

Decision No. 52700

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
GARDEN CITY TRANSPORTATION CO., LTD.,)
for authority to issue promissory)
notes and chattel mortgages securing)
such notes.)

Application
No. 37743

OPINION AND ORDER

Garden City Transportation Co., Ltd., has filed this application for authorization to execute two mortgages of chattels and to issue two notes, one in the principal amount of \$51,000 and the other of \$26,000, for the purpose of refinancing outstanding indebtedness.

Applicant is a California corporation engaged as a highway common carrier in the transportation of general commodities, with certain exceptions, between Bradley, Monterey, Santa Cruz, San Francisco, and Richmond, and canned goods, dried fruit and packing plant machinery, materials and supplies between San Jose and points adjacent thereto, on the one hand, and Stockton and Sacramento on the other hand. It reports its investment in tangible assets at \$264,697 as of November 30, 1955, and its long-term obligations at \$141,386, including equipment obligations of \$77,500 payable to Bank of America National Trust and Savings Association. The Bank of America obligation is evidenced by a promissory note issued on December 9, 1954, in the original amount of \$115,000, being payable over a three-year period in monthly installments of \$2,500 a month during the first seven months of the year, and \$5,000 a month for the last five months of the year, with interest at the rate of 5% per annum. The monthly payments on the principal aggregate \$42,500 a year, with payments to continue for approximately two more years.

It appears that applicant now desires to refinance its Bank of America obligation in order to reduce its monthly cash outlay. It has made arrangements to issue two new notes to the bank to take up the existing obligation. One note, in the face amount of \$51,000, will be payable in monthly installments of \$637 during the first seven months of each year, of \$1,276 during the next two months, and of \$1,913 during the last three months of the year. The other note, in the principal amount of \$26,000 will be payable in monthly installments of \$650 during the first seven months of each year, of \$1,300 during the next two months, and of \$1,950 during the last three months of each year. Both notes will bear interest at the rate of $5\frac{1}{2}\%$ per annum. The monthly payments on the new notes will aggregate \$25,750 during each of the next two years, and \$12,750 during each of the two following years, as compared with the \$42,500 required under the existing obligation.

The Commission has considered applicant's request to refinance its indebtedness and is 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 purpose specified herein, that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, and that the application should be granted; therefore,

IT IS HEREBY ORDERED as follows:

1. Garden City Transportation Co., Ltd., may execute two mortgages of chattels in, or substantially in, the same form as those filed in this proceeding as Exhibit B and Exhibit D, and may issue

two promissory notes in the aggregate principal amount of not exceeding \$77,000 in, or substantially in, the same form as those filed as Exhibit A and Exhibit C. The notes shall be issued for the purpose of refinancing outstanding indebtedness as set forth in this application.

2. Garden City Transportation Co., Ltd., shall file with the Commission a report, or 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 Garden City Transportation Co., Ltd., has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$77.

Dated at San Francisco, California, this 6th day of March, 1956.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners

