

ORIGINAL

Decision No. 46304

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
DENNIS PETTAS, an individual, doing )  
business under the name of PETTAS )  
AUTO STAGES, to lease to NORMAN J. )  
SMITH, his passenger stage ) Application No. 32516  
operative rights between Enes Tract, )  
Pittsburg, California, and industries )  
in the vicinity of Pittsburg, Cali- )  
fornia, and sell certain equipment. )

George C. Carmody, for applicants.

O P I N I O N

In this proceeding, Dennis Pettas and Norman J. Smith request the Commission to authorize them to enter into two agreements. Under one agreement, applicant Pettas proposes to sell and applicant Smith proposes to buy two passenger stages under a conditional sales contract. Under the other agreement, applicant Pettas proposes to lease to applicant Smith, with an option to buy, an operative right for the transportation of passengers between Pittsburg, Enes Tract and industries near Pittsburg.

A public hearing in this proceeding was held at Pittsburg on August 1, 1951, before Commissioner Mitchell and Examiner Paul, and the matter was submitted.

Dennis Pettas, doing business as Pettas Auto Stages, presently conducts a passenger stage service between Pittsburg and certain adjacent areas including the Enes Tract, Columbia Park, Camp Stoneman, Pittsburg Heights and other points. This proceeding involves only the passenger stage operative right between Pittsburg,

Enes Tract and industries in the vicinity of Pittsburg, as created by Decision No. 38288, in Application No. 26794. The assets and liabilities of Dennis Pettas, as of December 31, 1950, are set forth in a financial statement filed with the application as follows:

Assets

Cash		\$ 1,500.00
Materials and Supplies		3,000.00
Miscellaneous Current Assets		200.00
Carrier Operating Property	\$53,030.22	
LESS:		
Reserve for Depreciation	<u>21,619.22</u>	<u>31,411.00</u>
		\$36,111.00

## Liabilities:

Notes Payable	\$ 1,740.00	
Other Liabilities	<u>5,260.00</u>	\$ 7,000.00

## Capital:

Sole Proprietorship, Dennis Pettas		<u>\$29,111.00</u>
		\$36,111.00

The profit and loss statement attached to the application covering the year 1950 shows a total operating revenue of \$48,829 and total operating expenses of \$60,303 with a deficit of \$11,474.

Applicant Pettas proposes to sell to applicant Smith two 1947 Dodge passenger stages, each having a seating capacity of 32 passengers, for a total sum of \$6,000, under a conditional sales contract payable at the rate of \$100 a month until fully paid. Applicant Pettas also proposes to lease to applicant Smith the operative right involved for a period of five years at a monthly rental of \$100 with an option to purchase said operative right at the termination of the rental period upon the payment of an additional \$5,000. Applicant Smith has deposited \$500 in escrow to be paid to applicant Pettas upon receipt of approval by the Commission of the proposed sale and lease agreements, which will be applied to the rental of the operative right.

Each of the applicants testified and made various estimates as to the revenues and expenses of the operation involved. Such estimates were insufficiently clear and precise to arrive at any total amounts covering any particular period.

Applicant Pettas stated that it was impossible to allocate the revenues and expenses to the separate parts of his over-all operations to determine the earning experience of any of the lines.

According to the record, applicant Smith is without assets excepting one automobile and an equity of about \$1,000 in a home which he is purchasing. He is presently employed by the United States Government at Port Chicago and was uncertain as to whether he would continue in that position or actively participate in the operation of the stage line if the Commission should grant the authority sought. He testified that he had driven one of the buses on the Enes Tract line for approximately six months and for the last year and a half he had been driving on weekends only. He has no garage nor shop facilities to care for the equipment. However, applicant Pettas stated that he would permit applicant Smith to use his garage facilities without charge.

The evidence in this proceeding clearly indicates that the lessee has had no experience in the management, operation and conduct of a service of the type involved, except as noted above. Being without any financial resources, other than the revenues which he would expect to derive from the passenger stage operation, we are doubtful whether he would be able to maintain and improve the public utility property and service and meet the requirements of the agreements of sale and lease.

In our opinion the sale of the passenger stage operative rights and equipment under the conditions and circumstances as developed in the record would be adverse to the public interest and, accordingly, the application will be denied.

O R D E R

A public hearing having been had and based upon the evidence therein adduced,

IT IS ORDERED that Application No. 32516 is hereby denied.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, this 15<sup>th</sup> day of October, 1951.

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President

Justin F. Casper  
Harold P. Hill  
Frederick P. Bitter

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Commissioners