

Decision No. 33660

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 one seven-year installment note in the sum of \$259,533.60 for the acquisition of property consisting of twenty (20) motor coaches.

Application No. 23660

ORIGINAL

BY THE COMMISSION:

O P I N I O N

/ Los Angeles Railway Corporation reports that it has placed an order with General Motors Truck & Coach Division of Yellow Truck & Coach Manufacturing Company for twenty new motor coaches as follows:

Order No. G-710, dated July 26, 1940, for 20 Model 4502 Transit Type 45 passenger single deck Diesel Hydraulic coaches.

Information at hand indicates that the cost of each coach will be \$12,976.68. Applicant proposes to purchase the twenty coaches through the execution of conditional sales contract which will provide that one eighty-fourth ($1/84$) of the purchase price will be payable each thirty days, plus interest at the rate of four per cent (4%) per annum on the unpaid balance.

Applicant will execute a separate conditional sales contract covering all the coaches of each delivery under its order. When all the deliveries under the order have been completed the several contracts covering all the coaches will be consolidated into a single conditional sales contract which will contain a promise to pay in the form of a seven year installment note of about \$259,533.60, payable in install-

ments of one eighty-fourth ($1/84$) each thirty days after the average date of the deliveries plus interest at the rate of four per cent (4%) per annum on the unpaid balances. The installment note will be redeemable on any installment payment date without the payment of any premium.

It is applicant's present intention to allocate the twenty (20) coaches to the Beverly Boulevard Motor Coach Line for improvement of service and substitution for other coaches now in use. The coaches that will be released will be used elsewhere in applicant's service.

O R D E R

Los Angeles Railway Corporation having applied to the Railroad Commission for permission to execute conditional sales contracts for the sum of about \$259,533.60, and the Commission having considered the company's requests and it being of the opinion that this is not a matter on which a public hearing is necessary, that the money, property or labor to be procured or paid for by the execution of said contracts is reasonably required by applicant for the purpose specified herein, that the expenditures for said purpose are not, in whole or in part, reasonably chargeable to operating expenses or to income and that this application should be granted as provided herein, therefore,

IT IS HEREBY ORDERED that Los Angeles Railway Corporation be, and it hereby is, authorized to execute after the effective date hereof and on or before December 31, 1940, conditional sales contracts or contract and an installment note in the aggregate amount of not to exceed \$259,533.60, payable as indicated in the foregoing opinion, for the purpose of acquiring the twenty motor coaches to which reference is made in said opinion.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when Los Angeles Railway Corporation has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is two hundred and sixty (\$260.00) dollars.

IT IS HEREBY FURTHER ORDERED that within thirty days after the delivery of said motor coaches, Los Angeles Railway Corporation shall file with the Commission a statement showing in detail the cost of said motor coaches, and a copy of each conditional sales contract and installment note executed under the authority herein granted.

Dated at San Francisco, California, this 10th day of September, 1940.

Ray L. Riley
James D. Sullivan
Karl E. ...
M. B. ...
Justin J. Calmes
Commissioners

