

in Applicant's transportation service to replace an equal number of old and obsolete buses now being used. Applicant reports that the new buses will cost approximately \$17,500 each, including federal, state and city taxes, freight and incidentals, making a total purchase price of approximately \$227,500 which it will be required to pay on or about July 16, 1948. It reports that six of said new buses have been received and that the remaining seven are enroute with delivery expected on or about July 1, 1948.

It appears from Applicant's petition that it is its intention to issue the note either concurrently with the sale of Applicant's outstanding stock by the J. D. and A. B. Spreckels Company to J. L. Haugh and Western Transit Company, or at sometime thereafter.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for through the issue of said note is reasonably required by Applicant for the purpose specified herein and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

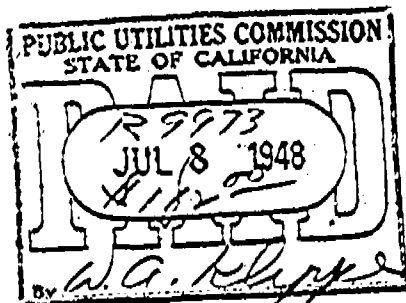
1. San Diego Electric Railway Company, after the effective date hereof and on or before August 31, 1948, may issue a note in the principal sum of not exceeding \$182,000, payable in seventy-two (72) equal consecutive monthly installments with interest at the rate of 3½% per annum, for the purpose of financing in part the purchase price of the thirteen (13) new

buses referred to herein, and may execute a chattel mortgage, which note and chattel mortgage shall be in, or substantially in, the same form as the note and the chattel mortgage filed in Application No. 29203 as Exhibit "D" and Exhibit "E", respectively.

2. San Diego Electric Railway Company shall file with the Commission within thirty (30) days after their execution, a copy of the note and a copy of the chattel mortgage executed and delivered under the authority granted herein, together with a statement showing the purpose for which it expended the \$182,000 received through the issue of said note.

3. The authority herein granted will become effective twenty (20) days from the date hereof, provided that San Diego Electric Railway Company has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is one hundred eighty-two (\$182.00) dollars.

Dated at San Francisco, California, this 7th day of July, 1948.



W. Z. Indurran
Justus F. Galeman
Robert H. Rayell
Harold P. Kule
Herbert Potter
Commissioners