

ORIGINAL

Decision No. 79527

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of DELTA LINES, INC., a)
corporation, and of SACRAMENTO)
RIVER WAREHOUSE COMPANY, a)
corporation, for authorization)
to merge, with DELTA LINES, INC.,)
as the surviving corporation.)

Application No. 53062
Filed December 20, 1971

O P I N I O N

Delta Lines, Inc. and Sacramento River Warehouse Company seek an order of the Commission authorizing the latter to merge into the former.

Delta Lines, Inc. is a California corporation engaged principally in highway common carrier operations under the jurisdiction of this Commission and under Interstate Commerce Commission authority. Sacramento River Warehouse Company is a California corporation operating as a public utility warehouseman in Colusa County under the jurisdiction of this Commission and is also engaged in various nonutility activities.

The proposed Agreement of Merger, a copy of which is attached to the application, shows that Delta Lines, Inc., as the surviving corporation, would succeed to the rights and properties, and be subject to the liabilities and obligations, of Sacramento River Warehouse Company. Furthermore, all of

the issued and outstanding capital stock of Sacramento River Warehouse Company would be cancelled and no shares of capital stock of Delta Lines, Inc. would be issued to the present shareholders of Sacramento River Warehouse Company.

The reported assets and liabilities as of September 30, 1971, for Delta Lines, Inc. and Sacramento River Warehouse Company, as adjusted to give effect to the proposed merger, are summarized from Exhibit B, attached to the application, as follows:

Assets

Current assets	\$ 6,742,241
Net operating property	4,924,989
Other assets	<u>1,060,310</u>
Total	<u>\$12,727,540</u>

Liabilities

Current liabilities	\$ 4,352,024
Long-term debt	5,498,317
Common stock equity	<u>2,877,199</u>
Total	<u>\$12,727,540</u>

After consideration the Commission finds that the proposed merger would not be adverse to the public interest and concludes that it should be authorized. A public hearing is not necessary.

The authorization herein granted is for the purpose of this proceeding only, and is not to be construed as a finding of the value of the properties to be merged, nor as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

ORDER

IT IS ORDERED that:

1. Delta Lines, Inc. and Sacramento River Warehouse Company may merge pursuant to the terms and provisions of an Agreement of Merger in substantially the form of Exhibit A attached to the application.

2. Delta Lines, Inc., as the surviving corporation, may assume all the obligations, debts and liabilities of Sacramento River Warehouse Company.

3. Within thirty days after consummating the merger herein authorized, Delta Lines, Inc. shall notify the Commission, in writing, of that fact.

4. Delta Lines, Inc. shall amend or reissue the tariffs on file with the Commission, naming rates and rules governing the warehouse operations herein to show that it has adopted or established, as its own, said rates and rules. The tariff filings shall be made effective not earlier than five days after the date of this order on not less than five days' notice to the Commission and the public, and the effective date of the tariff filings shall be concurrent with the consummation of the merger herein authorized. The tariff filings made pursuant to this order shall comply in all respects with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 61-A. Failure to comply with and observe the provisions of General Order No. 61-A may result in a cancellation of the operating authority stated by this decision.

5. Concurrently with the effective date of the tariff filings for warehouse operations required by Ordering Paragraph No. 4 hereof, the prescriptive operative right as a public utility warehouseman set forth in the Order dated June 20, 1960, in Case No. 6560, is hereby restated for Delta Lines, Inc., as more particularly set forth in Appendix A attached hereto.

6. Delta Lines, Inc., as the surviving corporation, shall maintain separate plant, depreciation reserve, revenue and expense records for the warehouse operations herein stated.

7. Within sixty days after the consummation of the merger herein authorized, Delta Lines, Inc. shall file with the Commission a copy of each journal entry used to record the merger on its books of accounts.

8. The effective date of this order is the date hereof. Unless exercised, the authority herein granted will expire on June 30, 1972.

Dated at San Francisco, California, this 22nd day of DECEMBER, 1971.

[Signature]
 Chairman

[Signature]
 William J. [unclear]

[Signature]
 Vernon L. Sturgeon

[Signature]
 Commissioners

Delta Lines, Inc., a corporation, possesses a prescriptive operative right as a public utility warehouseman for the operation of storage or warehouse floor space as follows:

<u>Location</u>	<u>Number of Square Feet of Floor Space</u>
Colusa and vicinity	55,000
Grimes and vicinity	137,800
In the vicinity of Millers Landing, approximately 14 miles south of Grimes (Colusa County)	60,000

(The floor space shown is exclusive of the expansion permissible under Section 1051 of the Public Utilities Code.)

(END OF APPENDIX A)

Issued by California Public Utilities Commission.

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