

Decision No. 32225

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
NAPA VALLEY BUS COMPANY

and  
SAN FRANCISCO AND NAPA VALLEY RAILROAD  
to mortgage one motor bus and one  
motor truck and to lease said motor bus.

Application No. 22894

BY THE COMMISSION:

O P I N I O N

ORIGINAL

Applicant, San Francisco and Napa Valley Railroad, has acquired at a cost of \$819.85 one S H Studebaker Truck, Serial No. 1-T-6-1216, Motor No. 2-T-7368 and has entered into an agreement with the Kenworth Motor Truck Corporation for the purchase at a cost of \$6,554.34 of one Kenworth Motor Bus, Type C-24, Serial No. 50620, Hercules Motor WXLC-3, Serial No. 170,321.

Applicant, San Francisco and Napa Valley Railroad, proposes to purchase said motor truck and said motor bus out of funds deposited by it with the American Trust Company, Trustee, under the trust indenture securing the payment of its first mortgage 5% income bonds.

In order to obtain from the trustee the money necessary to pay for the said truck and said motor bus, applicant asks permission to execute a supplemental indenture, under the terms of which it will convey to the trustee in trust the title to said motor truck and said motor bus, subject to the terms and conditions set forth in the trust indenture securing the payment of its income bonds. A copy of the supplemental indenture is filed in this proceeding as Exhibit A. We find the same to be in satisfactory form.

Applicant, San Francisco and Napa Valley Railroad, owns all of the outstanding capital stock of applicant, Napa Valley Bus Company. It asks permission to lease said motor bus to Napa Valley Bus Company,

under the terms and conditions of the lease filed in this proceeding as Exhibit B. The lease provides that it shall be in effect for the term of one year and thereafter until terminated by either party giving to the other party 30 days written notice of intention so to do. The lease further provides that the motor bus shall be used by the lessee for the carriage of passengers in the maintenance by it of its automobile passenger stage line between San Francisco and Calistoga, that the lessee shall maintain the bus and pay to the lessor as rental for the bus the sum of 1-1/2¢ per mile operated in the service of the lessee.

#### ORDER

The Commission has considered the requests of San Francisco and Napa Valley Railroad and Napa Valley Bus Company, referred to in the foregoing opinion, and is of the opinion that this is not a matter in which a hearing is necessary and that this application should be granted, subject to the provisions of this order, therefore,

IT IS HEREBY ORDERED, that San Francisco and Napa Valley Railroad be, and it is hereby, authorized to execute on or before October 1, 1939, a supplemental indenture similar in form to the supplemental indenture filed in this proceeding as Exhibit A.

IT IS HEREBY FURTHER ORDERED that San Francisco and Napa Valley Railroad and Napa Valley Bus Company be, and they are hereby, authorized to execute on or before October 1, 1939, a lease similar in form to the lease filed in this proceeding as Exhibit B.

IT IS HEREBY FURTHER ORDERED that the authority herein granted is subject to the condition that the approval herein given of said supplemental indenture and said lease is for the purpose of this proceeding only, and an approval <sup>only</sup> insofar as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not in-

tended as an approval of said supplemental indenture and of said lease as to such other legal requirements to which said supplemental indenture and said lease may be subject.

IT IS HEREBY FURTHER ORDERED, that within thirty (30) days after the execution of said supplemental indenture and of said lease, San Francisco and Napa Valley Railroad shall file with the Railroad Commission a certified copy of the supplemental indenture and a certified copy of the lease which it executed under the authority herein granted.

DATED at San Francisco, California, this 7<sup>th</sup> day of August, 1939.

Frank Palmer  
Commissioner  
Justice D. C. Cramer  
Commissioners