

ORIGINAL

Decision No. 65764

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of Allyn Tank Line, Inc. for)
authorization to execute evidence)
of indebtedness)

Application No. 45532
Filed June 17, 1963

O P I N I O N

Allyn Tank Line, Inc., a corporation engaged in business as a carrier of petroleum products, has filed this application for an order authorizing the execution of a note and deed of trust.

The application shows that during 1962 the carrier purchased, at competitive bidding, some seventeen acres of land at Camp Stoneman, for use as a terminal in its operations, and that it issued to General Services Administration its note, secured by a deed of trust, in the amount of \$83,200 dated June 22, 1962, due June 22, 1972, with interest at the rate of 5% per annum.

The carrier did not obtain authorization from the Commission to issue its note and deed of trust as required by Sections 818 and 851 of the Public Utilities Code, although it appears that its failure to do so was through inadvertence and that when the requirements of the code were called to applicant's attention, it forthwith filed the present application requesting the Commission to authorize this outstanding loan.

Sections 825 and 851 of the Public Utilities Code declare void any note or other evidence of indebtedness of a public utility, or any encumbrance of utility property, made without approval of the Commission. We are of the opinion that we cannot authorize or approve a void note or deed of trust. However, the note was issued for a proper purpose and we will enter an order authorizing applicant to issue a new note and a new deed of trust in lieu of those executed without the necessary consents. In our opinion, the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required for the purpose specified herein, and such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; we so find. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Allyn Tank Line, Inc., may issue its new note to General Services Administration in the principal amount of not to exceed \$83,200, and may execute a deed of trust to secure its payment, said new note and deed of trust to be executed and issued in the place and stead of the instruments presently outstanding which were executed and issued without authorization from the Commission.

2. Allyn Tank Line, Inc., 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 shall become effective when Allyn Tank Line, Inc., has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$84.

Dated at San Francisco, California, this 30th day of JULY, 1963.

William W. Bennett
President

[Signature]

[Signature]

George G. Traver

Frederick B. Helms
Commissioners

