

Decision No. 34696

ORIGINAL

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  
\$476,088.82 for the acquisition of  
property consisting of thirty-four (34)  
motor coaches.

Application  
No. 24525

BY THE COMMISSION:

O P I N I O N

Los Angeles Railway Corporation reports that it has placed orders with General Motors Truck & Coach Division of Yellow Truck & Coach Manufacturing Company for thirty (30) Model TDH 45-passenger Diesel Hydraulic Yellow Coaches and for four (4) Model TDH 32-passenger Diesel Hydraulic Yellow Coaches.

Applicant reports that the cost to it of each of the 45-passenger coaches will be \$12,889.00, exclusive of estimated taxes and freight, and that the cost of each of the 32-passenger coaches will be \$9,865.30, exclusive of estimated taxes and freight. Including estimated taxes and freight, the aggregate cost of the thirty (30) 45-passenger coaches is reported at \$431,683.50 and the aggregate cost of the four (4) 32-passenger coaches at \$44,405.32, making a total estimated cost of \$476,088.82.

Applicant proposes to purchase the coaches on condi-

tional sales contracts which will provide that 1/84 of the purchase price of the coaches, plus all State and Municipal taxes and freight charges will be payable each thirty days after the date of each contract for a period of seven years, plus interest at the rate of 4% per annum on the unpaid balance. The conditional sales contracts will be similar in form, except for designation of coaches and other appropriate changes, to the conditional sales contracts which the company executed under the authority granted by Decision No. 34367, dated July 1, 1941, in Application No. 24258.

It is of record that the manufacturer of the coaches is unable to state the definite dates when delivery of the coaches will be made. The manufacturer expects, however, to complete deliveries of all coaches prior to April 30, 1942. Upon completion of the delivery of the coaches it is proposed that all of the conditional sales contracts covering the various deliveries will be consolidated by separate agreement providing for one consolidated monthly payment date for payments of principal and interest under the several contracts.

Applicant reports that it has need for the additional equipment because of the increase in traffic. It is now planned to place the 45-passenger coaches in use on the longer and more heavily traveled lines, such as the Beverly Boulevard Motor Coach Line, the East 9th Street & Whittier Boulevard Motor Coach Line and the Florence-Soto Motor Coach Line. The 32-passenger coaches will be placed in service on such lines as the Alvarado Street Motor Coach Line, the Figueroa Street Motor Coach Line and the Melrose Avenue Motor Coach Line. None of the coaches are being acquired to replace existing equipment.

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 \$476,088.82, and the Commission having considered applicant's request, 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 is hereby, authorized to execute, after the effective date hereof and on or before April 30, 1942, conditional sales contracts in the aggregate amount of not exceeding \$476,088.82, payable as indicated in the foregoing opinion, for the purpose of acquiring the thirty-four (34) motor coaches mentioned in said opinion, said conditional sales contracts to be similar in form, subject to appropriate modifications, to the conditional sales contracts executed and filed with the Commission under the authority granted in Decision No. 34367, dated July 1, 1941, in Application No. 24258.

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 Four Hundred and seventy-seven (\$477.00) Dollars.

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

Dated at Los Angeles, California 28<sup>th</sup> day of October, 1941.

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Commissioners

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RAILROAD COMMISSION  
STATE OF CALIFORNIA  
PAID  
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By [Signature]  
SECRETARY