

ORIGINAL

Decision No. 41202

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the)

LOS ANGELES TRANSIT LINES)

for authority to sell, and of)

PASADENA CITY LINES, INC.)

for authority to buy twenty-three (23))
TDH 36-passenger Transit Type Diesel)
Hydraulic motor coaches, and of)

Application
No. 29043

PASADENA CITY LINES, INC.)

for authority to execute and issue a)
Promissory Note and Chattel Mortgage)
for the purchase thereof.)

O P I N I O N

In this application, Los Angeles Transit Lines asks permission to sell to Pasadena City Lines, Inc. twenty-three (23) 36-passenger TDH Transit Type Diesel Hydraulic motor coaches, manufactured in 1947 by GMC Truck & Coach Division of General Motors Corporation.

Pasadena City Lines, Inc. has agreed to pay for the coaches \$307,343.71, or \$13,362.77 per coach. The purchase price is the depreciated cost of the coaches as of January 1, 1948. It will pay the purchase price in cash. However, to finance in part such purchase price, Pasadena City Lines, Inc. asks permission to issue and execute a promissory note and chattel mortgage securing the payment of the note to The National City Bank of New York in the principal amount of \$261,242.15. The face amount of

the note represents 85% of the total purchase price of the twenty-three motor coaches. The note will be payable in ninety-six equal or nearly equal monthly installments on the last day of the month after the date of the note, with interest on the principal amount thereof from time to time remaining unpaid at the rate of 2.375% per annum, payable monthly, until the promissory note is paid in full. A copy of the proposed note is filed in this application as Exhibit "C", and a copy of the proposed chattel mortgage as Exhibit "D". The mortgage will be a lien on the twenty-three motor coaches.

National City Lines, Inc. agrees to purchase the note and chattel mortgage from the Bank in the event a default occurs under any of the terms and conditions of the note and chattel mortgage.

Applicant Los Angeles Transit Lines reports that it has determined that it no longer needs the twenty-three motor coaches in the performance of its duties to the public. It expects to receive at an early date, delivery of twenty (20) trolley coaches which it will use for the furnishing of service on its trolley coach line known as West 6th Street and Central Avenue Line No. 3. Upon receipt of the trolley coaches, twenty-one (21) 45-passenger motor coaches of said applicant presently assigned to complete the equipment requirements of that line, will be released and will be assigned by said applicant for service on other lines which are presently being equipped with the motor coaches referred to herein. Said applicant therefore has no further need for the twenty-three motor coaches. Applicant Pasadena City Lines, Inc. will substitute the practically new motor coaches for twenty-five

1944 gasoline motor coaches. It will sell the gasoline motor coaches at their depreciated cost.

The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

O R D E R

The Commission has considered this application and is of the opinion that it is not a matter on which a public hearing is necessary, that Pasadena City Lines, Inc. should be authorized to issue a note in the principal amount of not exceeding \$261,242.15 and execute a chattel mortgage to secure the payment of said note, that the money, property or labor to be procured or paid for through the issue of said note is reasonably required by said Pasadena City Lines, Inc. for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted, as herein provided, therefore,

IT IS HEREBY ORDERED as follows:

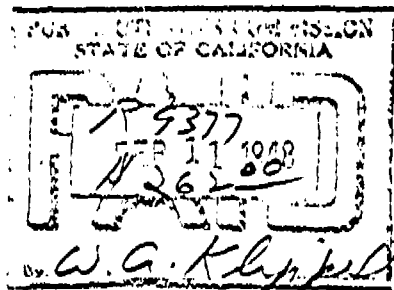
1. Los Angeles Transit Lines may, after the effective date hereof and on or before April 30, 1948, sell to Pasadena City Lines, Inc. twenty-three (23) TDH Transit Type Diesel Hydraulic 36-passenger motor coaches Nos. 6658 to 6680, inclusive, for a consideration of \$307,343.71.
2. Pasadena City Lines, Inc. may, after the effective date hereof and on or before April 30, 1948, issue a promissory

note for the sum of not exceeding \$261,242.15 and execute a chattel mortgage to secure the payment of said note for the purpose of financing in part the purchase of said motor coaches, said note and said chattel mortgage to be in substantially the same form as the note and chattel mortgage filed in this proceeding as Exhibits "C" and "D", respectively.

3. The authority herein granted will become effective when Pasadena City Lines, Inc. has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is two hundred sixty-two (\$262.00) dollars.

4. Pasadena City Lines, Inc. shall file with the Commission within thirty (30) days after the issue of said note a copy of the note issued and a copy of the chattel mortgage executed under the authority herein granted, together with a statement showing the proceeds realized through the issue of said note and the purpose for which it expended the same.

Dated at San Francisco, California, this 10th day of February, 1948.



R. F. [Signature]
Justin J. [Signature]
Charles F. [Signature]
Harold P. [Signature]
[Signature]
Commissioners