

ORIGINAL

Decision No. 80890

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 PSA, INC., and PACIFIC SOUTHWEST)
 AIRLINES for an Order authorizing)
 them to enter into and consummate)
 a Plan of Reorganization and for an)
 Exemption from Sections 216-253 of)
 the Public Utilities Code.)

Application No. 53633
 Petition for Modification
 (Filed December 19, 1972)

FIRST SUPPLEMENTAL OPINION

In addition to exempting PSA, Inc. and Pacific Southwest Airlines from the provisions of Sections 216-252 of the California Public Utilities Code, Decision No. 80634, dated October 31, 1972, in the above-entitled matter authorizes the former to control the latter in accordance with a certain Plan and Agreement of Reorganization. According to such plan, the latter would become a wholly owned subsidiary of the former by virtue of a merger of PacSwCo, Inc. into Pacific Southwest Airlines. PacSwCo, Inc. is a California corporation incorporated on March 3, 1972, and is a wholly owned subsidiary of PSA, Inc.

Petitioners now desire to increase the probability of obtaining an early tax treatment ruling from the Internal Revenue Service through a merger of Pacific Southwest Airlines into PacSwCo, Inc. They seek appropriate authority from this Commission for facilitating consummation of such merger.

After consideration the Commission finds that:

1. The merger of Pacific Southwest Airlines into PacSwCo, Inc., and any related transfer of certificate of public convenience and necessity, would not be adverse to the public interest.
2. Following the merger of Pacific Southwest Airlines into PacSwCo, Inc., control of the surviving corporation by PSA, Inc. would not be adverse to the public interest.
3. The application of Sections 816-852 of the Public Utilities Code to PSA, Inc. and to said surviving corporation is not necessary in the public interest.

On the basis of the foregoing findings we conclude that the petition should be granted. A public hearing is not necessary. Nothing in this decision shall be construed as a determination of public utility status.

FIRST SUPPLEMENTAL ORDER

IT IS ORDERED that:

1. In accordance with a Plan and Agreement of Reorganization substantially in the form attached to the original application filed in the above-entitled matter as Exhibit 2 of Exhibit A, Pacific Southwest Airlines may merge into PacSwCo, Inc., and the former may transfer its certificate of public convenience and necessity in its entirety to the latter.

2. PSA, Inc. may control Pacific Southwest Airlines, the latter to be the new name of the surviving corporation of a merger of the present Pacific Southwest Airlines into PacSwCo, Inc.

3. PSA, Inc. and PacSwCo, Inc., the latter under its present name and under its new name of Pacific Southwest Airlines following merger, are exempt from the provisions of Sections 816-852 of the California Public Utilities Code.

4. The authority herein granted is alternative to that granted by Decision No. 30684, dated October 31, 1972, in the above-entitled matter.

5. The effective date of this First Supplemental Order is the date hereof.

Dated at San Francisco, California,
this 21st day of DECEMBER, 1972.

Vernon L. Sturgeon
President
William J. Lyons, Jr.

Commissioner J. P. Vukasin, Jr.
Commissioners
necessarily absent, did not participate
in the disposition of this proceeding.

Commissioner Thomas Moran, being
necessarily absent, did not participate
in the disposition of this proceeding.