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Decision No. 81569

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of DELTA CALIFORNIA INDUSTRIES for)
authority (1) to purchase the stock)
of TRANS-BAY MOTOR EXPRESS, INC.,)
a corporation, and (2) to temporarily)
manage and control said corporation;)
and for TRANS-BAY MOTOR EXPRESS, INC.)
to issue a promissory note.)

Application No. 54105
(Filed June 15, 1973)

O P I N I O N

Delta California Industries seeks authority to control Trans-Bay Motor Express, Inc., and the latter seeks authority to issue a note in the principal amount of not exceeding \$72,000 and to change its participation in tariffs.

Trans-Bay Motor Express, Inc. is a California corporation incorporated on January 24, 1967. It conducts operations as a highway common carrier of general commodities, with certain exceptions, between various points and places in central California. In addition, the carrier operates under permits issued by this Commission. For the year 1972, it reports operating revenues and a net loss of \$1,695,645 and \$97,489, respectively. The outstanding capital stock of Trans-Bay Motor Express, Inc. consists of 10,000 shares of \$10 par value common stock, all owned by Sophie W. Jakobsen.

Delta California Industries is a California corporation incorporated on May 16, 1972. Pursuant to authority granted by Decision No. 80422, dated August 29, 1972, in Application No. 53517, it acquired control of Delta Lines, Inc., California Motor Transport Co., California Motor Express, Ltd., and Delta

Express, Inc., which four subsidiaries perform public utility operations subject to this Commission's jurisdiction. For the year 1972, Delta California Industries reports total consolidated revenues of \$60,905,904 derived from public utility and nonutility operations, and a corresponding consolidated net income of \$2,082,343.

In accordance with an Agreement of Purchase and Sale dated as of June 11, 1973, Delta California Industries would purchase and acquire from Sophie W. Jakobsen all of the outstanding shares of capital stock of Trans-Bay Motor Express, Inc., the consideration being in the form of assumption of liabilities. Promissory notes payable by the carrier to Sophie W. Jakobsen for working capital aggregating \$72,000 would be converted into one five-year note bearing interest equal to the prime rate of Bank of America National Trust and Savings Association.

After consideration the Commission finds that:

1. Control of Trans-Bay Motor Express, Inc. by Delta California Industries would not be adverse to the public interest.
2. The proposed note issue is for a proper purpose.
3. 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, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.
4. The record in this proceeding contains no showing for justification of an increase in rates.

On the basis of the foregoing findings we conclude that the application should be (a) dismissed without prejudice insofar as it seeks authority for Trans-Bay Motor Express, Inc. to make tariff participation changes, and (b) granted in all other respects. A public hearing is not necessary. The action taken herein shall not be construed as a finding of value of the capital stock of Trans-Bay Motor Express, Inc.

O R D E R

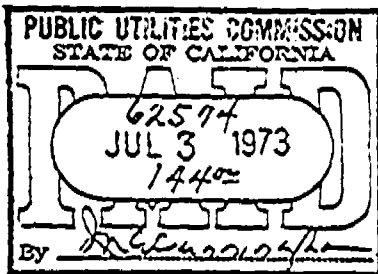
IT IS ORDERED that:

1. Delta California Industries may control Trans-Bay Motor Express, Inc.
2. Trans-Bay Motor Express, Inc., on or after the effective date hereof and on or before September 30, 1973, for the purpose specified in this proceeding, may issue a note in the principal amount of not exceeding \$72,000, which note shall be in substantially the same form as Exhibit A of Exhibit 1 attached to the application.
3. Trans-Bay Motor Express, Inc. shall file with the Commission the report required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.
4. This application, insofar as it seeks authority for Trans-Bay Motor Express, Inc. to make tariff participation changes, is hereby dismissed without prejudice.

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5. This order shall become effective when Trans-Bay Motor Express, Inc. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$144.

Dated at San Francisco, California, this 3rd day of July, 1973.



[Signature]
President
[Signature]
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Commissioners