

ORIGINALDecision No. 41085

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of P. J. BIBB, an individual, to	:	
sell and transfer his passenger)	
stage certificate and business to	:	Application
BIBB STAGE LINE, a corporation,)	No. 28943
and of BIBB STAGE LINE, a corpor-	:	
ation, to issue stock.)	
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OPINION AND ORDER

This is an application for an order of the Public Utilities Commission authorizing P. J. Bibb to sell and transfer operative rights and properties to Bibb Stage Line, a corporation, and authorizing said corporation to issue \$1,500 of its capital stock.

The operative rights to be transferred are represented by a certificate of public convenience and necessity granted by the Commission by Decision No. 40255, dated May 6, 1947, as amended by Decision No. 40964, dated November 25, 1947, in Application No. 28025, and provide for the establishment and operation of service as a passenger stage corporation, as defined in Section 2 $\frac{1}{2}$ of the Public Utilities Act, for the transportation of passengers and baggage, and shipments of express weighing 150 pounds or less, on passenger-carrying vehicles, between Jackson and Bartons and intermediate points along State Highway No. 88, and between Jackson and Electra Development Project of the Pacific Gas and Electric Company on Mokelumne River, and intermediate points, along State Highway No. 49 and an unnamed county road, provided

that all of said service may be operated on an on-call basis beginning November 25, 1947, and ending June 1, 1948, said on-call service to be rendered only when not less than seven fares in one direction are offered, provided that less than seven persons may receive service by payment of the equivalent of seven one-way fares. The equipment to be transferred consists of one 1946 Ford 25-passenger bus.

The application shows that P. J. Bibb has been operating the stage line since June 1, 1947. Between that date and October 31, 1947, he reports revenues of \$2,729.77 and expenses, including depreciation, of \$2,333.76, leaving a net profit of \$396.01. As of October 31, 1947, he reports his balance sheet as follows:

<u>Assets</u>		
Cash		\$ 177.62
Automobile, less depreciation		5,143.53
Prepaid interest		<u>357.07</u>
	Total	<u>\$5,678.22</u>
<u>Liabilities</u>		
Current -		
Contract payable	\$4,135.00	
Accounts payable	75.31	
Accrued taxes	65.46	
C.O.D. collections	<u>6.44</u>	
Total current liabilities		\$4,282.21
P. J. Bibb, capital		<u>1,396.01</u>
	Total	<u>\$5,678.22</u>

The outstanding indebtedness of \$4,135.00 is represented by a one-year 6% note in favor of Bank of Anador.

The balance sheet shows a net worth of approximately \$1,400. The fees paid to the Secretary of State and to this

Commission for incorporation of Bibb Stage Line and the filing of this application are reported to be in excess of \$100.

It is reported that P. J. Bibb now desires to incorporate his business and to that end has caused the organization of Bibb Stage Line, one of the applicants herein, with an authorized capital stock of 250 shares of the par value of \$100 each. He proposes to transfer his assets and liabilities to such corporation in exchange for 15 shares of stock of the aggregate par value of \$1,500.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary. In making an order herein the Commission is making no finding of the value of the operative rights and properties, and applicants are 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.

The Commission is of the opinion that the application should be granted, as herein provided, and that the money, property or labor to be procured or paid for through the issue of said stock is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. P. J. Bibb, after the effective date hereof and on or before February 29, 1948, may sell and transfer to Bibb Stage Line, a corporation, the operative rights, properties and business referred to herein. In part payment for said operative rights, properties and business, Bibb Stage Line may issue not exceeding \$1,500 par value of its capital stock.

2. Applicants shall comply with the provisions of General Orders No. 79 and 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 effective date hereof and on not less than one (1) day's notice to the Commission and to the public.

3. Bibb Stage Line shall file with the Commission a report as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

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

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

Dated at San Francisco, California, this 29th day
of December, 1947.

Justus J. Cruesen
Justus Powell

R. J. Anderson

Harriet Potter
Commissioners

