

ORIGINALDecision No. 70576

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of Greyhound Lines, Inc., a)
California Corporation, (a) for)
Authority to Transfer to Its)
Wholly Owned Subsidiary, WGL)
Properties, Inc., Certain Land)
and Improvements thereon in the)
City of Los Angeles, County of)
Los Angeles, Useful in the)
Performance of Its Duties to the)
Public; and (b) for Authority,)
if Required, for WGL Properties,)
Inc., to Execute and Deliver an)
Assignment of Lease and Indenture)
Concerning Said Land and)
Improvements.)

Application No. 48334
Filed March 23, 1966

O P I N I O N

Greyhound Lines, Inc., a California corporation, requests authorization from the Commission to transfer certain terminal properties which it will lease back.

Insofar as it operates under the jurisdiction of this Commission, applicant is a passenger stage corporation engaged in the transportation of passengers, baggage and express generally throughout California and is also a charter-party carrier of passengers.

Greyhound Lines, Inc. reports that it owns certain land in the City of Los Angeles on which its wholly owned subsidiary, WGL Properties, Inc., is presently having the new Greyhound Los Angeles terminal constructed. According to the application, the land is recorded at its original cost of

\$2,344,902.45, and the terminal is carried on the books of applicant and said subsidiary as construction work in progress in respective sums of \$615,371.66 and \$123,814.00 as of December 31, 1965. A description of said land is attached to the application as Exhibit B.

Applicant proposes to transfer such terminal properties at their book value to WGL Properties, Inc. which has arranged to finance the entire cost of acquisition and construction by issuing \$10,900,000 principal amount of its 5% Secured Notes due February 1, 1987. WGL Properties, Inc., a Delaware corporation, is not a public utility and, therefore, is not subject to the jurisdiction of this Commission.

The application shows that Greyhound Lines, Inc. will lease back the terminal properties for an initial term ending in February, 1987, with an option to lease for up to fifty additional years.

Applicant asserts that the proposed financing is highly desirable because (a) the 5% interest rate is reasonable, (b) the entire \$10,900,000 will be made available by the lenders and is expected to be taken down by the borrower prior to completion of construction, and (c) it is unlikely that similar advantages would be available to applicant through conventional mortgage financing.

The Commission has considered this matter and finds that: (1) the proposed transactions will not be adverse to the public interest and (2) the execution and delivery of documents by WGL Properties, Inc., as specified in the application, do not require authorization from this Commission.

On the basis of the foregoing findings we conclude that the application should be (a) dismissed for lack of jurisdiction with respect to the execution and delivery of documents by WGL Properties, Inc., and (b) granted in all other respects. A public hearing is not necessary.

The action taken herein shall not be construed as a finding of the value of the property authorized to be transferred nor as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. Greyhound Lines, Inc., in accordance with the conditions set forth in this proceeding, may transfer to WGL Properties, Inc. the terminal properties described in the application.
2. This application is dismissed insofar as it seeks authority for the execution and delivery of documents by WGL Properties, Inc.
3. The effective date of this order is the date hereof.

Dated at San Francisco, California, this 19th day of APRIL, 1966.

Commissioner Frederick B. Holoboff, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

George J. Driver

William W. Bennett

Augustus

Commissioners