

ORIGINAL

Decision No. 51698

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application by)	
SAN BERNARDINO VALLEY TRANSIT COMPANY,	:	Application
a corporation, for an Order or Orders to)	No. 37033
Borrow Money, to Encumber Utility Properties,	:	(and Amendment)
and to purchase Additional Vehicles.)	
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O P I N I O N

This is an application for an order authorizing San Bernardino Valley Transit Company, a corporation, to execute a mortgage of chattels and to issue a note in the principal amount of \$15,000 for the purpose of paying indebtedness, financing the cost of equipment, and providing working capital.

The application shows that for more than 12 years applicant has been continuously engaged in operating a public utility passenger stage service in and about the Cities of San Bernardino and Colton and in and about various unincorporated areas contiguous thereto. According to its financial statement as of March 31, 1955, it has invested \$49,624 in tangible properties, net after deducting reserves for depreciation, and it has financed itself in part through the issue of \$14,170 of notes, including a secured note in the amount of \$1,190.74 in favor of The American National Bank and a secured note in the amount of \$5,000 in favor of C. H. Jones or Eleanor S. Jones, both of which notes were issued under authorization granted by the Commission.

It appears that applicant now desires to refinance these two secured notes and to increase its borrowings from C. H. Jones and Eleanor S. Jones to \$15,000, the total amount to be represented by a new note payable in monthly installments of \$500, or more, with

interest at the rate of 6% per annum, secured by a mortgage of applicant's equipment. It intends to apply the proceeds from the new note for the following purposes:

To pay present notes	\$ 6,190.74
To purchase from Transit Securities Company the following buses:	
9 - 1944-1946 Ford passenger buses	2,250.00
3 - 1945 White Motor Company passenger buses	1,601.19
For working capital	<u>4,958.07</u>
Total	<u>\$15,000.00</u>

Transit Securities Company is an affiliated corporation whose outstanding shares of stock are owned by applicant's shareholders. Continuously, and for over 10 years, it has been the owner of buses which it has leased to applicant and in addition is the owner of one parcel of land which is used by applicant without charge. The price now proposed to be paid by applicant for the buses it will acquire from Transit Securities Company is the reported net book value of such equipment. All of said buses have been and now are in active use by applicant.

A consolidated financial statement filed in this proceeding shows for the year ended March 31, 1955, net profit of \$8,142 before provision for depreciation. The statement further indicates that applicant will have need for additional funds for the purposes set forth in this application and it appears to us that the transaction as proposed will not be adverse to the public interest.

An order will be entered granting applicant's request. Such an order, however, should not be construed to be a finding of the value of the equipment to be acquired by applicant.

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 are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

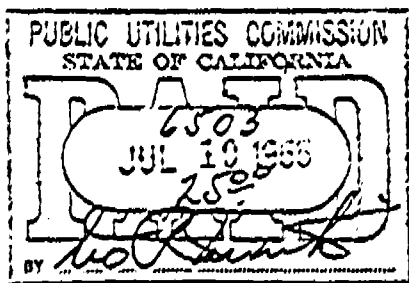
IT IS HEREBY ORDERED as follows:

1.- San Bernardino Valley Transit Company may execute a mortgage of chattels and issue a note in the principal amount of \$15,000 for the purposes set forth in this application, said mortgage of chattels and note to be in, or substantially in, the same form as those filed in this proceeding and to be executed and issued on or before October 31, 1955.

2. San Bernardino Valley Transit Company 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.

Dated at Los Angeles, California, this 18th day of July, 1955.



Justin J. Cremer
President
Paul J. Cremer
M. J. ...
H. ...

Commissioners