

Decision No. 40487

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**ORIGINAL**

In the Matter of the Application of )  
WILLIAM TAYLOR ALWARD, doing business )  
as REDDING CITY LINES, to sell, and )  
JOHN C. ALWARD to purchase a )  
passenger stage corporation operated )  
between Redding, California, on the )  
one hand and Oak Grove, Benton Tract )  
and Enterprise on the other hand. )

Application No. 28541

OPINION AND ORDER

William T. Alward was authorized by the Commission's Decision No. 39611 dated November 4, 1946 to establish a passenger stage service between Redding, Enterprise and Benton Tract and intermediate points.

By the above entitled application the Commission is requested to authorize William T. Alward to sell and John C. Alward to acquire that operative right and equipment used in conducting the business which consists of three passenger stages, cash fare boxes and spare automotive parts. According to the agreement of sale attached to the application as Exhibit "A", the consideration to be paid for the operative right, including a permit granted by the city of Redding, and properties is \$12,000 held in escrow with instructions that payment be made to the vendor upon the approval of the Public Utilities Commission and the City Council of Redding. Of the purchase price it is stated that \$6,000 represents the value of the physical property and the remainder the value of the intangibles.

According to the financial statement of the buyer attached to the application, he has a net worth of \$12,600. He is presently employed as a bus driver by the seller. The Commission has considered applicants' request and believes that the application should be granted.

The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

John C. Alward 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 to the number of rights which may be given.

IT IS HEREBY ORDERED that William T. Alward may, after the effective date hereof and on or before September 30, 1947, sell to John C. Alward the operative rights and properties referred to hereinabove, and John C. Alward may acquire said operative rights and properties and hereafter operate under such rights.

IT IS FURTHER ORDERED that applicants shall comply with the provisions of 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 one day's notice to the Commission and the public.

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

Dated at San Francisco, California, this 28<sup>th</sup> day of June, 1947.

Harold T. Hule  
Justus F. Casper  
W. H. Powell  
A. J. Johnson  
Kenneth F. Allen

COMMISSIONERS