

Decision No. 38047

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
Pete Drake, doing business under  
the name of TERMINAL ISLAND TRANSIT  
CO., for permission to execute note  
and mortgage.

Application  
No. 26769

-----  
BY THE COMMISSION:

**ORIGINAL**

OPINION AND ORDER

Pete Drake, an individual operating an automobile passenger stage line under the firm name and style of Terminal Island Transit Co., has applied to the Railroad Commission for an order authorizing him to execute a mortgage of chattels and a note for \$37,100 for the purpose of financing, in part, the cost of five 38-passenger white buses which he alleges are necessary to provide the additional passenger service between Terminal Island and Long Beach, and intermediate points, recently authorized by the Commission by Decision No. 37931, dated May 24, 1945.

The reported cost of each bus is \$6,892, plus approximately \$250 for tires, or a total of \$7,140, making a grand total for the five units of \$35,700. The Bank of America has agreed to finance Pete Drake in the amount of \$35,000 plus \$2,100 for interest and finance charges. The note is payable in twenty-three (23) equal successive payments of \$1,546 beginning August 1,

1945, and one final payment of \$1,542.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary; that the application should be granted, as herein provided; that the money, property or labor to be procured or paid for is reasonably required for the purpose specified herein; that the expenditures of \$6,892 for each bus, a total of \$34,460, are reasonably chargeable to tangible property accounts, the expenditures of approximately \$1,250 for tires are properly chargeable to operating expense accounts and the expenditures of \$2,100 for interest and finance charges are chargeable to prepaid expense for amortization by charges to income over the life of the note, therefore,

IT IS HEREBY ORDERED that Pete Drake be, and he hereby is, authorized to execute a mortgage of chattels and a note in the principal amount of \$37,100, in, or substantially in, the same form as those filed with the Commission on June 15, 1945, for the purpose of financing, in part, the cost of the five buses referred to herein.

IT IS FURTHER ORDERED that Pete Drake shall file with the Commission, on or before August 31, 1945, a copy of the mortgage of chattels and note as actually executed under the authority herein granted, and

IT IS FURTHER ORDERED that the authority herein granted will not become effective until Pete Drake has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$38.00.

Dated at San Francisco, California, this 26<sup>th</sup> day  
of June, 1945.

Charles R. Anderson  
Justice A. C. ...  
Richard ...  
...  
...  
Commissioners

