

**ORIGINAL**Decision No. 42730

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 ROY ORRICK, an individual, doing )  
 business as KERNVILLE FREIGHT LINE, )  
 to sell, and PAUL M. WILLIAMS, an )  
 individual, to purchase property and )  
 operative right for the transporta- )  
 tion of freight between Bakersfield, )  
 California, and Kernville and Onyx, )  
 California, and intermediate points.)

Application No. 30170

O P I N I O N

This is an application by Roy Orrick, doing business as Kernville Freight Line, to sell, and Paul M. Williams to purchase, certain operative rights for the transportation of freight between Bakersfield, Kernville and Onyx, and intermediate points, together with certain equipment used in the business. The operative rights which it is proposed to transfer were acquired by the seller by virtue of Decision No. 39245, as modified by Decision No. 41057, and were originally created by Decisions Nos. 17888 and 22816.

The sale and purchase is to be made under and in accordance with the terms and provisions of an agreement entered into by the parties, a copy of which is attached to the application. The consideration is \$9,810, of which amount \$1,785 is stated to be the value of the automotive equipment, and the remainder the value of certain non-public utility property proposed to be transferred. No value is ascribed to the operative right. The equipment involved in the transaction consists of one 1939 White Truck alleged to be in good operating condition. The consideration is to be paid in cash upon approval of the transfer by the Commission.

Applicant Roy Orrick has purchased a wholesale commodity

route in the vicinity of Kernville, which is separate and apart from the operative rights now held by him. He desires to devote all of his time and attention to the development of this new route, and for that reason proposes to divest himself of all other business connections.

Applicant Paul M. Williams resides in the Kernville Area, is familiar with the characteristics of the business which he proposes to acquire and is financially able to provide capital for the operation thereof.

The transfer as proposed herein does not appear to be adverse to the public interest and the application will be granted. However, the action taken herein shall not be construed to be a finding of the value of the property or properties herein authorized to be transferred. There is no necessity for a public hearing.

Paul M. Williams 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.

O R D E R

Application having been filed as above entitled and the Commission being advised in the premises, and finding that said transfer should be authorized,

IT IS ORDERED:

(1) That Roy Orrick is hereby authorized to sell and transfer to Paul M. Williams, on or after the effective date hereof, and on or before June 1, 1949, and the latter is authorized to purchase and acquire from said Roy Orrick, the operative rights and equipment referred to in the foregoing opinion and thereafter to operate thereunder.

(2) That applicants shall comply with the provisions of General Orders Nos. 80 and 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 5 days' notice to the Commission and the public.

(3) That within 30 days after the transfer of the properties, as herein authorized, Roy Orrick and Paul M. Williams shall file with the Commission a copy of the bill of sale executed under the authority herein granted.

The effective date of this order shall be 20 days after the date hereof.

Dated at San Francisco, California, this 19<sup>th</sup> day of April, 1949.

R. E. Johnson  
Justus F. Casper  
James A. Powell  
Harold P. Hulse  
Samuel P. Potter  
COMMISSIONERS