

Decision No. 37482

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

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

Application
No. 26429

BY THE COMMISSION:

OPINION AND ORDER

This is an application by Pacific Greyhound Lines for an order authorizing it to execute conditional sale contracts to finance, in part, the cost of fifty-two 37-passenger Intercity Parlor Coaches. A description of said motor coaches appears in Exhibit "D" on file in this proceeding. Applicant states that the new equipment is urgently needed to provide additional buses for operation of applicant's main line service.

Applicant will acquire the fifty-two motor coaches from General Motors Corporation at a total cost of about \$663,000. Of the purchase price, \$143,000 will be paid in cash and the balance will be represented by conditional sale contracts. The deferred balance of \$520,000 will be payable

in equal quarterly payments, with interest at the rate of 2% per annum, payable monthly, on the deferred balances. The seller of the equipment proposes to assign said conditional sale contracts with deferred balances owing thereunder to The National City Bank of New York. Applicant may in its discretion, at any time while not in default, prepay prior to maturity any of the installments, which may remain unpaid at any time, by paying the amount then owing, both principal and interest, plus a premium computed at the rate of one eighth of one per cent ($1/8$ of 1%) per annum (unless the prepayment be from the proceeds of borrowings other than from The National City Bank of New York, in which case the rate shall be one quarter of one per cent ($1/4$ of 1%) per annum) on the principal so prepaid for the period intervening between the date of such prepayment and the maturity date of each installment prepaid. The conditional sale contracts will be in substantially the same form as the contract on file in this proceeding as Exhibit "A."

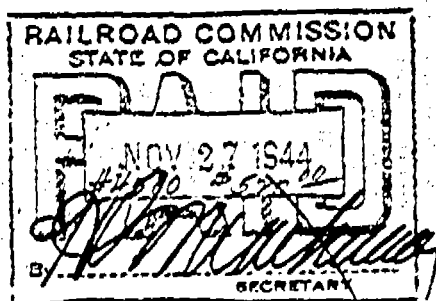
The Commission has considered applicant's request and is of the opinion that this is not a matter on which a public hearing is necessary; that applicant's request should be granted as herein provided; that the money, property or labor to be procured or paid for by the execution of said conditional sale contracts is reasonably required by applicant for the purpose specified herein, and that the expenditures for said purpose are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore

IT IS HEREBY ORDERED that Pacific Greyhound Lines be, and it hereby is, authorized to execute, after the effective date hereof and on or before June 30, 1945, conditional sale contracts in, or substantially in, the same form as that filed in this proceeding as Exhibit "A," providing, among other things, for deferred payments aggregating not more than \$520,000 for the purpose of acquiring the fifty-two motor coaches referred to herein.

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

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when Pacific Greyhound Lines has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Five Hundred Twenty (\$520.00) Dollars.

Dated at San Francisco, California, this 21st day of November, 1944.



Justin F. Coleman
Francis R. Havens
Thomas G. ...

Commissioners