

Decision No. 40530

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
LLOYD B. MAST to sell and U. W. METTER	:	
to purchase the DELANO BUS LINE, operated)	
between Fourth and Ellington Streets in	:	
the City of Delano, Kern Co., California,)	Application
to the High School section, to the Green-	:	No. 28571
acres sub-division, to the Sierra Vista)	
Ranch; also alternate route by way of	:	
Cecil Avenue to Zachary Road, to the)	
Sierra Vista Ranch, Tulare County, California.:)	
-----)	

OPINION AND ORDER

This application shows that Lloyd B. Mast is the owner of operative rights, acquired by him pursuant to authority granted by Decision No. 39485, dated October 8, 1946, permitting the operation of a passenger stage line between Delano and Sierra Vista Ranch, Tulare County, and that he now desires to transfer his rights and equipment to U. W. Metter. (1)

The consideration to be paid by U. W. Metter is the sum of \$2,000 in cash, of which \$50 is said to represent the value of the operative rights and \$1,950 the value of the equipment. The financial statement of the purchaser, attached to the application, indicates that he should be in a position to operate and maintain the line.

(1) The 1946 annual report of Lloyd B. Mast shows that he operated one 29-passenger bus in the service and that for the period from September 1 to December 31, 1946, he had operating revenues of \$1,025 and net income of \$143.

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. At this time, U. W. Metter 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.

Therefore, good cause appearing,

IT IS HEREBY ORDERED as follows:

1. Lloyd B. Mast, after the effective date hereof and on or before September 30, 1947, may transfer to U. W. Metter the operative rights acquired by him pursuant to authority granted by Decision No. 39485, dated October 8, 1946, and his operating equipment, such transfer to be in accordance with the terms of the agreement of sale, dated June 28, 1947, filed in this proceeding as Exhibit "A".

2. 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 sixty (60) days from the

effective date hereof and on not less than one (1) day's notice to the Commission and to the public.

3. The authority herein granted is not to be construed to be a finding of value of the properties herein authorized to be transferred.

4. The authority herein granted will become effective twenty (20) days from the date hereof.

Dated at San Francisco, California, this 22nd day of July, 1947.

Harold P. Kula
Justus J. Coe
W. H. Russell
R. J. [unclear]

Commissioners