

ORIGINAL

Decision No. 39637

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of MARY MARITZEN and E. B. OSTHUES, a co-partnership, doing business as THE MODESTO TRANSIT COMPANY, for authorization to finance equipment used in operation of bus service.

Application No. 27983

O P I N I O N

Mary Maritzen and E. B. Osthues, a copartnership, doing business under the firm name and style of The Modesto Transit Company, are engaged in operating a bus service between the City of Modesto and the suburban area known as South Modesto Acres and the Modesto Municipal Airport.

Applicants report that the equipment used in the rendering of this service consists of four 1946 model 31 passenger Gillig Brothers motor coaches and one 1938 Dodge 24 passenger motor bus. They report the total cost of the Gillig Brothers coaches at \$40,828.22 and the cost of the Dodge bus at \$2000. They have paid for the Dodge bus and have made a down payment of \$15,303.08 on the four Gillig Brothers coaches. They ask permission to refund the remainder \$25,525.14, of the purchase price plus interest of \$1,340.06 through a loan of \$26,865.20 from Anglo California National Bank, Modesto Branch. The loan will be represented by a note, payable in seventeen monthly installments of \$1500. each commencing December 15, 1946 and a final payment of \$1,365.20 due May 15, 1948. The payment of the loan will be secured by a mortgage of chattels which will be a lien

on the four Gillig Brothers coaches. A copy of the note and mortgage are on file in this application.

The interest on the loan should not be charged to the cost of equipment.

O R D E R

The Commission has considered applicants' request and is of the opinion that this is not a matter on which a hearing is necessary; that the money, property or labor to be procured or paid for through the issue of said note is reasonably required by applicants for the purpose herein stated; that the expenditures for said purpose, other than the amount necessary to pay interest and loan expense, are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted, therefore,

IT IS HEREBY ORDERED that Mary Maritzen and E. B.

Osthues, a copartnership, doing business under the firm name and style of The Modesto Transit Company, be, and they are hereby, authorized to issue, after the effective date hereof and on or before December 31, 1946, their note for the sum of not exceeding \$26,865.20, and to execute a mortgage of chattels to secure the payment of said note, said note and said mortgage of chattels to be in substantially the same form as the note and mortgage of chattels on file in this application. Applicants shall use \$25,525.14 of the note proceeds to refund the balance due on said four Gillig Brothers coaches and \$1,340.06 to pay interest.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when applicants, or either of them,

have paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which minimum fee is Twenty-seven (\$27.00) Dollars.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the issue of said note, applicants, or either of them, shall file with the Railroad Commission a copy of the note and a copy of the mortgage of chattels executed under the authority herein granted.

Dated at San Francisco, California, this 19<sup>th</sup> day of November, 1946.

Harold H. Huls

Frank Owen

Geo. H. Russell

R. E. Zimmerman

Commissioners

