

ORIGINAL

Decision No. 39449

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
SACRAMENTO 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 )  
proceeds of said note for the purpose )  
specified herein. )  
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Application  
No. 27668

OPINION AND ORDER

Sacramento City Lines, a corporation, is a common carrier of passengers by means of gasoline and diesel powered motor coaches and electric railway street cars within the City of Sacramento and vicinity. By Decision No. 39438, dated September 24, 1946, in Application No. 27632, the Commission authorizes the company to discontinue its electric railway service and substitute motor coach service therefor. The company reports that it has ordered from GMC Truck & Coach Division, General Motors Corporation, forty-five new "GMC" TD 3609 transit type 36 passenger diesel powered motor coaches, to cost, including freight, about \$598,061.70. The freight charges are estimated at \$20,023.20.

In order to finance, in part, the purchase price, the company proposes to issue its promissory note in the sum of \$478,000 to the Oakland Main Office of the Bank of America National Trust and Savings Association. The note will be payable

in 60 equal consecutive monthly installments, plus interest at the rate of 2% per annum. The payment of the note will be secured by a chattel mortgage, in the form set out in Exhibit "D" filed in this proceeding, covering the forty-five new motor coaches. In addition, it will be guaranteed by Pacific City Lines, Inc., the owner of all the outstanding stock of Sacramento City Lines.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary; that Sacramento City Lines should be authorized to execute a chattel mortgage and to issue a note, as herein provided; and that the money, property or labor to be procured or paid for through the issue of said note is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expense or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. Sacramento City Lines, after the effective date hereof and on or before December 31, 1946, may execute a chattel mortgage in, or substantially in, the same form as that filed in this proceeding as Exhibit "D", and may issue a promissory note in the principal amount of \$478,000, payable in sixty equal consecutive monthly installments plus interest at the rate of 2% per annum, for the purpose of financing in part the cost of the forty-five motor coaches referred to herein.

2. The authority herein granted will become effective when Sacramento City Lines has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Four Hundred Seventy-eight (\$478.00) Dollars.

3. Sacramento City Lines shall file with the Commission a report, or reports, of the issue of the note herein authorized and of the disposition of the proceeds, as required by the Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

Dated at Los Angeles, California, this 1<sup>st</sup> day of October, 1946.

Harold J. Hill  
Justin J. Calmes  
Spencer C. ...

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A. E. ...  
 Commissioners

