

ORIGINAL

Decision No. 41708

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)

SAN JOSE CITY LINES, INC.)

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.)
-----)

Application
No. 29390

OPINION AND ORDER

San Jose City Lines, Inc., a corporation engaged in the operation of motor vehicles for the transportation of passengers in the Cities of San Jose and Santa Clara, and their environs, reports that in order to meet transportation requirements and to improve its service, it has purchased from GMC Truck and Coach Division, General Motors Corporation, ten new GMC Transit type diesel 45-passenger motor coaches for a total cost of \$165,839.40, F.O.B. Pontiac, Michigan.

In order to finance, in part, the purchase price the company proposes to borrow from The National City Bank of New York the sum of \$140,928 to be represented by a note repayable in ninety-six equal consecutive monthly installments, plus interest at the rate of 2-3/8% per annum. A copy of the note is on file in this application as Exhibit "C". The payment of the note will be secured by a chattel mortgage, in the form set out in Exhibit "D" filed in this proceeding, and in addition, will be guaranteed

by National City Lines, Inc., the owner of all the outstanding stock of San Jose City Lines, Inc. The mortgage will be a lien on the ten motor coaches.

The Commission has considered this application and is of the opinion that a public hearing thereon is not necessary; that San Jose City Lines, Inc. should be authorized to execute a chattel mortgage and to issue a note, as herein provided; 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 expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. San Jose City Lines, Inc., after the effective date hereof and on or before September 30, 1948, may execute a chattel mortgage and may issue a promissory note in the principal amount of \$140,928, repayable in ninety-six equal consecutive monthly installments plus interest at the rate of 2-3/8% per annum, for the purpose of financing in part the cost of the ten motor coaches referred to herein; said note and said chattel mortgage to be in, or substantially in, the same form as the note and chattel mortgage on file in this application as Exhibits "C" and "D", respectively.

2. The authority herein granted will become effective when San Jose City Lines, Inc. has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is one hundred forty-one (\$141.00) dollars.

3. San Jose City Lines, Inc. 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 15th day of June, 1948.

R. J. Anderson
Justus F. Casper
Harold P. Hills
Samuel P. Lott
Commissioners

PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
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By *W. A. Klypp*