

ORIGINAL

Decision No. ~~41014~~

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

| | | |
|---|---|-------------|
| In the Matter of the Application of |) | |
| | : | |
| PARR-RICHMOND TERMINAL CORPORATION and |) | |
| PARR TERMINAL COMPANY, a corporation, | : | |
| |) | |
| for an order authorizing Parr-Richmond | : | Application |
| Terminal Corporation to assign its |) | No. 28887 |
| properties to Parr Terminal Company and | : | |
| authorizing Parr Terminal Company to |) | |
| operate said properties as a public | : | |
| wharfinger under the tariffs heretofore |) | |
| filed by Parr-Richmond Terminal Corpor- | : | |
| ation. |) | |
| ----- | : | |

Lamson & Jordan, by William D. Shea, Jr.,
for applicants.

O P I N I O N

This is an application by Parr-Richmond Terminal Corporation, hereinafter referred to as Parr-Richmond, and Parr Terminal Company, hereinafter referred to as Parr Terminal, for an order of the Public Utilities Commission authorizing Parr-Richmond to assign its properties to Parr Terminal.

Both applicants are corporations organized under the laws of the State of California. Parr-Richmond, organized on or about July 13, 1927, is engaged in operating public terminals at the harbor of Richmond and in dealing in industrial lands at said harbor and elsewhere. Parr Terminal, organized on or about July 16, 1918, owns all of the outstanding stock (2,015 shares) of Parr-Richmond.

The application shows that Parr-Richmond, in the conduct of its business as a public wharfinger, operates four terminals situated at the harbor of Richmond and known as Terminals 1, 2, 3 and 4, all as described in some detail in the application. Of these, it owns in fee the south half of Terminal 3 and holds a leasehold estate in Terminals 1 and 2 and the north half of Terminal 3, under and by virtue of a lease dated October 16, 1926, and a leasehold estate in Terminal 4, under and by virtue of a lease dated March 2, 1936, and a lease supplemental thereto, dated November 17, 1941. In each lease the City of Richmond is the lessor and in each lease it is provided that it may not be assigned by the lessee without the consent of the city. The leasehold terms are for periods of fifty years. Applicants have asked the City of Richmond to give its consent to the assignment of the leases.

Parr-Richmond has financed the cost of its properties primarily through the issue of common stock to Parr Terminal, the issue of notes and the investment of surplus earnings. The assets and liabilities of the two companies are reported as follows:

| | Parr Richmond <u>Sept. 30, 1947</u> | Parr Terminal <u>Aug. 31, 1947</u> |
|--------------------------------------|---|--|
| <u>Assets</u> | | |
| Property - | | |
| Real estate | \$ 533,374.65 | \$ 1,780.00 |
| Leasehold | 18,881.75 | - - |
| Other improvements | 136,239.34 | - - |
| Automobiles | 11,713.58 | - - |
| Furniture and equipment | 35,995.82 | - - |
| Total | <u>736,205.14</u> | <u>1,780.00</u> |
| Investments in other companies | 61,148.07 | 249,343.64 |
| City of Richmond improvement account | 36,461.07 | - - |
| Cash and accounts receivable | 240,022.66 | 2,622.02 |
| Notes receivable | 222,170.62 | 15,511.36 |
| Prepaid expenses | 14,376.91 | - - |
| Other assets | 25,377.21 | - - |
| | <u>\$1,335,761.68</u> | <u>\$269,257.02</u> |
| <u>Liabilities</u> | | |
| Notes payable | \$ 301,008.49 | \$ 67,600.00 |
| Accounts payable | 20,945.78 | 80,305.33 |
| Accruals | 13,338.78 | 171.70 |
| Reserves | 140,574.45 | - - |
| Due City of Richmond | 4,506.21 | - - |
| Capital stock | 201,500.00 | 94,620.00 |
| Capital surplus | 173,230.21 | 21,970.55 |
| Earned surplus | 480,657.76 | 4,589.44 |
| | <u>\$1,335,761.68</u> | <u>\$269,257.02</u> |

It is of record that the Board of Directors of Parr-Richmond has adopted a resolution recommending that said corporation be wound-up and dissolved and its properties and assets be distributed to Parr Terminal, upon said Parr Terminal assuming all of the obligations and liabilities of Parr-Richmond. The Board of Directors of Parr Terminal has adopted a resolution approving (a) the dissolution of its wholly-owned subsidiary, Parr-Richmond, (b) the assumption of all obligations and liabilities of Parr-Richmond upon the distribution to said Parr Terminal of the assets of said Parr-Richmond, and (c) the cancellation of the outstanding stock of Parr-Richmond. Upon the dissolution of Parr-Richmond,

Parr Terminal will proceed to change its corporate name to Parr-Richmond Terminal Company.

Upon the assignment of said properties to Parr Terminal, it will adopt the rates, rules and regulations set forth in tariffs and schedules presently on file with the Commission by Parr-Richmond.

The assignment of the properties of Parr-Richmond to Parr Terminal will result in the elimination of office expense incident to the maintenance of corporate records for two corporations. The present management will continue to operate the properties.

No one appeared at the hearing to protest the granting of this application.

O R D E R

The Public Utilities Commission of California having considered the evidence submitted at the hearing had on this application before Examiner Fankhauser, and it being of the opinion that this application should be granted, as herein provided, therefore,

IT IS HEREBY ORDERED as follows:

1. Parr-Richmond Terminal Corporation after the effective date hereof and on or before January 31, 1948, may assign all its properties necessary or useful in the performance of its duties as a public wharfinger and all its rights and

obligations as a public utility to Parr Terminal Company, and Parr Terminal Company may acquire such properties and assume the payment of the outstanding liabilities of Parr-Richmond Terminal Corporation as of the date of such assignment.

2. Applicants, upon the transfer of the aforesaid properties and upon not less than five (5) days' notice to the Commission and to the public, shall supplement or reissue the tariffs on file with the Commission insofar as they name rates, rules and regulations governing operations by Parr-Richmond Terminal Corporation to show that said Parr-Richmond Terminal Corporation has withdrawn or canceled, and that Parr Terminal Company concurrently has adopted or established as its own, said rates, rules and regulations.

3. Within sixty (60) days after the assignment of said properties, Parr Terminal Company shall file with the Commission a copy of each journal entry used to record on its books the acquisition of the properties.

4. The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be assigned.

5. The authority herein granted is effective upon the date hereof.

Dated at San Francisco, California, this 17th day
of December, 1947.

Harold P. Kula
Justin J. Calver
David F. Powell
R. J. [unclear]

Commissioners