

**ORIGINAL**

Decision No. 72856

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 )  
notes and mortgage certain )  
utility property. )

Application No. 49541  
Filed July 12, 1967

O P I N I O N

This is an application for an order of the Commission authorizing Garden City Transportation Co., Ltd. (1) to issue Promissory Notes in the aggregate principal amount of \$200,000, (2) to execute and deliver Security Agreements and (3) to execute and deliver a Revolving Credit Agreement.

Applicant is a California corporation engaged in business as a highway common carrier transporting general commodities, with certain exceptions, between various points and places in central California. For the year ended December 31, 1966, the company reports gross operating revenues of \$1,942,941 and net profit of \$13,079.

The company proposes to issue an initial note in the principal amount of \$200,000 in favor of Wells Fargo Bank. In connection therewith, it contemplates executing and delivering a Security Agreement and a Revolving Credit Agreement which would make funds available to applicant for a period of seven years up to a maximum of \$200,000 at any one time outstanding. Said note and any further borrowings pursuant to the proposed

Revolving Credit Agreement would bear interest at the prime interest rate plus 2% per annum, and repayment would be at the rate of \$3,333 per month plus interest on the outstanding balance of principal.

The company proposes to use the proceeds of the note, in part, to retire the outstanding balances aggregating approximately \$122,700 of a previously authorized note in favor of Crocker-Citizens National Bank and an equipment obligation in favor of International Harvester Company, and, in part, to purchase motor vehicle equipment to supplement or replace its present equipment. According to the Revolving Credit Agreement, applicant will issue additional notes and execute and deliver additional Security Agreements for similar purposes. Applicant believes that benefits will result from the proposed transactions in that the company will be able to improve its motor vehicle equipment without increasing its monthly payment obligations.

The Commission has considered this matter and finds that: (1) the proposed notes are for proper purposes; (2) the money, property or labor to be procured or paid for by the issue of the notes herein authorized is reasonably required for the purposes specified herein; (3) such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; and (4) the proposed documents will not be adverse to the public interest. On the basis of these findings we conclude that the application should be granted. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Garden City Transportation Co., Ltd., for the purposes specified in this proceeding, may execute and deliver a Revolving Credit Agreement and Security Agreements and may issue Promissory Notes in the aggregate principal amount of not exceeding \$200,000. Said documents shall be in the same form, or in substantially the same form, as those attached to the application.

2. Garden City Transportation Co., Ltd. shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

3. This order shall become effective when Garden City Transportation Co., Ltd. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code.

Dated at San Francisco, California,  
this 8<sup>th</sup> day of AUGUST, 1967.

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President

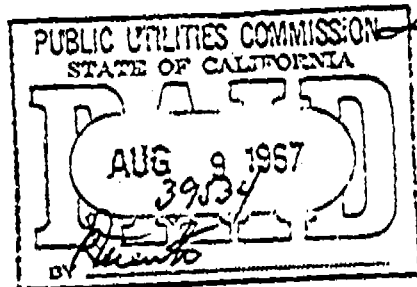
*William J. ...*

\_\_\_\_\_  
Negotiator

*William J. ...*

\_\_\_\_\_  
Commissioners

*Fred P. Morrissey*



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