

Decision No. 38594

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
Arlof N. Wright, doing business as)
EL SOBRANTE-RICHMOND BUS SERVICE,)
and Russell L. Beninger and Frank)
Beninger, co-partners, for approval)
to transfer stage line.)

Application No. 27158

ORIGINAL

O P I N I O N

Arlof N. Wright requests authority to sell and Russell N. Beninger and Frank Beninger, partners, request authority to buy passenger stage operative rights in general between El Sobrante, Richmond, Point San Pablo and intermediate points and certain automotive equipment. These operative rights authorize the transportation of passengers between El Sobrante and three shipyards at Richmond, subject to certain local restrictions, granted by Decision No. 35426; between Richmond and Point San Pablo and intermediate points, subject to certain restrictions, to serve certain fish canning industries as authorized by Decision No. 35973; and certain changes of routes of operation in Richmond and El Sobrante as authorized by Decision No. 36508. The consideration involved is \$12,500. The application states that of this amount \$8256.60 represents the value of the equipment and \$4243.40 represents the value of the operative rights. The equipment

(1) involved consists of five passenger stages. Applicant Wright reports revenues and expenses since beginning operations as shown in the margin.

The purchasers, if they acquire the above described property, may charge to tangible property and equipment accounts the sum of \$8256.60, and to intangible property the sum of \$100, representing filing fees heretofore paid the Railroad Commission on applications for certificates of public convenience and necessity. The remaining \$4143.40 should be charged to deferred debits and amortized over a period of five years by charges to income.

The Commission has considered this matter and is of the opinion that the proposed sale and transfer is not adverse to the

(1) The equipment is described in Exhibit "C" of the application as follows:

DESCRIPTION	DATE PURCHASED	COST	BOOK VALUATION
1 only 1934 Ford V-8 (36 passengers)	July, 1942	\$1500.00	\$ 937.50
1 only 1941 Mack (51 passengers)	February, 1944	5700.00	4275.00
1 only 1929 Yellow Coach (21 passengers)	November, 1943	1886.00	1355.55
1 only 1932 Yellow Coach (23 passengers)	November, 1943	1886.00	1355.55
1 only 1932 Studebaker (40 passengers)	April, 1942	592.00	333.00

(2) Revenues and expenses of applicant Wright covering passenger stage operations for periods shown:

	<u>1942</u> 6/9 to 12/31	<u>1943</u>	<u>1944</u>	<u>1945</u> 1/1 to 11/30
Total Income	\$6923.40	\$30,960.50	\$40,730.25	\$22,386.50
*Total Expense	8613.89 (\$1690.49)	26,833.56 \$ 4,126.94	35,305.97 \$ 5,424.28	22,606.86 (\$ 220.36)

*Includes Salaries for Management

	\$1405.71	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00
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() Red figure.

public interest and the application therefore will be granted as herein provided. A public hearing is not necessary. The action taken herein shall not be construed to be a finding of value for any purpose other than the proceeding herein involved.

Russell N. Beninger and Frank Beninger are hereby placed upon notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. 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.

O R D E R

Good cause appearing,

IT IS ORDERED:

(1) That Arlof. N. Wright, within 60 days from the date hereof may transfer to Russell L. Beninger and Frank Beninger, partners, the operative rights and equipment referred to in the foregoing opinion and Beninger and Beninger may acquire such equipment and operative rights and thereafter operate thereunder.

(2) That applicants shall comply with the rules of the Commission's General Order No. 79 and Part IV of General Order No. 93-A by filing in triplicate, and concurrently making effective, appropriate tariffs and time tables within 60 days from the effective date hereof, and on not less than 5 days notice to the Commission and the public.

(3) That if Russell L. Beninger and Frank Beninger, partners, acquire such operative rights and equipment, they shall charge to Account 22, Tangible Property and Equipment, not exceeding \$8,256.60, and to Account 24, Intangible Property, not exceeding \$100. The remainder of the purchase price, amounting to \$4,143.40, shall be charged to Account 28, Deferred Debits, and amortized over a period of not more than five years by charges to Account 92, Miscellaneous Charges to Income.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 15th day of January, 1946.

Harold Beninger
Justice F. Quinn
Frank Beninger
Dr. H. Russell
Harold P. Huls
COMMISSIONERS