

Decision No. 3325-336

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of
PACIFIC ELECTRIC RAILWAY COMPANY,
a corporation, for an order authoriz-
ing it to issue evidence of indebted-
ness.

Application No. 23279

BY THE COMMISSION:

OPINION AND ORDER

Pacific Electric Railway Company in this application reports that it proposes to purchase eighty-five motor coaches at a total cost of \$992,116.92, as follows:

<u>Quan- tity</u>	<u>Vendor</u>	<u>Type</u>	<u>Price Each</u>	<u>Total Value</u>
8	Yellow Truck & Coach Mfg. Co.	Mod. TD-45 45-Pass. Diesel Driven Coaches	\$12,303.87	\$ 98,430.96
32	Yellow Truck & Coach Mfg. Co.	Mod. TD-45 45-Pass. Diesel Driven Coaches	\$12,303.87	\$393,723.84
10	Yellow Truck & Coach Mfg. Co.	Mod. 1210- 41-Pass. Gas Driven Coaches	\$13,042.89	\$130,428.90
17	White Motor Co.	Mod. 788 41-Pass. Gas Driven Coaches	\$11,597.80	\$197,162.60
3	Twin Coach Co.	Mod. 30-H 31-Pass. Gas Driven Coaches	\$ 8,471.49	\$ 26,414.47
15	Twin Coach Co.	Mod. 35-R 37-Pass. Gas Driven Coaches	\$ 9,730.41	\$145,956.15
		Total		<u>\$992,116.92</u>

The company plans to acquire the equipment under conditional sales contracts, each of which will provide that 1/84th of the purchase price will be payable monthly, commencing thirty days after delivery of such equipment, such payments to extend over a period of seven years, plus interest at the rate of four per cent per annum on unpaid balances. It is not proposed to execute a separate contract for each coach but, instead, one contract covering all of the coaches from each manufacturer.

It appears that eight Yellow Truck & Coach Manufacturing Company diesel driven coaches will be used as the company's portion of the equipment needed for the new Olympic Boulevard operations, recently authorized by Decision No. 32748, and the remaining thirty-two to replace worn out double-deck coaches on the Wilshire Boulevard line of the Los Angeles Motor Coach Company. Of the gas driven coaches to be acquired from Yellow Truck & Coach Manufacturing Company, five will be used on the proposed Los Angeles-Newport Beach line, the operation of which was authorized by Decision No. 32599, and five on the proposed Los Angeles-San Bernardino line. The operation of the last mentioned line has not been authorized but is requested by the company in the fortieth supplemental petition in Application No. 17984.

The seventeen White Motor Company coaches will be used to replace an equal number of worn out coaches on the Los Angeles-Sunland line, the Los Angeles-El Monte-Redlands line and the Los Angeles-Whittier-Santa Ana line of the Motor Transit District.

The three Twin Coach Company 31-passenger coaches are to be used on the new Western and Franklin Avenues line and the

fifteen 37-passenger coaches on the new Los Angeles-Redondo Beach line via Del Rey and El Segundo, both of which operations were authorized by Decision No. 32599.

The Commission has considered this application and is of the opinion that a public hearing is not necessary; that the company should be authorized to execute conditional sales contracts to acquire the equipment to which reference is made herein; that the money, property or labor to be procured or paid for is reasonably required for the purpose specified herein, and that the expenditures for such purpose are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED that Pacific Electric Railway Company for the purpose of acquiring the eighty-five coaches referred to herein, be, and it hereby is, authorized to execute and enter into conditional sales contracts, in the aggregate amount of not to exceed \$992,116.92, each contract providing for payment of 1/84th of the principal amount thereof monthly, commencing one month after delivery of the equipment covered by such contract, plus interest at the rate of four per cent per annum, provided-

1. That applicant file with the Commission a copy of each conditional sales contract within thirty days after its execution; and

2. That the authority herein granted to execute a conditional sales contract, or contracts, to acquire coaches for use on the proposed Los Angeles-San Bernardino line will become effective only if, and when the Commission grants to applicant a certificate of public convenience and necessity

permitting the operation of such line; and

3. That in other respects 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 Nine Hundred and Ninety Three (\$993.00) Dollars.

Dated at San Francisco, California, this 27th day of February, 1940.

Ray L. Rice
James D. Brown
Walter W. ...
Justice J. ...
Commissioners.

\$ 993 00
STATE OF CALIFORNIA
FEB 27 1940
FEE # 977
W. E. ...