

Decision No. 48476

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application)	
of SAN DIEGO ECONOMY LINE, INC.,	:	
for permission to enter into a)	Application
purchase agreement for the purch-	:	No. 34178
ase of a 45 passenger Diesel Bus.)	
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OPINION AND ORDER

San Diego Economy Line, Inc., applicant herein, is a motor carrier of passengers between San Diego and Homeland. In this application it reports that it has made arrangements to purchase from General Motors Corporation one TDR 4509 45-passenger transit type coach with diesel engine and "V" hydraulic drive for the sum of \$17,840.48, plus taxes, f.o.b. Pontiac, Michigan, that 20% of the purchase price will be payable in cash, and that the balance will be represented by a long-term contract payable over a period of 48 months with interest at the rate of 5½% per annum. It seeks authorization to enter into such a contract.

Applicant's financial statements on file with the Commission show that it has been operating five units of equipment, that its gross revenues during 1951 amounted to \$20,059.41 and during 1952 to \$24,167.23, and that its net income, before making provision for depreciation, was \$2,954.67 during the first of these years and \$2,690.21 during the second year. Its application shows its investment in its assets and its liabilities and net worth as of December 31, 1952, as follows:

<u>Assets</u>		
Current assets -		
Cash on hand	\$ 855.78	
Cash in bank	3,124.40	
Material and supplies	<u>419.98</u>	
Total current assets		\$ 4,400.16
Fixed assets -		
Carrier operating property	8,688.99	
Noncarrier property	<u>151.02</u>	
Total	8,840.01	
Less: depreciation reserve	<u>4,260.53</u>	
Net fixed assets		4,579.48
Intangible assets		<u>2,100.00</u>
	Total	<u>\$11,079.64</u>

<u>Liabilities and Net Worth</u>		
Current liabilities -		
Payroll taxes payable	\$ 169.80	
Reserve--income taxes	<u>384.29</u>	
Total current liabilities		\$ 554.09
Net worth -		
Capital stock	6,200.00	
Capital surplus	3,414.40	
Earned surplus	<u>911.15</u>	
Total net worth		<u>10,525.55</u>
	Total	<u>\$11,079.64</u>

A review of the application indicates that the execution of the contract is necessary to enable applicant to acquire the additional equipment referred to herein. In our opinion the money, property or labor to be procured or paid for by the execution of the conditional sales contract herein authorized is reasonably required by applicant for the purpose specified, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. San Diego Economy Line, Inc., on and after the effective date hereof and on or before July 31, 1953, may execute a conditional sales contract or agreement for the financing of the

acquisition of the equipment referred to in this application for the sum of \$17,840.48, plus taxes, f.o.b. Pontiac, Michigan.

2. Applicant 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 applicant has paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.00.

Dated at San Francisco, California, this 14th day of April, 1953.

A. J. ...
President

Justice F. ...
Harold ...

Kenneth ...
John L. ...
Commissioners

