

**ORIGINAL**

Decision No. 41574

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of	)	
THOS. B. RILEY, an individual, doing	:	
business under the firm name of	)	
REDDING-ALTURAS-LAKEVIEW STAGES for	:	
authority to sell and transfer certain	)	Application
passenger stage operative rights and	:	No. 29291
equipment to WALTER M. WOOD, an individual,	)	
and authorizing WALTER M. WOOD, an indivi-	:	
dual, to acquire said passenger stage	)	
operative rights and equipment.	:	
-----	)	

O P I N I O N

This is an application for an order of the Public Utilities Commission authorizing Thos. B. Riley to transfer operative rights and equipment to Walter M. Wood.

The application shows that Thos. B. Riley, doing business under the firm name and style of Redding-Alturas-Lakeview Stages, is engaged in the transportation of passengers, baggage and express between Redding and the California-Oregon State line near New Pine Creek, and Lakeview, Oregon, over U. S. Highways 299 and 395, serving all intermediate points and between Redding and Big Bend and between Redding and the various Pacific Gas and Electric Company camps used in its Pit River hydro-electric power projects. His annual reports of the operations of Redding-Alturas-Lakeview Stages show operating revenues of \$62,839 in 1945, of \$69,194 in 1946 and of \$77,170 in 1947, with net profit, before income taxes, of \$5,595 in 1945, of \$8,988 in 1946 and of \$9,369 in 1947.

Applicant Riley reports that he desires to devote his time to the development of traffic on other routes owned by him<sup>(1)</sup> and that accordingly he has made arrangements, and has entered into an agreement, dated March 12, 1948, to dispose of his Redding-Alturas-Lakeview operations to Walter M. Wood.

The properties to be transferred include operative rights acquired by said Riley under authority granted by Decision No. 29600, dated March 15, 1937, and under authority granted by Decision No. 35196, dated March 31, 1942,<sup>(2)</sup> and six units of automotive equipment. The agreed purchase price is \$36,600 of which \$11,600 is said to represent the value of the equipment and \$25,000 the value of the operative rights and other intangible capital. Of the purchase price the sum of \$100 was paid upon execution of the agreement of sale and the balance of \$36,500 will be payable in full in cash within five days after receipt of approval of the transfer of the operative rights by the state and federal regulatory bodies having jurisdiction.

It appears from the application that the purchaser is an experienced bus operator having been in the motor transportation business for many years. His financial statement filed with the application indicates that he should be in a position to

---

(1)

The records of the Commission show that applicant acquired operative rights between Redding and Kennett under authority granted by Decision No. 39326, dated August 3, 1946, and between Redding and Eureka under authority granted by Decision No. 41137, dated January 19, 1948.

(2)

The application shows that applicant Riley also holds certificates granted by the Public Utilities Commissioner of Oregon and the Interstate Commerce Commission which will be included in the transfer.

finance the cost of acquiring and equipping the line. He reports that he intends to operate under the rates, rules and regulations, and with the same time schedules, which now apply to the service.

Applicant Wood 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.

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

O R D E R

Application having been made to the Public Utilities Commission for an order authorizing the transfer of operative rights and properties, and the Commission having considered the matter and being 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. Thos. B. Riley, after the effective date hereof and on or before September 30, 1948, may sell and transfer to Walter M. Wood his operative rights and properties referred to in this application, and Walter M. Wood may acquire and thereafter operate the same; such sale and transfer to be made in accordance with the terms and conditions of the agreement dated March 12, 1948, filed in this proceeding as Exhibit "C".

2. Applicants shall comply with the provisions of General Orders No. 79 and 80 and Part IV of General Order No. 93-A, by filing, in triplicate, and concurrently making effective, appropriate tariffs and time tables within ninety (90) 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 will become effective twenty (20) days from the date hereof.

Dated at San Francisco, California, this 11<sup>th</sup> day of May, 1948.

R. F. Johnson  
Justice J. Green  
Walter H. Lowell  
Harold P. Kula  
Samuel T. Totten  
Commissioners