

Decision No. 49555**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of REFINER'S SALES COMPANY, a)
California Corporation, to sell,)
and OIL CARRIERS, INC., a Cali-)
fornia Corporation, to buy, the)
certificate of a petroleum)
irregular route carrier, and also)
equipment, between all points in)
the State of California, under)
sections 851 and 853 of the)
California Public Utilities Code.)

Application No. 35024

O P I N I O N

The Refiner's Sales Company, a California corporation, seeks authority to transfer to Oil Carriers, Inc., a California corporation, a certificate of public convenience and necessity authorizing operations as a petroleum irregular route carrier granted by Decision No. 47551, dated August 11, 1952, on Application No. 33616, for a consideration of \$2,750, to be payable in cash upon approval of the transfer. Of this amount, \$2,500 is to be paid for automotive equipment consisting of one Sterling truck and one Fruehauf trailer, and \$250 is to be paid for the certificate.

The application shows that the seller, Refiner's Sales Company, proposes to sell the above-described equipment and operating authority in order that it may devote its entire time to the oil business which is its principal occupation. The purchaser, Oil Carriers, Inc., is a new corporation whose Articles were filed with the California Secretary of State on December 9, 1953, and it was formed for the purpose of conducting the transportation business which heretofore has been conducted by Refiner's Sales Company. The application further discloses that the management of Oil Carriers, Inc., has had long experience in various phases of oil trucking and general transportation.

Attached to the application is a copy of the Agreement of Sale, a copy of the Articles of Incorporation of Oil Carriers, Inc., and financial statements for the buyer and the seller. These financial statements disclose that the buyer, Oil Carriers, Inc., has a cash operating capital of \$12,750. It has conducted no operations up to the present time since it was specifically formed to conduct the transportation operations.

After a full consideration of this matter we are of the opinion and hereby find that Refiner's Sales Company should be permitted to transfer the certificate of public convenience and necessity and the trucking equipment described herein to Oil Carriers, Inc.

Oil Carriers, 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, the Commission being fully advised in the premises and hereby finding that the proposed transfer will not be adverse to the public interest,

IT IS ORDERED:

(1) That Refiner's Sales Company, a California corporation, after the effective date hereof, may transfer to Oil Carriers, Inc., a California corporation, the trucking equipment described herein and the certificate of public convenience and necessity authorizing

the transportation of petroleum products as an irregular route common carrier granted by Decision No. 47551, dated August 11, 1952, in Application No. 33616, and Oil Carriers, Inc., is hereby authorized to purchase the said trucking equipment and operative rights and thereafter to operate thereunder subject to the conditions hereinafter set out.

(2) That within sixty days after the effective date hereof, and on not less than five days' notice to the Commission and to the public, applicants shall supplement or reissue the tariffs on file with the Commission naming rates, rules, regulations and schedules governing the common carrier operations here involved to show that Refiner's Sales Company has withdrawn or canceled, and Oil Carriers, Inc., has adopted or established as its own said rates, rules, regulations and schedules.

(3) That the authority herein granted is not to be construed to be a finding of the value of the property herein authorized to be transferred.

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

Dated at San Francisco, California, this 12th day of January, 1954.

[Signature]
President
[Signature]
[Signature]
[Signature]
[Signature]
Commissioners