

ORIGINAL

Decision No. 48701

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application by)
 SAN BERNARDINO VALLEY TRANSIT COMPANY,)
 a corporation, for an Order or Orders) Application
 to Borrow Money and to Encumber Utility) No. 34439
 Properties.)
 -----)

OPINION AND ORDER

This is an application filed by San Bernardino Valley Transit Company for authorization to execute two mortgages of chattels and to issue two notes, one for \$2,800 and one for \$16,000, for the purpose of refinancing outstanding indebtedness.

Applicant is a California corporation engaged in operating motor coaches for the transportation of passengers in and about the City of San Bernardino and the City of Colton and in adjacent unincorporated areas. Its application shows that it has financed its investment in its facilities and equipment, in part, with borrowed moneys, that at June 9, 1953, it had outstanding obligations of \$36,974.42 representing the unpaid balances of indebtedness in the aggregate original amount of \$218,815, and that the monthly payments on the principal amounts aggregate \$2,899.99. The several items of indebtedness are described as follows:

	Rate of Interest	Unpaid Principal	Monthly Payment
Yellow Mfg. Acceptance Corp.	5 1/2 %	\$16,833.83	\$1,500.00
Yellow Mfg. Acceptance Corp.	5 1/2 %	666.86	333.33
Gladys Porter & Elizabeth Schilling	7 %	1,250.54	416.66
American National Bank	6 %	8,473.19	400.00
Federal Engineering Corp.	3 %	9,750.00	250.00
Totals		<u>\$36,974.42</u>	<u>\$2,899.99</u>

It appears that applicant now desires to refinance the first three items of indebtedness aggregating \$18,751.23 and that for this purpose it has made arrangements to borrow \$16,000 from C. H. Jones and Eleanor S. Jones and \$2,800 from American National Bank of San Bernardino, the excess of \$48.77 of the proposed new borrowings over the amount to be paid to be used for general corporate purposes. The \$16,000 note will be payable in monthly installments of \$500, with interest at the rate of 6% per annum, and will be secured by a mortgage of chattels covering 11 units of equipment. The \$2,800 note will be payable in monthly installments of \$100, with interest at the rate of 6% per annum, and will be secured by a mortgage of chattels covering nine units of equipment. With the completion of these transactions applicant's monthly payments on its indebtedness will be reduced from \$2,899.99 to \$1,250.00.

We have reviewed this matter and are of the opinion that a public hearing is not necessary, that the money, property or labor to be procured or paid for by the issue of the notes herein authorized is reasonably required by applicant for the purposes indicated, that the expenditures for such purposes, except for general corporate purposes, are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that the application should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. San Bernardino Valley Transit Company may issue, on or before December 31, 1953, a promissory note in the principal amount of not exceeding \$16,000 and a promissory note in the principal amount of not exceeding \$2,800 for the purposes set forth herein, and may execute two mortgages of chattels, which notes and mortgages of

chattels shall be in, or substantially in, the same form as those filed in this proceeding.

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 \$25.00.

Dated at San Francisco, California, this 16th day of June, 1953.

R. J. [Signature]
President

Justus F. Calmes
Harold P. Hule

Commissioners

Commissioner Kenneth Rattar, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

