

Decision No. 2802A

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 conditional
sale contracts for the purchase of buses.

Application
No. 26801

BY THE COMMISSION:

ORIGINAL

OPINION AND ORDER

In this application, Pacific Greyhound Lines asks permission to execute conditional sale contracts to finance, in part, the cost of sixty 47-passenger suburban type 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 its local service in the peninsula territory and Marin County.

Applicant will acquire the sixty motor coaches from General Motors Corporation at an approximate cost of \$13,000 per unit, or at a total cost of about \$780,000. Of the purchase price, about \$180,000 will be paid in cash and the balance will be represented by conditional sale contracts. The deferred balance of \$600,000 will be payable in twenty consecutive quarterly payments, with interest at the rate of 2% per annum, payable quarterly, 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 amount 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 substantially in the form and language of the conditional sale contract on file in this application 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 may execute, after the effective date hereof and on or before December 31, 1945, conditional sale contracts substantially in the form and language of the conditional sale contract on file in

this application as Exhibit "A", providing, among other things, for deferred payments aggregating not more than \$600,000 for the purpose of acquiring said sixty motor coaches referred to herein, and particularly described in Exhibit "D" on file in this application.

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 Six Hundred (\$600.00) Dollars.

Dated at San Francisco, California, this 26th day of June, 1945.

Edward R. Anderson
Justin J. Quinn
Richard H. ...
Ernest Lawrence
Commissioners

