Decision No. 27252



BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of ALPHA HARDWARE & SUPPLY COMPANY, a corporation, to transfer to ALPHA STORES, LTD., a corporation, an operative right for the transportation of property by motor trucks, as a common carrier, between Nevada City, Forest City and Alleghany, together with certain property and equipment used in conducting said service, and thereupon to abandon said service.

) Application No. 19517.

BY THE COMMISSION:

## OPINION AND OFDER

Alpha Hardware and Supply Company, a corporation, has petitioned the Railroad Commission for an order approving the sale and transfer by it to Alpha Stores, Ltd. of an operating right for an automotive service for the transportation of property between Nevada City, Forest City and Alleghany, and Alpha Stores, Ltd. has petitioned for authority to purchase and acquire said operating right and to hereafter operate thereunder, the sale and transfer to be in accordance with an agreement, a copy of which, marked Exhibit "A", is attached to the application herein and made a part thereof.

The consideration to be paid for the property herein proposed to be transferred is given as \$811.06. Of this sum \$801.06 is declared to be the value of equipment and \$10.00 is declared to be the value of intangibles. Alpha Hardware and

Supply Company also requests authority to discontinue all of its public utility obligations. The transfer of operating rights, when completed, will accomplish this so far as truck operation is concerned. The operating right herein proposed to be transferred was created by Decision No. 14610 dated February 26, 1925, on Application No. 10837. Applicants eliminated, by amendment by letter, further request that the Commission authorize the execution and delivery by Alpha Hardware and Supply Company to Alpha Stores, Ltd. of a note \$102,789.04, with interest. For this reason no action is taken on this request. 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. Alpha Stores, Ltd. 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. IT IS HEREBY ORDERED that the above entitled application be, and the same is hereby granted, subject to the following conditions: 1. The consideration to be paid for the property herein authorized to be transferred shall never be urged before this Commission or any other rate fixing body as a measure of value of said property for rate fixing, or any purpose other than the transfer herein authorized. 2. Applicant Alpha Hardware and Supply Company shall within twenty (20) days after the effective date of 2.

the order unite with applicant Alpha Stores, Ltd. in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant Alpha Hardware and Supply Company on the one hand withdrawing, and applicant Alpha Stores, Ltd. on the other hand accepting and establishing such tariffs and all effective supplements thereto.

- 3. Applicant Alpha Hardware and Supply Company shall within twenty (20) days after the effective date of the order withdraw time schedules filed in its name with the Railroad Commission and applicant Alpha Stores, Ltd. shall within twenty (20) days after the effective date of the order file, in duplicate, in its own name time schedules covering service heretofore given by applicant Alpha Hardware and Supply Company which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Alpha Hardware and Supply Company or time schedules satisfactory to the Railroad Commission.
- 4. The rights and privileges herein authorized may not be sold, leased, transferred nor assigned, nor service thereunder discontinued, unless the written consent of the Railroad Commission to such sale, lease, transfer, assignment or discontinuance has first been secured.
- 5. No vehicle may be operated by applicant Alpha Stores, Ltd. 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.
- 6. The authority granted to sell and transfer the rights and/or property shall lapse and be void if the parties hereto shall not have complied with all the conditions within the periods of time fixed herein unless, for good cause shown, the time shall be extended by further order of the Commission.

Dated at San Francisco, California, this 6 day

of August, 1934.

Mallagares.