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Decision No. <u>46952</u>

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of BAKERSFIELD TRANSIT CO., a corporation

(a) For an order authorizing the issuance of a Conditional Sale Contract for the purchase of new equipment, under provisions of Section 817 of the Public Utilities Code.

Application No. 33244

ORIGIMAL

<u>o p i n i o n</u>

Bakersfield Transit Co. has filed this application for authorization to execute a conditional sale contract for the purchase of new equipment.

Applicant is engaged in operating motor coaches for the transportation of passengers in and about the City of Bakersfield, its latest annual report showing that it had 29 units of equipment at the close of 1951. In this proceeding, applicant reports that it has need of additional equipment in the conduct of its business and that it proposes to purchase from General Motors Corporation two TDH 3612 transit type diesel hydraulic coaches for the sum of \$35,777.20, including estimated taxes and freight. It has been informed by representatives of the manufacturer that the coaches will be ready for delivery within the next few weeks.

The application shows that under the arrangements made for the purchase of the equipment, applicant will pay 20% of the purchase price in cash and will execute a conditional sale contract providing for the payment of the balance in 36 monthly installments with interest at the rate of 5% per annum on unpaid balances. A copy of the form of the contract has been filed in this application as Exhibit A.

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In financial statements filed with the Commission applicant reports operating revenues of \$441,049 in 1950 and of \$411,217 in 1951, with net income of \$40,183 in 1950 and of \$27,773 in 1951, before making charges for depreciation of approximately \$34,000 in cach year. The 1951 report shows applicant's financial position as of December 31 as follows:

<u>Assets</u>

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Current assets - Cash Accounts receivable Materials and supplies Total current assets Tangible property - Carrier operating property Less: depreciation reserve Net operating property Intangible property Deferred debits		<pre>\$ 55,833.97 2,571.49 2,443.90 405,114.39 180,357.80</pre>	\$ 60,849.36 224,756.59 55,650.12 333.14 4,541.29
	Total		\$346,130.50

Lizbilities and Net Worth	
Current liabilities	
Equipment obligations	

 Total liabilities
 75,033.32

 Net worth Common stock

 Common stock
 \$185,000.00

 Surplus
 <u>56,097.18</u>

 Total net worth
 271,097.18

Total

\$346,130.50

\$ 23,201.02

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Of the equipment obligations, \$22,060.00 are payable during 1952.

It appears that the execution of the contract is required by applicant in acquiring the additional equipment. Accordingly, an order will be entered granting its request.

ORDER

The 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

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the money, property or labor to be produced or paid for through the execution of the conditional sale contract herein authorized 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. Bakersfield Transit Co., after the effective date hereof and on or before July 31, 1952, may execute a conditional sale contract, in substantially the same form as that filed in this application as Exhibit A, providing for deferred payments of not exceeding \$29,000 for the purchase of the equipment referred to in this proceeding.

2. Within thirty (30) days after the date of the contract executed under the authority herein granted, applicant shall file a copy thereof with the Commission.

3. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is twenty-nine (\$29.00) dollars.

Dated at San Francisco, California, this <u>S</u>day of April, 1952.

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