

ORIGINAL

Decision No. 46183

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
EVELYN M. KNAPP and JOHN P. DEMETER,)	
co-partners doing business as PENINSULA)	
TRANSIT LINES, for certificate of)	
public convenience and necessity to)	
operate passenger stage service be-)	Application
tween Palo Alto, North Palo Alto, San)	No. 32730
Carlos, Redwood City, Atherton, Menlo)	
Park, Woodside and Toyon Knolls.)	
)	
Re: For Authority to Encumber property.)	
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)	

OPINION AND ORDER

This is an application for an order authorizing Evelyn M. Knapp and John P. Demeter to execute a deed of trust and to issue a note in the principal amount of \$65,000 for the purpose of paying indebtedness and of financing the cost of additions and betterments.

Applicants, operating under the name of Peninsula Transit Lines, are engaged in the passenger stage business in the cities of Palo Alto, Menlo Park, Redwood City, San Carlos, and adjoining areas. (1) They report that they have acquired real property in the County of San Mateo and that they desire to construct certain improvements thereon for use in their operations. The premises presently are encumbered by a real estate loan in the amount of \$29,000 in favor of The Anglo California National Bank of San Francisco, and applicants have made arrange-

(1) For the first six months of 1951 applicants report operating revenues of \$133,319 and net operating income of \$14,523, before provision for depreciation and federal income taxes.

ments to increase the indebtedness to the amount of \$65,000. They plan to use \$29,000 of the increased amount to pay the existing encumbrance and the balance of \$36,000, together with \$18,000 which they will provide from their own resources, for the following purposes:

1. To purchase and install 3 hoists, gasoline tanks, pumps, air compressor and air lines, shop benches, chain hoists, and necessary machinery for service and maintenance of bus transportation, such equipment	\$ 8,000.00
2. Construction of shop building to be constructed on property at 1845 Bay Road	27,000.00
3. Sewer, gas, and electricity extension to service new location	5,000.00
4. Office building	10,000.00
5. Grading, surfacing, and fencing bus parking area	<u>4,000.00</u>
Total	<u>\$54,000.00</u>

The sum to be thus borrowed will be represented by a note in the principal amount of \$65,000, payable in installments of \$1,000 or more on the first day of each month beginning October 1, 1951, with interest at the rate of 5% per annum on deferred payments. The payment of the note will be secured by a deed of trust covering applicants' real property.

The Commission has considered this matter and is of the opinion that a public hearing thereon 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 the note herein authorized is reasonably required by applicants for the purposes specified herein; and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses