

Decision No. 45697

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of CANTLAY & TANZOLA, INC., a
California Corporation, to execute
and issue Conditional Sales Contracts.

Application
No. 32355

O P I N I O N

ORIGINAL

In this application Cantlay & Tanzola, Inc. requests the Commission to make its order approving two conditional sale contracts heretofore executed by it for the purpose of acquiring equipment.

Cantlay & Tanzola, Inc. is a California corporation organized under the laws of the State of California on or about June 1, 1931. For a number of years it engaged in the business of transporting liquid petroleum products in bulk in tank trucks and tank trailers as a highway contract carrier and radial carrier. More recently, by Decision No. 42623, dated March 15, 1949, it was authorized to operate as a highway common carrier. In Exhibit B attached to the application it reports for the year ended December 31, 1950 operating revenues of \$2,499,227.98 and net income of \$12,619.38.

Applicant advises that on February 2, 1951 it executed a conditional sale contract with Sterling Motors Corporation, which contract was assigned to Security-First National Bank of Los Angeles, in the amount of \$89,000. This contract covered the acquisition of eight new Sterling truck tankers and provided for repayment over a period of 24 months in monthly installments of \$3,710 each commencing on February 20, 1951 with interest at the rate of 4% per annum, payable monthly. A copy of the contract so executed is attached to the application as Exhibit C.

On February 19, 1951 applicant executed a conditional sale contract with Sterling Motors Corporation which was assigned to Security-First National Bank of Los Angeles, in the amount of \$89,160. This contract covered the acquisition of eight new Sterling truck tankers and provided for repayment over a period of 24 months in monthly installments of \$3,715 each commencing on April 10, 1951 with interest at the rate of 4% per annum payable monthly. A copy of this contract is attached to the application as Exhibit D.

It appears that applicant has executed evidences of indebtedness payable more than 12 months after date of issue without first having received the Commission's authorization. The Public Utilities Act provides, among other things, that an evidence of indebtedness of a public utility payable at a period of more than 12 months after date of issue if executed without an order of this Commission authorizing the same, then in effect, shall be void. The Commission cannot, by a later order approve the execution of evidences of indebtedness declared void by the Act and accordingly it will be necessary for applicant to execute new instruments in lieu of those payable more than 12 months after their date heretofore executed by it without authorization from the Commission.

It appears that applicant has need for the equipment to be acquired through the execution of the conditional sale contracts in order to meet the demands for the transportation of liquid petroleum products particularly as emphasized by the military requirements. An order will be entered.

O R D E R

The Commission having considered the above entitled matter and being of the opinion that a public hearing thereon is not necessary, that the money, property or labor to be procured or

paid for through the execution of evidences of indebtedness herein authorized is reasonably required by Cantlay & Tanzola, Inc. 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,

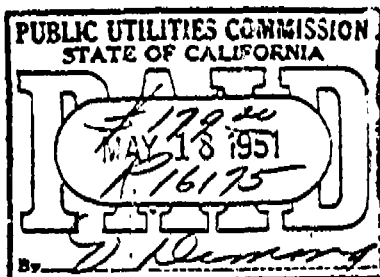
IT IS HEREBY ORDERED as follows:

1. Cantlay & Tanzola, Inc., after the effective date hereof and on or before October 31, 1951, for the purposes set forth in this application, may execute conditional sale contracts providing for deferred payments aggregating not in excess of \$178,160 in, or substantially in, the same form as those filed in this proceeding as Exhibits C and D, in lieu of those executed without authorization from the Commission, as set forth in the preceding opinion.

2. Cantlay & Tanzola, Inc. shall file with the Commission a copy of each conditional sale contract executed under the authority herein granted within thirty days after the date thereof.

3. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$179.00.

Dated at San Francisco, California, this 15th day of May 1951.



[Signature]
Justice J. Cramer
Harold P. Hills
[Signature]

Commissioners