

ORIGINAL

Decision No. 41810

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the)

LOS ANGELES TRANSIT LINES,)
a corporation,)

for an order or orders authorizing a)
Credit Agreement for the acquisition)
of new equipment and for refinancing)
existing conditional sale contracts;)
authorizing a Refinancing Agreement)
pursuant thereto; authorizing the)
acceptance of certain waivers and)
consents by various bondholders and)
securityholders; and authorizing the)
issuance of certain conditional sale)
contracts.)
-----)

) Application
) No. 28760
) (Fifth Supplemental)

FIFTH SUPPLEMENTAL ORDER

In its Fifth Supplemental Application filed in the above entitled matter, Los Angeles Transit Lines asks permission to execute a conditional sale contract, or contracts, for the purchase of fifty (50) new transit type coaches at an estimated total cost of \$900,000.

Applicant has entered into an agreement with General Motors Corporation, G.M.C. Truck & Coach Division, Pontiac, Michigan, for the purchase of 50 General Motors Model TDH 4507, 45-passenger, transit type diesel hydraulic motor coaches. The estimated cost of the coaches, including taxes and freight, is reported at \$17,443.52 per unit. In view of the fact that there may be some variations in the estimated costs, particularly freight, applicant asks permission to issue conditional sale contracts in the amount of not to exceed \$18,000 per unit, or

\$900,000 in aggregate. Of this amount, it will pay 15% in cash at the time of the delivery of the equipment, leaving \$765,000 to constitute the deferred balances under the contracts. The deferred balances will be payable in 96 equal or nearly equal monthly instalments, with interest on the deferred balances at the rate of 2.375% per annum, payable monthly.

Applicant's petition shows that it expects shipment of the coaches will start about the middle of July, 1948. The coaches will be used to augment the present fleet on the lines of applicant and Los Angeles Motor Coach Lines and to replace older coaches no longer efficient for service.

The Commission has considered this Fifth Supplemental Application of Los Angeles Transit Lines, filed in the above entitled matter, and is of the opinion that a public hearing thereon is not necessary; that the money, property or labor to be procured or paid for through the issue and execution of a conditional sale contract or contracts for not exceeding \$900,000 is reasonably required by Los Angeles Transit Lines for the purpose herein stated, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, and that the request of the company should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. Los Angeles Transit Lines, after the effective date hereof and on or before December 31, 1948, may issue, execute and deliver conditional sale contract or contracts for the aggregate face amount of not exceeding \$900,000, with a deferred balance of

not exceeding \$765,000 to finance the purchase of fifty (50) General Motors Model TED 4307, 45-passenger, transit type diesel hydraulic motor coaches, such contract or contracts to conform with the credit agreement executed by applicant under the authority granted by Decision No. 40828, dated October 21, 1947.

2. The authority herein granted will become effective fifteen (15) days after the date hereof, and when Los Angeles Transit Lines has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is seven hundred sixty-five (\$765.00) dollars.

3. Within thirty (30) days after the execution of said conditional sale contract or contracts, Los Angeles Transit Lines shall file with the Commission a copy of each such contract or contracts.

Dated at San Francisco, California, this 7th day of July, 1948.

J. E. Dunderman
Justice F. Gallivan
Grant B. Russell
Harold T. Kula
Samuel P. Potter
Commissioners

