

Decision No. 45943

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SYSTEM TANK SERVICE, INC., )	
a corporation, to sell, and of SYSTEM )	
TANK LINES, INC., a corporation, to )	Application No. 32474
purchase a certificate of public conven- )	
ience and necessity authorizing operation )	
as a petroleum irregular route carrier. )	

O P I N I O N

This is an application of System Tank Service, Inc., hereinafter sometimes referred to as "Tank Service", for an order authorizing the transfer to System Tank Lines, Inc., of a certificate of public convenience and necessity granted by Decision No. 44328, dated June 20, 1950, in Application No. 30894.

Tank Service is presently engaged in business as a petroleum irregular route carrier in the State of California. Its operations are conducted pursuant to the certificate granted in Decision No. 44328. Tank Lines is engaged in the business of carrying on tank truck operations in interstate commerce in the State of California and elsewhere.

By this application approval is sought for Tank Service to sell and Tank Lines to buy the certificate of public convenience and necessity now held by Tank Service.<sup>(1)</sup>

The certificate sought to be sold and transferred was

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(1) The certificate issued to Tank Service authorized the "operation of a service as a petroleum irregular route carrier, as defined in Section 2-3/4 of the Public Utilities Act, for the transportation of petroleum and petroleum products in tank trucks and tank trailers between all points and places in the State of California."

granted under the Public Utilities Act as a "grandfather operation". There is no record of the cost thereof. The parties have not entered into any written agreement. The purchase price agreed to be paid by the buyer to the seller is the sum of one dollar (\$1). No value is assigned to the operative right or equipment.

Attached to the application are financial statements of Tank Service, consisting of a balance sheet and income and expense statements for the year ending December 31, 1950, and for the quarter period ending March 31, 1951. There is also attached a list of equipment used, and to be used by System Tank Lines, should the application be granted.

On the part of Tank Service the reason given for engaging in this transaction is to effect corporate simplification. The common owners of Tank Service and Tank Lines desire to unify their interstate and intrastate operation in Tank Lines. Tank Lines operates in interstate and intrastate commerce and desires to unify all of its operations and to eliminate the confusion resulting from the similarity in names.

After full consideration of the matter we are of the opinion that the application should be granted. The proposed transfer will not be adverse to the public interest since there will be no change in service. A public hearing is not necessary.

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

System Tank Lines, Inc., 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 as above entitled having been filed and the Commission being fully advised in the premises,

IT IS ORDERED:

(1) That System Tank Service, Inc., is hereby authorized to sell and transfer, and System Tank Lines, Inc., is authorized to acquire, the operative rights granted to said System Tank Service, Inc., by Decision No. 44328, dated June 20, 1950, in Application No. 30894 and thereafter to operate thereunder.

(2) That applicant shall comply with the provisions of General Order No. 80 and Part IV of General Order No. 93-A by filing in triplicate, and concurrently making effective, appropriate tariffs and timetables within sixty (60) days after the effective date hereof, and on not less than five (5) days' notice to the Commission and the public.

(3) That within thirty (30) days after the consummation

of the transfer herein authorized, applicant System Tank Service, Inc., shall notify the Commission in writing of that fact and shall, within said period, file with the Commission a true copy of any bill of sale or other instrument of transfer which may have been executed to effect said transfer.

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

Dated at San Francisco, California, this 15<sup>th</sup> day of April, 1951.

*A. F. [unclear]*  
*Justus J. [unclear]*  
*Harold P. [unclear]*  
*[unclear]*

COMMISSIONERS