

ORIGINAL

Decision No. 48937

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
HIGHLAND TRANSIT, INC., a Corporation,
for an order authorizing the issuance
of a note to convert their indebted-
ness to Eastern Cities Transit, Inc.

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) Application
:
) No. 34557
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OPINION AND ORDER

This is an application for an order of the Commission authorizing Highland Transit, Inc. to issue a note in the principal amount of \$15,000 to Eastern Cities Transit, Inc. in payment of outstanding indebtedness.

It appears that applicant and Eastern Cities Transit, Inc. are California corporations engaged in the business of transporting passengers in portions of Los Angeles County. Their reports to the Commission show that they have the same officers and that they are controlled by Crown Body & Coach Corporation through ownership of all the outstanding shares of stock of each company. The application shows that Highland Transit, Inc., in order to meet out-of-pocket expenses during the years 1946 to 1948, found it necessary to borrow funds on open account from its associate company and that such borrowings reached a high point of \$29,262.15 in the early part of 1949 but since have been reduced to \$15,000. It appears that applicant does not have funds to effect a cash settlement of the amount at this time and that Eastern Cities Transit, Inc. is willing to accept a note in the principal amount of \$15,000, to be payable at the rate of \$200 a month with interest at the rate of 6% per annum.

Applicant's financial reports filed with the Commission for a number of years prior to 1952 show reported losses from operations resulting in an accumulated deficit of \$26,089.44 at the close of 1951. In 1952, however, the Commission, by Decision No. 47298, dated June 17, authorized certain increases in rates and for the year 1952 applicant reported net income of \$2,071.86, before making provision for depreciation. For the first six months of 1953 it reported net income of \$1,789.52, before depreciation expense. In 1952, the depreciation charges amounted to \$1,229.07 and during the first six months of this year to \$614.58.

Under the circumstances set forth in this proceeding we are of the opinion that a public hearing is not necessary, that applicant's request should be granted, and 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; therefore,

IT IS HEREBY ORDERED as follows:

1. Highland Transit, Inc. may issue to Eastern Cities Transit, Inc., on or before December 31, 1953, its promissory note in the principal amount of \$15,000 in payment of outstanding open account indebtedness of like amount.
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 Los Angeles, California, this 10th day of August, 1953.

[Handwritten Signature]

President

[Handwritten Signature]

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Commissioners

