

Decision No. 48359

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
INGLEWOOD CITY LINES)

for an order authorizing applicant to)
issue its promissory note; to place a)
lien of chattel mortgage on certain of)
the Applicant's properties to secure)
repayment of said note, and to use the)
proceeds of said note for the purpose)
specified herein.)
-----)

Application
No. 34123

O P I N I O N

Inglewood City Lines, applicant herein, is a California corporation engaged in business as a passenger stage carrier in and about the City of Inglewood. In this application it reports that in order to meet requirements for transportation it has purchased from Spokane City Lines, Inc. five used GMC, Transit Type, Model TG 3609, 36-passenger motor coaches for a total cost of \$12,500, excluding tires, and it seeks authorization at this time to issue a note in the principal amount of \$12,500 to finance the purchase price and to execute a chattel mortgage to secure the payment of said note.

The proposed note will be repayable within 60 months after its date of issue at the rate of 59 payments of \$210 each and one payment of \$110, with interest computed at 4% on the declining balances. A copy of the note has been filed in this proceeding as Exhibit C and a copy of the chattel mortgage as Exhibit D.

Applicant's reports of its operations during the last three years, as set forth in its annual reports and in Exhibit B filed in this proceeding, show its revenues and expenses as follows:

	<u>1950</u>	<u>1951</u>	<u>1952</u>
Operating revenues	<u>\$242,549</u>	<u>\$246,465</u>	<u>\$254,873</u>
Expenses -			
Operation and maintenance	206,164	196,813	185,061
Depreciation	15,950	10,402	18,571
Taxes	<u>24,941</u>	<u>24,913</u>	<u>22,951</u>
Total	<u>247,055</u>	<u>232,128</u>	<u>226,583</u>
Net operating revenues	<u>(4,506)</u>	<u>14,337</u>	<u>28,290</u>
Less -			
Net income charges	687	1,002	3,213
Provision for income taxes	<u>-</u>	<u>2,937</u>	<u>7,635</u>
Total	<u>687</u>	<u>3,939</u>	<u>10,848</u>
Net income	<u>\$ (5,193)</u>	<u>\$ 10,398</u>	<u>\$ 17,442</u>

A summary of applicant's financial position as of December 31, 1952, is reflected in the following statement:

Assets

Current assets	\$ 43,755
Carrier operating property, net of depreciation reserve	106,853
Intangible property	6,932
Deferred debits	<u>2,777</u>
Total	<u>\$160,317</u>

Liabilities and Capital

Current liabilities (including equipment obligations due in one year)	\$ 65,647
Equipment obligations due after one year	36,012
Preferred stock	24,000
Common stock	32,600
Surplus	<u>2,058</u>
Total	<u>\$160,317</u>

Upon reviewing this matter we are of the opinion that applicant has need for the note to finance the cost of the equipment and that its assets and earnings are ample to support

the proposed issue. Accordingly, an order will be entered granting its request.

O R D E R

The Commission having considered the above entitled matter, and being of the opinion that a public hearing is not necessary; that the application should be granted, as herein provided; that the money, property or labor to be procured or paid for by the issue of the note 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. Inglewood City Lines, on and after the effective date hereof and on or before June 30, 1953, may issue a promissory note in the principal amount of not exceeding \$12,500 for the purpose of financing the purchase price of the five units of equipment referred to in this application, and may execute a chattel mortgage to secure the payment of said note. The note and chattel mortgage herein authorized to be executed shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit C and Exhibit D, respectively.

2. Inglewood City Lines shall file with the Commission monthly reports as required by 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 minimum fee prescribed by Section 1904(b) of the Public Utilities Act, which fee is \$25.00.

Dated at San Francisco, California, this 17th day of March, 1953.

R. J. [Signature]
President

Justin F. [Signature]
Harold [Signature]

Samuel [Signature]
[Signature]
Commissioners

PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
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By *M. Battaglia*