

Decision No. 23929

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of PACIFIC GREYHOUND LINES, a
corporation, for authority to
execute a conditional sale contract
for the purchase of buses.

ORIGINAL

Application No. 23929

H. C. Lucas and H. D. Richards by
H. D. Richards for Applicant.

BY THE COMMISSION:

O P I N I O N

In this proceeding the Commission is asked to enter its order authorizing Pacific Greyhound Lines, a California corporation, to execute a conditional sale contract similar in form to the contract on file in this proceeding as Exhibit "A."

Pacific Greyhound Lines operates passenger stages under certificates of public convenience and necessity granted by the Railroad Commission and likewise transports passengers, baggage, and express in interstate or foreign commerce in and through the State of California.

The testimony shows that it is necessary for applicant to replace motor coaches which it is operating between San Francisco and San Jose. For that reason, it proposes to acquire from the Yellow Truck & Coach Manufacturing Company twenty-four motor coaches. These coaches will have a seating capacity of forty-five passengers. A description of the coaches appears in Exhibit "D" filed in this proceeding.

The cost of the coaches is estimated at \$300,000. Applicant will pay the cost by borrowing \$240,000 from The Continental Illinois National Bank and Trust Company of Chicago,

Illinois, and by drawing upon its cash on hand to pay the balance. Applicant will execute a conditional sale contract for \$240,000 to Yellow Truck & Coach Manufacturing Company who, in turn, will assign it to The Continental Illinois National Bank and Trust Company. The contract obligates applicant to pay the \$240,000 in twenty-four consecutive, quarterly installments with interest at the rate of 2-1/2% per annum on the deferred installments.

A copy of the conditional sale contract is on file in this proceeding as Exhibit "A."

O R D E R

A public hearing having been held on this application by Examiner Fankhauser, and the Commission having considered the record in this proceeding and it being of the opinion that applicant has need for the equipment which it intends to acquire through the execution of said proposed conditional sale contract, that the expenditures for said equipment are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted subject to the provisions of this order, therefore

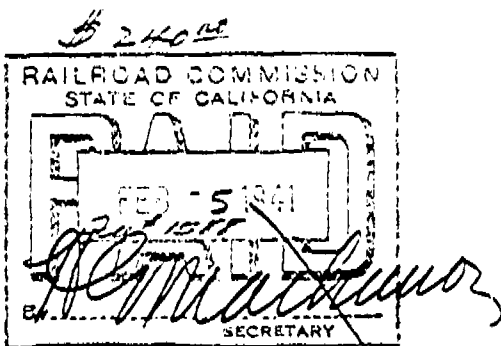
IT IS HEREBY ORDERED that Pacific Greyhound Lines be, and it is hereby, authorized to execute, after the effective date hereof and prior to April 15, 1941, for the purpose of acquiring the twenty-four motor coaches referred to in the foregoing opinion, a conditional sale contract for the aggregate sum of not more than \$240,000, said conditional sale contract to be in substantially the same form as the conditional sale contract on file in this proceeding as Exhibit "A," provided that the actual cost of said coaches be substituted for the approximate cost now appearing in the record in this proceeding, and that said conditional sale contract be modified so as to show the motor number, chassis

number and buyer's number of each unit of equipment purchased through the execution of said conditional sale contract.

IT IS HEREBY FURTHER ORDERED that 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 Two Hundred and Forty (\$240.00) Dollars.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the execution of the conditional sale contract herein authorized, Pacific Greyhound Lines shall file with the Railroad Commission a certified copy of said conditional sale contract and also a report showing the number of coaches acquired under the authority herein granted, the actual cost of said coaches, the down payment under said contract, and the deferred balance due under said contract.

Dated at San Francisco, California, this 4th day of February, 1941.



[Signature]
[Signature]
[Signature]
Justice F. Casper
Francis R. Havenue
Commissioners