

ORIGINAL

Decision No. 56010

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
DELTA LINES, INC., a Corporation,
for authority to execute a
guarantee of note payable
to Delta Terminals, Inc.

Application No. 39624

OPINION AND ORDER

This is an application for an order authorizing Delta Lines, Inc., to execute a guarantee of a note to be issued by Delta Terminals, Inc.

Applicant is a highway common carrier of property generally between San Francisco Bay points, Gilroy, San Jose, Tracy, Stockton, Sacramento, Alpine Lake, Jackson, Placerville, Oroville and Chico, and intermediate points, and between certain points in the San Joaquin Valley and Los Angeles territory. In the conduct of its operations it has occupied certain terminal facilities in Sacramento under lease arrangements with Delta Terminals, Inc., an affiliated corporation.

It now appears that increased facilities are required and that Delta Terminals, Inc., is undertaking to construct additions to its properties, for lease to applicant, and to finance the same with moneys to be borrowed from the Bank of America National Trust and Savings Association which will be represented by a note, secured by deed of trust, in the amount of \$200,000 payable over a period of ten years with interest at the rate of 6 per cent per annum. The

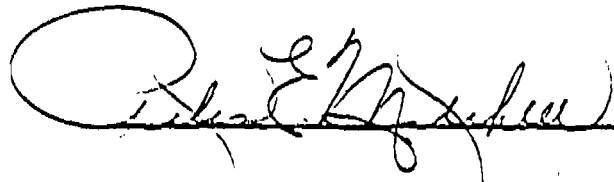
bank has requested the operating company to execute a continuing guarantee of the liability.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary and that the application should be granted, therefore,

IT IS HEREBY ORDERED that Delta Lines, Inc., be, and it hereby is, authorized to execute a continuing guarantee, in the form filed as Exhibit A in this proceeding, of the indebtedness of \$200,000 of Delta Terminals, Inc., as set forth in the application herein.

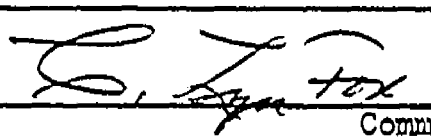
This order will become effective on the date hereof.

Dated at San Francisco, California, this 19th day of December, 1957.



President





Commissioners