

Decision No. 39617

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of	)	
ALPHA STORES, LTD. to sell, and ALPHA	:	
HARDWARE CO. to purchase, an automotive	)	Application
freight line operated between Nevada	:	No. 27936
City, Nevada County, California, and	)	
Forest City and Alleghany, Sierra County,	:	
California.	)	
-----	:	

OPINION AND ORDER

Alpha Stores, Ltd. is a corporation heretofore engaged in the hardware and general mercantile business in Grass Valley and Nevada City and in the operation of an automotive truck line for the transportation of freight between Nevada City, Nevada County, and Forest City and Alleghany, Sierra County, under a certificate of public convenience and necessity acquired by it pursuant to authority granted by the Commission by Decision No. 27252, dated August 6, 1934. Its annual reports to the Commission show that it has been operating one truck in its truck line and that it received revenues of \$475 in 1944 and \$857 in 1945.

The application shows that Alpha Stores, Ltd., under an agreement dated July 6, 1946, has sold and transferred its hardware and mercantile business to Alpha Hardware Co., a new corporation. It has agreed that it will transfer to the new corporation the operative rights and equipment to conduct the automotive truck line referred to herein. No separate value was stated for the transfer of such operative rights and no value is assigned thereto in the application. The book value of the equipment to be transferred is stated at \$100.

Alpha Hardware Co. is 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 in the number of rights which may be given.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary and that the application should be granted, as herein provided, therefore,

IT IS HEREBY ORDERED as follows:

1. Alpha Stores, Ltd. may sell and transfer to Alpha Hardware Co., on or before December 31, 1946, the equipment and the certificate of public convenience and necessity acquired by it under the authority granted by Decision No. 27252, dated August 6, 1934, referred to herein.
2. Applicants shall comply with the provisions of General Order No. 80 and Part IV of General Order No. 93-A, by filing, in triplicate, and concurrently making effective, appropriate tariffs and time tables within sixty (60) days from the date hereof and on not less than one (1) day's notice to the Commission and to the public.
3. The authority herein granted will become effective upon the date hereof.

Dated at Los Angeles, California, this 15<sup>th</sup> day  
of November, 1946.

Harold D. Kula

Justin F. Caseman

Earl J. Lawrence

Commissioners