

Decision No. 22755

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the
LOS ANGELES RAILWAY CORPORATION
for an order pursuant to Section 52 of
the Public Utilities Act, authorizing
the issuance of seven-year installment
notes for the acquisition of property
consisting of forty-eight (48) motor
coaches.

Application No. 23192

BY THE COMMISSION:

O P I N I O N

Los Angeles Railway Corporation reports that it has placed orders for 48 new motor coaches with General Motors Truck & Coach Division of Yellow Truck & Coach Manufacturing Co., as follows:-

Order No. G-973, dated November 14, 1939 for 26 Model T.D. 40, forty-five (45) passenger, single deck, diesel hydraulic coaches.

Order No. G-1135, dated December 14, 1939, for 22 Model T. D. 40, forty-five (45) passenger, single deck, diesel hydraulic coaches.

The cost of the 26 coaches covered by Order No. G-973 is reported at \$341,890.90, and the cost of the 22 coaches covered by Order No. G-1135 at \$289,292.30. The cost per coach is \$13,149.65, and the aggregate cost of all coaches \$631,183.20. In payment therefor applicant asks permission to execute additional sales contracts. Each will provide that one eighty-fourth of the purchase price will be payable each thirty days after the date of the contract, or over a period of seven years, plus interest at the rate of four per cent per annum on the unpaid balance.

Applicant's petition shows that it is its present intention to allocate the 26 coaches covered by said Order No. G-973 as its share of the replacements necessary to retire the double-deck coaches now being operated on the Wilshire Boulevard and Sunset Boulevard lines of

the Los Angeles Motor Coach Company, and to allocate the 22 coaches covered by said Order No. G-1136 as its share of coaches to be placed in service on the proposed Olympic Boulevard line of the Los Angeles Motor Coach Company, if said line is certificated by the Commission, as applied for in the Sixteenth Supplemental Application No. 18820 now pending before the Commission. However, if said proposed Olympic Boulevard line of the Los Angeles Motor Coach Company is certificated by the Commission, the first 22 coaches received under either of said orders will be allocated to that line in order that service thereon may be commenced at the earliest possible date. In view of the fact that applicant has not yet been granted a certificate of public convenience and necessity to operate the proposed Olympic Boulevard line, the order herein will, among other things, provide that the authority to execute conditional sales contracts to acquire said 22 coaches will not become effective until said certificate of public convenience and necessity has been granted.

ORDER

Los Angeles Railway Corporation having applied to the Railroad Commission for authority to execute conditional sales contracts in the aggregate amount of \$631,183.20, and the Commission having considered applicant's request and it being of the opinion that this is not a matter in which a hearing is necessary, that applicant, if the aforesaid certificate of public convenience and necessity is granted, has need for all of the equipment to which reference is made in the foregoing opinion, and that this application should be granted, subject to the provisions of this order, therefore,

IT IS HEREBY ORDERED that Los Angeles Railway Corporation be, and it hereby is, authorized to execute, after the effective date

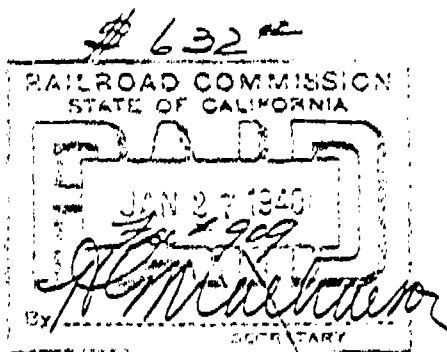
hereof and prior to October 1, 1940, conditional sales contracts in the aggregate amount of \$631,183.20, for the purpose of acquiring the 46 new motor coaches referred to in the foregoing opinion.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the execution of each and every conditional sales contract, under the authority herein granted, Los Angeles Railway Corporation shall file a certified copy thereof with the Railroad Commission.

IT IS HEREBY FURTHER ORDERED that the authority herein granted to execute conditional sales contracts to acquire the 22 motor coaches covered by Order No. G-1135, will not become effective until the Commission has granted to Los Angeles Railway Corporation a certificate of public convenience and necessity to operate motor coaches on the aforesaid Olympic Boulevard line, and applicant has paid the Two Hundred and Ninety (\$290.00) Dollar fee prescribed by Section 57 of the Public Utilities Act.

IT IS HEREBY FURTHER ORDERED that the authority herein granted to execute conditional sales contracts to acquire the 26 motor coaches covered by Order No. G-973 will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Three Hundred and Forty-two (\$342.00) Dollars.

DATED at ^{Los Angeles} ~~San Francisco~~, California, this 23^d day of January, 1940.



Ray L. Cline
Francis W. White
Rafael W. White

Justin J. Bauman
COMMISSIONERS