

Decision No. 39724**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 GIBSON LINES, a corporation, for an)
 order authorizing it to issue a note)
 secured by a mortgage.)
 -----)

Application
 No. 28050

OPINION AND ORDER

Gibson Lines, applicant herein, is a corporation engaged in the business of operating motor coaches for the transportation of passengers between San Francisco, Oakland, Sacramento, Marysville and other points. In financial statements filed with the Commission it reports its operating revenues at \$1,351,931.89 for 1944, at \$1,532,311.87 for 1945 and at \$1,020,314.95 for the first nine months of 1946, and its net income at \$68,658.87 for 1944, at \$33,467.19 for 1945 and at \$77,840.15 for the first nine months of 1946. In summary form its assets and liabilities as of September 30, 1946, are shown as follows:

Assets

Intangible property		\$ 52,072.02
Tangible property	\$617,967.32	
Less: Reserve for Depreciation	<u>403,278.83</u>	214,688.49
Investment securities and advances		83,076.68
Current and deferred assets		<u>373,599.44</u>
Total assets		<u>\$723,436.63</u>

Liabilities

Capital stock	\$ 87,600.00
Current liabilities	289,357.23
Reserves	56,712.00
Surplus	<u>289,767.40</u>
Total liabilities	<u>\$723,436.63</u>

Applicant reports that during 1946, in order to render adequate service to the public, it purchased seven new 29-passenger Flxible coaches at a total cost of \$71,553.85, financing such cost out of its working capital. It now proposes to replenish its cash by borrowing from the Merchants National Bank of Sacramento, the sum of \$48,000 to be represented by a note payable in forty-eight equal monthly installments with interest at the rate of 5 percent per annum, said note to be secured by a mortgage of chattels on the equipment. A copy of the note and mortgage is filed as Exhibit "B".

A review of the company's financial statements indicates that its assets and earnings are ample to support the note issue and that it has need for additional funds. A public hearing does not appear to be necessary, therefore,

IT IS HEREBY ORDERED as follows:

1. Gibson Lines, after the effective date hereof and on or before February 28, 1947, may issue a note in the principal amount of \$48,000, payable in forty-eight equal monthly installments with interest at the rate of not exceeding 5 percent per annum, and may execute a mortgage of chattels, such note and mortgage of chattels to be in, or substantially in, the same form as those filed in this application as Exhibit "B", for the purpose of reimbursing its treasury and of providing working capital, it being the opinion of the Commission that the money, property or labor to be procured or paid for through the issue of said note is reasonably required for the purposes specified herein and that the expenditures for such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

2. Gibson Lines shall file with the Commission a report as required by the Commission's 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 Gibson Lines has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Forty-eight (\$48.00) Dollars.

Dated at San Francisco, California, this 16th day of December, 1946.

Harold P. Kula
Justus F. C. ...
Thomas ...
...
A. J. ...
 Commissioners.

