

Decision No. 21599

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 STOCKTON ELECTRIC RAILROAD COMPANY, )  
 a corporation, for certificate of ) Application No. 15958  
 public necessity and convenience, )  
 and consent to operate bus line in the )  
 City of Stockton. )

BY THE COMMISSION -

**ORIGINAL**OPINION and ORDER

This is an application by the Stockton Electric Railroad Company, a corporation, for a certificate of public convenience and necessity authorizing it to operate an automotive service for the transportation of passengers over and along the following streets in the City of Stockton:

Starting at the intersection of Weber Avenue and Hunter Street; thence South on Hunter Street to Washington Street; thence West on Washington Street to Yosemite Street; thence South on Yosemite Street to Church Street; thence West on Church Street to Roosevelt Street; thence North on Roosevelt Street to Washington Street; thence East on Washington Street to Orange Street; thence South on Orange Street to Church Street; thence East on Church Street to Yosemite Street; thence North on Yosemite Street to Washington Street; thence East on Washington Street to Hunter Street; thence North on Hunter Street to Weber Avenue, to the point of beginning.

Applicant proposes to operate on said described route a 21-passenger motor bus of the street-car, pay-as-you-enter type, to operate on schedules as set forth in Exhibit C and to charge a single fare of 7 cents, or four tokens for 25 cents with the privilege of transferring, while traveling in the same general direction, to the electric cars operated by applicant.

Applicant asks that it be authorized to operate the service proposed herein for a period of one year, the service to be discontinued at the end of the year if it does not yield a return

adequate to its investment in the proposed line, said discontinuance to be automatic, without submitting the matter to the Commission.

There are in the district proposed to be served several industrial plants with many employees and many residences. The proposed service has the approval of the city authorities of Stockton, the City Council having granted applicant a permit to operate over the streets named. This permit is revocable at the will of the City Council.

We are of the opinion that this is a matter in which a public hearing is not necessary and that the application should be granted, with the understanding, however, that at the expiration of one year from the date hereof applicant shall, if it desires to discontinue the service, make formal application for authority to discontinue, said application to be supplemental to the instant application.

Stockton Electric Railroad Company, a corporation, is hereby placed upon notice that "operative rights" do not constitute a class of property which should be capitalized or used as an element of value in determining reasonable rates. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be changed or destroyed at any time by the state which is not in any respect limited to the number of rights which may be given.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the operation by Stockton Electric Railroad Company, a corporation, of an automotive passenger stage service over and along the following route:

Starting at the intersection of Weber Avenue and Hunter Street; thence South on Hunter Street to Washington Street; thence West on Washington Street to Yosemite Street; thence South on Yosemite Street to Church Street; thence West on Church Street to Roosevelt Street; thence North on Roosevelt Street to Washington Street; thence East on Washington Street to Orange Street; thence South on Orange Street to Church Street; thence East on Church Street to Yosemite Street; thence North on Yosemite Street to Washington Street; thence East on Washington Street to Hunter Street; thence North on Hunter Street to Weber Avenue, to the point of beginning.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity for such a service be, and the same hereby is granted to Stockton Electric Railroad Company, subject to the following conditions:

- 1- Applicant shall file its written acceptance of the certificate herein granted within a period of not to exceed ten (10) days from date hereof.
- 2- Applicant shall file, in duplicate, within a period of not to exceed thirty (30) days from the date hereof, tariff of rates and time schedules, such tariffs of rates and time schedules to be satisfactory to the Railroad Commission, and shall commence operation of said service within a period of not to exceed sixty (60) days from the date hereof.
- 3- The rights and privileges herein authorized may not be discontinued, sold, leased, transferred nor assigned unless the written consent of the Railroad Commission to such discontinuance, sale, lease, transfer or assignment has first been secured.
- 4- No vehicle may be operated by applicant herein unless such vehicle is owned by said applicant or is leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.

For all other purposes the effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 25th day of

September, 1929.

Thos. J. Leland

C. J. Leland

Leon A. Whaley

W. J. Leland

Commissioners.