

ORIGINAL

Decision No. 41709

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
PACIFIC GREYHOUND LINES, a corporation, : Application
for authority to execute conditional : No. 29387
sale contracts for the purchase of buses. :
-----)

OPINION AND ORDER

In this application, Pacific Greyhound Lines asks permission to execute conditional sale contracts to finance, in part, the cost of one hundred 41-passenger inter-city parlor 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 for operation of its main line service and to permit the transfer to branch lines of certain equipment now used in main line service and the retirement of older type equipment.

Applicant will acquire the one hundred motor coaches from General Motors Corporation, G.M.C. Truck & Coach Division, at an approximate cost of \$27,500 per unit, or at a total cost of about \$2,750,000. Of the purchase price, about \$550,000 will be paid in cash and the deferred balance of \$2,200,000 will be represented by conditional sale contracts, payable in twenty consecutive equal quarterly payments, with interest, payable quarterly, on the deferred balances at the rate of 2½% per annum. 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.

Under the terms of the proposed form of contract, 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, after the effective date hereof and on or before December 31, 1948, may execute 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 \$2,200,000 for the purpose of acquiring said one hundred motor coaches referred to herein, and particularly described in Exhibit "D" on file in this application.

IT IS HEREBY FURTHER ORDERED that Pacific Greyhound Line shall, within thirty (30) days after their execution, file with the Public Utilities 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 one thousand six hundred (\$1,600.00) dollars.

Dated at Los Angeles, California, this 15th day of June, 1948.

R. T. Dwyer
Justus F. Casner

Harold P. Kille

Samuel P. Gotten
Commissioners

