

Decision No. 46985

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of)	
FRESNO CITY LINES, INC., a corpora-	:	
tion, for authority to issue its)	
promissory note in the principal sum	:	
of \$12,000, and to secure the pay-)	Application
ment thereof by a chattel mortgage	:	No. 33258
on certain equipment, and to use)	
the proceeds thereof for specified	:	
purposes.)	
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OPINION AND ORDER

This is an application for an order authorizing Fresno City Lines, Inc. to execute a chattel mortgage and to issue a promissory note in the principal amount of \$12,000 for the purpose of financing in part the cost of equipment.

Applicant is engaged in operating motor coaches for the transportation of passengers in and about the City of Fresno. In its 1951 annual report it sets forth that at the close of the year it owned 47 units of equipment and that some of its units were more than ten years old and were fully depreciated on its books. It now reports that it has need for additional equipment and that it has arranged to purchase from Pacific Greyhound Lines three coaches built in 1944 but converted from gasoline-powered equipment by the substitution of 6-cylinder diesel engines and oversized transmission. The coaches to be purchased will be used to replace a like number which are said to be obsolete and uneconomical in operation.

The approximate cost of the equipment is \$18,000. Applicant proposes to provide \$6,000 of the purchase price from its own funds and to borrow \$12,000 from Bank of America National

Trust and Savings Association, the sum to be thus borrowed to be represented by a note payable in 48 equal monthly installments with interest at the rate of $4\frac{1}{2}\%$ per annum. The payment of the note will be secured by a chattel mortgage on the three units.

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 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. Fresno City Lines, Inc., after the effective date hereof and on or before September 30, 1952, may issue a promissory note in the principal amount of not exceeding \$12,000 for the purpose of financing, in part, the cost of the equipment to which reference is made herein, and may execute a chattel mortgage, which note and chattel mortgage shall be in, or substantially in, the same form as those filed in this proceeding and marked Exhibit A and Exhibit B, respectively.

2. Applicant shall file with the Commission monthly reports as required by 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 applicant has paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is twenty-five (\$25.00) dollars.

Dated at San Francisco, California, this 14th day of April, 1952.

President

Justin J. Casseer

Harold Hula

Samuel J. Patten

John L. ...

Commissioners

