

ORIGINAL

Decision No. 42841

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 )  
 INGLEWOOD CITY LINES, )  
 a corporation, )  
 )  
 for an order authorizing applicant )  
 to issue its promissory note; to )  
 place a lien of chattel mortgage on )  
 certain of applicant's properties )  
 to secure repayment of said note; )  
 and to use the proceeds of said note )  
 for the purposes specified herein. )  
 ----- )

Application  
No. 30257

O P I N I O N

This is an application for an order of the Public Utilities Commission authorizing Inglewood City Lines to issue a note in the principal amount of \$52,700, for the purpose of financing in part the cost of seven units of equipment, and to execute a chattel mortgage to secure the payment of said note. A copy of the proposed note is attached to the application as Exhibit "A" and a copy of the proposed chattel mortgage as Exhibit "B".

Applicant is a corporation organized under the laws of the State of California. It is engaged in business as a common carrier of passengers by means of gasoline powered motor coaches in and about the City of Inglewood. For the year 1947, it reported its operating revenues at \$254,984 and a net loss of \$7,403. For the year 1948, it reported operating revenues of \$281,480 and a net profit of \$5,591. It has reported its assets and liabilities as of December 31, 1948, as follows:

Assets

Current assets -		
Cash and working funds	\$33,312.08	
Accounts receivable	2,500.76	
Materials and supplies	<u>6,740.71</u>	
Total current assets		\$42,553.55
Carrier operating property -		
Cost	130,638.66	
Depreciation reserve	<u>97,004.35</u>	
Balance		33,634.31
Intangible property		8,178.42
Deferred debits		8,133.89
Other assets		<u>2,661.04</u>
	Total	<u>\$95,161.21</u>

Liabilities

Current liabilities -		
Accounts payable	\$27,112.21	
Unearned revenue	4,325.33	
Accrued taxes	2,651.44	
Payroll tax deductions	2,315.87	
Provision for income tax	<u>1,540.25</u>	
Total current liabilities		\$37,945.10
Preferred stock		24,000.00
Common stock		32,600.00
Surplus		<u>616.11</u>
	Total	<u>\$95,161.21</u>

Applicant during 1948 operated twenty-five motor coaches. It now desires to replace certain obsolete coaches, upon which it is experiencing high maintenance costs and, according to this application, has made arrangements to purchase from Saginaw City Lines, Inc., at a cost of \$64,626.42, seven 1947 motor coaches, GMC model TGH 3207, each of thirty-two passenger seated capacity. Applicant reports that the equipment is in good condition and that the only expense which it will incur in connection with the acquisition, over and above the purchase price, is the California use tax, the cost of repainting and the cost of transporting said equipment from Chicago to Inglewood.

Applicant upon the delivery of the equipment will pay \$11,926.42 of the purchase price in cash, and issue to seller its promissory note for \$52,700, payable at the rate of \$775 per month for a period of sixty-eight months, with interest on the unpaid balances at the rate of 4% per annum, payable monthly.

O R D E R

The Public Utilities Commission having considered the above entitled matter and being of the opinion that a public hearing thereon is not necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for through the issue of a note for \$52,700 is reasonably required by Inglewood City Lines 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. Inglewood City Lines, after the effective date hereof and on or before July 31, 1949, may issue a promissory note in the principal amount of \$52,700 for the purpose of paying in part the cost of the seven (7) units of equipment referred to in this proceeding, and may execute a chattel mortgage covering such units of equipment to secure the payment of the note. The note and chattel mortgage herein authorized to be issued and executed shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit "A" and Exhibit "B", respectively.

2. Inglewood City Lines shall file with the Commission a report as required by the Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. The authority herein granted will become effective when Inglewood City Lines 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 10<sup>th</sup> day of May, 1949.

R. Z. [Signature]  
Justice P. [Signature]  
Frank [Signature]  
Harold [Signature]  
Samuel [Signature]  
Commissioners

