of 1935 it reports gross revenues at \$24,236.23 and net before depreciation at \$5,809.41, and after depreciation at \$4,400.58.

It appears to the Commission that this is not a matter in which a public hearing is necessary, that the application should be granted as herein provided, and that the money, property or labor to be procured or paid for through the execution of the contract is reasonably required for the purpose specified herein.

IT IS HEREBY ORDERED that Tanner Motor Tours, Ltd. be, and it hereby is, authorized, after the effective date hereof and prior to June 30, 1935, to execute and enter into a contract, substantially in the same form as that filed as Exhibit A attached to the application, providing for the purchase of two White coaches for a total purchase price of \$25,730.00, plus interest on deferred balances at the rate of seven per cent per annum.

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

1. Within thirty(30) days after the execution of a contract covering the purchase of said equipment, applicant

shall file with the Commission a copy of said contract.

2. 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 Twenty-six(\$26.00) Dollars.

DATED at San Francisco, California, this 13th day of May, 1935.

Leon Whiteley

M. A. Cum

M. Blais

W. H. ...

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Commissioners.

Fee \$26.00
RAILROAD COMMISSION
STATE OF CALIFORNIA
MAY 16 1935
SECRETARY
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