

ORIGINAL

Decision No. 49059

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
CHARLES C. TOWLE, doing business as)	
HIGHLAND-PATTON BUS LINE, for)	Application
authority to mortgage real estate)	No. 34649
under Sections 816-830 of the Public)	
Utilities Code.)	
-----)	

OPINION

Charles C. Towle, applicant herein, is engaged in the operation of the Highland-Patton Bus Line for the transportation of passengers in the City of San Bernardino and between the city and its adjacent unincorporated suburban communities of Victoria Gardens, Del Rosa, Highlands and Patton. In this application he seeks authorization to issue a note in the principal amount of \$9,000 and to execute a deed of trust covering certain real property and improvements located in the City of San Bernardino and used for office purposes and for the storage, repair and servicing of passenger buses. The proposed note will be payable in monthly installments of \$150, or more, with interest at the rate of 6% per annum.

The purpose of the financing is to provide applicant with funds to repay outstanding liabilities so as to extend the time for payment of the same and to meet the cost of new equipment, as follows:

To refund present mortgage balance	\$2,404.35
To repay promissory note	2,500.00
To purchase two used buses	<u>4,095.15</u>
Total	<u>\$9,000.00</u>

The present mortgage is dated February 19, 1947, matures February 19, 1954, and was executed to finance the construction of applicant's garage and office building. The outstanding promissory

note of \$2,500 referred to in the preceding tabulation represents short-term borrowings made to raise funds to redeem school children's tickets purchased but not used by the Board of Education during the 1952-1953 school year. The two buses are said to be needed to provide school tripper service to additional school facilities.

In Exhibit C applicant sets forth his balance sheet as of June 30, 1953, indicating his financial position as of that date as follows:

<u>Assets</u>		
Current assets		\$ 3,953.97
Carrier operating property -		
Cost	\$55,181.09	
Depreciation reserve	<u>38,967.37</u>	
Net		16,213.72
Intangible capital		9,654.59
Prepayments		<u>2,540.56</u>
	Total	<u>\$32,362.84</u>
<u>Liabilities and Capital</u>		
Current liabilities		\$ 8,328.14
Mortgage and equipment obligations		6,901.70
Proprietorship capital		<u>17,133.00</u>
	Total	<u>\$32,362.84</u>

In Exhibit D applicant reports that for the year ended June 30, 1953, his operating revenues amounted to \$72,950.07 and his net income, before provision for depreciation, to \$8,243.01. Applicant estimates that the buses he now proposes to acquire will produce additional net annual revenue of \$2,000.

From a review of this matter it appears that applicant's revenues should be ample to enable him to meet the obligations to be imposed by the proposed note. Accordingly, an order will be entered granting his request.

O R D E R

The Commission having considered the above entitled matter, and being 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 by the issue of the note herein authorized is reasonably required by applicant for the purposes specified herein, and that such purposes, except as otherwise authorized herein, are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

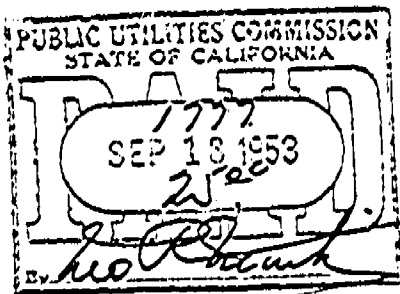
IT IS HEREBY ORDERED as follows:

1. Charles C. Towle, doing business as Highland-Patton Bus Line, may issue a promissory note in the principal amount of \$9,000 for the purposes set forth in this application and may execute a deed of trust to secure the payment of the same, which note and deed of trust 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 15th day of September, 1953.



R. V. [Signature]
President
Justin F. [Signature]
Harold D. [Signature]
[Signature]
[Signature]
Commissioners