

ORIGINAL

Decision No. 33432

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of PACIFIC ELECTRIC RAILWAY COMPANY, a corporation, for an order authorizing it to issue evidence of indebtedness for the purchase of sixty-one motor coaches.

Application No. 24302

BY THE COMMISSION:

OPINION AND ORDER

Pacific Electric Railway Company asks permission to execute conditional sales contracts for the aggregate face amount of about \$784,325.63 to purchase from White Motor Company, Yellow Truck & Coach Manufacturing Company, and Twin Coach Company the following equipment:

- (a) Eighteen 45-passenger, Model 798-6 gas driven motor coaches from White Motor Company, at approximately \$12,295.00 each, or a total of approximately \$221,310.00.
- (b) Thirty-five 45-passenger, Model TD-45 diesel driven motor coaches from Yellow Truck & Coach Manufacturing Company, at approximately \$14,330.09 each, or a total of approximately \$501,553.15.
- (c) Eight 33-passenger, Model 30-G gas driven motor coaches from Twin Coach Company, at approximately \$7,682.81 each, or a total of approximately \$61,462.48.

Applicant reports that it is acquiring said motor coaches to protect its anticipated needs for equipment neces-

sary for motor coach operation. Unless it orders the equipment now, it cannot be assured of the delivery of the same. It will purchase the equipment for delivery within the year ending June 30, 1942.

The conditional sales contracts which applicant desires permission to execute will provide that 1/84th of the purchase price will be payable monthly, commencing thirty days after the delivery of the equipment. Such payments will extend over a period of seven years. The unpaid balances will draw interest at the rate of 4% per annum.

Applicant reports that except as to the equipment listed in the conditional sales contracts, the amounts payable under such contracts, and when said amounts become due and payable, the conditional sales contracts which it desires permission to execute will be substantially in the same form as the contracts filed in this proceeding on July 11, 1941.

The Commission has considered the request of Pacific Electric Railway Company and is of the opinion that a public hearing is not necessary on this application, that the money, property or labor to be procured or paid for through the execution of said conditional sales contracts is reasonably required for the purpose specified herein, that the expenditures for such purpose 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,

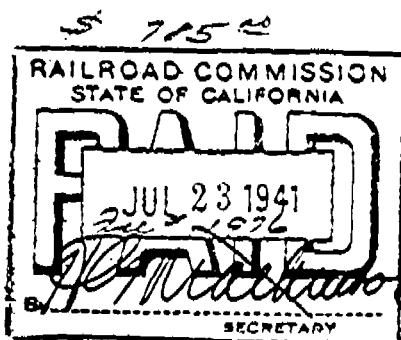
IT IS HEREBY ORDERED that Pacific Electric Railway Company be, and it is hereby, authorized to execute, after the

effective date hereof and prior to June 30, 1942, conditional sales contracts in the aggregate face amount of not to exceed \$784,325.63 for the purpose of acquiring the motor coach equipment to which reference is made herein, each conditional sales contract to provide that 1/84th of the principal amount thereof shall be payable monthly, commencing one month after delivery of the equipment/<sup>covered</sup> by such contract, plus interest at the rate of not to exceed 4% per annum on the unpaid balance, said conditional sales contracts to be in substantially the same form, except as to the description of the equipment, the amounts payable under such contracts, and when said amounts become due and payable, as the conditional sales contracts filed in this proceeding on July 11, 1941.

IT IS HEREBY FURTHER ORDERED that Pacific Electric Railway Company shall file with the Railroad Commission within thirty (30) days after their execution, a copy of each conditional sales contract executed under the authority herein granted.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when Pacific Electric Railway Company has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Seven Hundred and Eighty-five (\$785.00) Dollars.

Dated at San Francisco, California, this 21<sup>st</sup> day of July, 1941.



*[Signature]*  
*[Signature]*  
*[Signature]*  
Commissioners.