

ORIGINAL

Decision No. 32360

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 conditional sales
contracts in the total sum of
\$1,147,206.58 for the acquisition of
property consisting of eighty-eight
(88) motor coaches.

Application
No. 24258

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 conditional sales con-
tracts in the total sum of \$150,837.00
for the acquisition of property consist-
ing of Eleven (11) motor coaches.

Application
No. 24259

Max Eddy Utt, for Applicant
Ray L. Chesebro, City Attorney, Gilmore
Tillman, Assistant City Attorney,
K. Charles Bean, Chief Engineer, Board
of Public Utilities and Transportation,
for the City of Los Angeles.

BY THE COMMISSION:

O P I N I O N

In Application No. 24258, Los Angeles Railway Cor-
poration asks the Railroad Commission to enter its order
authorizing said Los Angeles Railway Corporation to execute
conditional sale contracts in the face amount of \$1,147,206.58
for the purpose of acquiring the 88 motor coaches to which ref-
erence will be made hereafter.

In Application No. 24259, Los Angeles Railway Corporation asks the Railroad Commission to enter its order authorizing said Los Angeles Railway Corporation to execute conditional sale contracts in the face amount of \$150,887.00 for the purpose of acquiring the 11 motor coaches to which reference is made hereafter.

By Decision No. 33984, dated March 11, 1941, in Application No. 23902 and Application No. 19179, the Railroad Commission granted Los Angeles Railway Corporation a certificate of public convenience and necessity for the operation of automotive passenger stage service over the routes mentioned therein. By said Decision No. 33984, the Commission authorized Los Angeles Railway Corporation to discontinue passenger service over the rail lines mentioned in said decision. To place itself in a position to render the motor coach service authorized by said Decision No. 33984, applicant has placed with General Motors Truck & Coach Division of Yellow Truck & Coach Manufacturing Company, its order (No. G-1171 Part I) for 70 Model TDH 45-passenger Diesel Hydraulic Yellow coaches and its order (No. G-1171 Part II) for 18 Model TDH 32-passenger Diesel Hydraulic Yellow coaches. Exclusive of taxes and freight, the cost of the 45-passenger coaches is reported at \$12,379.00 each, while the cost of the 32-passenger coaches is reported at \$9,582.30 each. The aggregate cost of the 88 coaches, including estimated taxes and freight, is reported at \$1,147,206.58.

The testimony shows that Los Angeles Motor Coach Company is in need of additional equipment to operate its Olympic Boulevard Coach Line No. 90 and to operate over some of its other coach lines. To provide its share of the equipment

used by Los Angeles Motor Coach Company, applicant has placed its order (No. G-1724) with General Motors Truck & Coach Division of Yellow Truck & Coach Manufacturing Company for 11 Model TDH 45-passenger Diesel Hydraulic Yellow coaches. The cost of these coaches is reported at \$12,445.00 each, exclusive of freight and taxes. The aggregate cost of the coaches, including estimated freight and taxes, is \$150,887.00.

Applicant will purchase the motor coaches on conditional sale contracts which will provide that one eighty-fourth (1/84) of the purchase price of the coaches plus taxes and freight charges will be payable each thirty days after the date of such contracts for a period of seven years, plus interest at the rate of four per cent (4%) per annum on the unpaid balance. The contracts do not call for any payment at the date of their execution. Copies of the conditional sale contracts are filed as Exhibit "D" in Application No. 24258 and as Exhibit "C" in Application No. 24259.

The testimony shows that applicant has need for the additional motor coach equipment to which reference is made in this opinion. No one protested the granting of the two applications.

O R D E R

Los Angeles Railway Corporation having applied to the Railroad Commission for permission to execute conditional sale contracts in the amount of \$1,298,093.58 for the purpose of acquiring the motor coach equipment to which reference is made in the foregoing opinion, a public hearing having been held on the above entitled applications before Examiner

Fankhauser, and the Commission having considered the evidence submitted at such hearing and it being of the opinion that the money, property or labor to be procured or paid for by the execution of said conditional sale contracts is reasonably required by applicant for the purposes herein stated, that the expenditures for said purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that these applications should be granted, subject to the provisions of this order, therefore,

IT IS HEREBY ORDERED that Los Angeles Railway Corporation be, and it is hereby, authorized to execute, after the effective date hereof and on or before December 31, 1941, conditional sale contracts similar in form to the conditional sale contract filed as Exhibit "D" in Application No. 24258 and Exhibit "C" filed in Application No. 24259, for the purpose of acquiring the motor coach equipment to which reference is made in the foregoing 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 One Thousand, One Hundred Forty-nine Dollars and fifty cents (\$1,149.50).

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the delivery of said motor coaches, Los Angeles Railway Corporation shall file with the Railroad Commission a statement showing in detail the cost of said motor coaches, and a copy of each conditional sale contract executed under the authority herein granted.

Dated at San Francisco, California, this 1st
day of July, 1941.

[Signature]
[Signature]
Justice F. Coe
Francis R. Havens
[Signature]
Commissioners

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RAILROAD COMMISSION
STATE OF CALIFORNIA
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By [Signature]
SECRETARY