

ORIGINAL

Decision No. 42378

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
BAY CITIES TRANSIT COMPANY, Santa)
Monica, California, for order author-)
izing the entering into of a financ-)
ing agreement with the Security-First)
National Bank of Los Angeles, and)
agreement to purchase five new model)
"81" Transit Buses, and for authority)
to execute necessary instruments in)
connection therewith.)
-----)

Application
No. 29915

OPINION AND ORDER

In this application, Bay Cities Transit Company asks the Public Utilities Commission to make its order authorizing it to enter into a contract and to execute an evidence of indebtedness in the amount of \$52,500, for the purpose of financing in part the cost of five new motor coaches.

The application shows that Bay Cities Transit Company is engaged in the operation of passenger coaches as a common carrier of passengers in what may be generally described as the Bay Cities area of Santa Monica, Venice, Ocean Park, Sawtelle and West Los Angeles, including the University of California at Los Angeles. (1) It reports that it owns eighty-seven motor coaches, of which twenty-three are 1933, 1934 and 1935 models, and that it desires to replace five of the oldest coaches and those most in

(1)

Applicant reports its revenues for the ten months ending October 31, 1948, at \$969,521.89 and its net profit at \$35,515.05. It reports its investment in fixed assets as of October 31, 1948, at \$615,550.73 and its reserves for depreciation at \$292,765.83.

need of repairs, through the purchase of the five new coaches referred to in this application. To this end it proposes to enter into a conditional sale contract with the Transit Bus Sales, Inc. for the purchase of five new model "81" gasoline, mechanical, transit type 31-passenger buses for a total purchase price of \$52,573.25, including California sales tax and drive-out charges from Union City, Indiana, to Transit Bus Sales, Inc., 8691 Otis Street, Southgate, California. It is proposed that the contract will be assigned to Security-First National Bank of Los Angeles.

The proposed contract between applicant and Transit Bus Sales, Inc. and the financing agreement between applicant and the bank are attached to the application and marked Exhibit "A". It is provided that of the total purchase price, \$73.25 will be paid upon delivery of the equipment and that the balance will be paid in thirty-five equal monthly installments of \$1,500 each, commencing on the first day of the second month following the date of delivery, with interest at the rate of 4% per annum, payable monthly.

The bank agrees to finance the purchase by applicant of all or any part of the new coaches, by paying to the sellers the full purchase price of the coaches, but not exceeding in the aggregate \$52,500. The payment of the balances due under the conditional sale contract, which, as said, will be assigned to the bank, will be unconditionally guaranteed by Jesse E. Anderson and Louisa K. Anderson.

The Commission has considered this matter and is of the opinion that a public hearing thereon is not necessary, that the request of applicant should be granted, as herein provided, that

the money, property or labor to be procured or paid for through the issue of said evidence of indebtedness is reasonably required by applicant for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

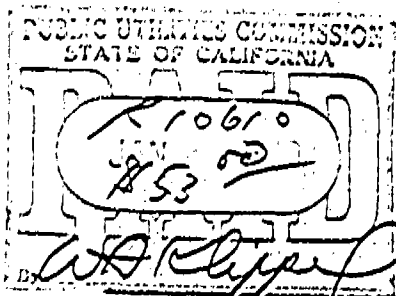
IT IS HEREBY ORDERED as follows:

1. Bay Cities Transit Company, after the effective date hereof and on or before March 31, 1949, may execute a conditional sale contract and a financing agreement in, or substantially in, the same form as those filed in this proceeding as Exhibit "A", for the principal sum of not exceeding \$52,573.25, for the purpose of acquiring said five (5) motor coaches.

2. Within thirty (30) days after the execution of said conditional sale contract and financing agreement, applicant shall file with the Commission an exact copy of each as actually executed.

3. The authority herein granted will become effective when Bay Cities Transit Company has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is fifty-three (\$53.00) dollars.

Dated at San Francisco, California, this 29th day of December, 1948.



R. J. ...
Justice J. ...
...

Commissioners