

ORIGINAL

Decision No. 48677

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
John Roza, Louis Roza and John Valine,	:	
dba Chico Butane & Appliance Co.)	
to sell and John Valine, dba Norco	:	Application
Transportation Co. to purchase a)	No. 34380
petroleum irregular route certificate	:	
of public convenience and necessity.)	
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O P I N I O N

This is an application for an order of the Commission authorizing John Roza and Louis Roza to sell their partnership interests in the Chico Butane & Appliance Co. to John Valine.

By Decision No. 45074, dated December 5, 1950, the Commission granted to applicants, doing business as Chico Butane & Appliance Co., a certificate of public convenience and necessity authorizing the establishment and operation of service as a petroleum irregular route carrier for the transportation of petroleum and petroleum products in tank trucks and tank trailers between all points and places in the state. Information filed with the Commission shows that applicants accepted the certificate thus granted and during 1952 had operating revenues of \$25,539.25, with operating expenses of \$19,978.22, leaving a net profit of \$5,561.03. They reported their partnership capital at the end of 1952 in the amount of \$15,936.45.

The application shows that John Roza and Louis Roza now desire to sell their undivided two-thirds interest in the property and equipment to John Valine for the sum of \$11,333.32 and that the three have entered into an agreement, dated May 21, 1953,

providing for the payment of the purchase price at the rate of \$200 a month plus interest on unpaid balances at the rate of 4% per annum, said payments to commence on December 1, 1953.

It appears that John Valine is familiar with the operations of the carrier, that he intends to conduct the business under the name of Norco Transportation Company, and that he is in a position to finance the acquisition and to continue the operations. Accordingly, we are of the opinion that the proposed transfer will not be adverse to the public interest and that applicants' request should be granted.

The action taken herein, however, shall not be construed to be a finding of the value of the properties herein authorized to be transferred. Applicants are 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 as to the number of rights which may be given.

Q R D E R

The Commission having considered the above entitled matter and being of the opinion that a public hearing is not necessary, that the application should be granted, as herein

provided, that the money, property or labor to be procured or paid for by the incurring of the indebtedness herein authorized is reasonably required by John Valine for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. John Roza and Louis Roza may sell to John Valine their undivided two-thirds interest in the Chico Butane & Appliance Co., such sale to be made in accordance with the agreement dated May 21, 1953, a copy of which is filed in this proceeding as Exhibit A.

2. John Valine may incur indebtedness in the amount of \$11,333.32, payable as indicated in this application, in acquiring the partnership interests of John Roza and Louis Roza.

3. Within 60 days after the effective date hereof and on not less than five days' notice to the Commission and to the public, John Valine shall file, in triplicate, and concurrently make effective, appropriate tariffs and time tables.

4. If the authority herein granted is exercised, John Valine, within 30 days thereafter, shall notify the Commission in writing of the date of the completion of the transfer herein authorized.

5. The authority herein granted will become effective when John Valine has paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.00.

Dated at Los Angeles, California, this 9th day of June, 1953.

R. J. [Signature]
President

Justus F. Casner

Harold A. [Signature]

Samuel [Signature]
Robert E. [Signature]
Commissioners

