

**ORIGINAL**Decision No. 49663

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 SUNSET OIL COMPANY (a California  
 corporation) to sell, and RESERVE  
 TRUCKING COMPANY (a California  
 corporation) to buy petroleum ir-  
 regular route common carrier rights  
 between points in the State of  
 California.

Application No. 35013

O P I N I O N

By Decision No. 44538, dated July 18, 1950, on Application No. 31066, Crossley Transportation Co. was granted a certificate of public convenience and necessity authorizing it to transport petroleum and petroleum products in tank trucks and tank trailers between all points and places in the State of California, via irregular routes. By Decision No. 47106, dated May 5, 1952, on Application No. 33310, Sunset Oil Company, a California corporation, was authorized to purchase and operate the above described right of Crossley Transportation Co.

By this application, Sunset Oil Company seeks authority to sell the described operating right to Reserve Trucking Company, a California corporation, for the sum of \$1,500 in cash. No other property is involved.

In support of the transfer it is alleged in the application herein that Sunset Oil Company proposes to sell its petroleum irregular route carrier rights to its wholly owned subsidiary, Reserve Trucking Company, in order that Sunset Oil Company may

divest itself of all common carrier services, which services constitute a very small portion of Sunset Oil Company's business. The application alleges further that Reserve Trucking Company has been organized for the sole purpose of carrying on the common carrier services presently performed by Sunset Oil Company.

The assets of the Reserve Trucking Company consist of \$1,500 in cash (Exhibit C on application), plus \$1,500 it has paid to Sunset Oil Company for the certificate proposed to be transferred (Exhibit D on application).

Equipment and drivers will be furnished to Reserve Trucking Company by Sunset Oil Company as needed; Reserve will pay to Sunset 90 percent of all moneys received for the services of the equipment and drivers as consideration for the use thereof.

The transfer does not appear to be adverse to the public interest, and therefore the application will be granted. A public hearing is not necessary.

Reserve Trucking Company 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

An application having been filed, and the Commission being of the opinion that the authority requested should be granted,

IT IS ORDERED:

(1) That Sunset Oil Company, after the effective date hereof, and on or before March 31, 1954, may sell and transfer to Reserve Trucking Company, a corporation, the operative right referred to herein, and the latter may acquire and thereafter operate the same, said sale and transfer to be in accordance with the terms of the agreement dated October 30, 1953, attached to the application as Exhibit D.

(2) That, within twenty days after the completion of the transfer herein authorized, Reserve Trucking Company shall so notify the Commission in writing.

(3) That applicants shall, on not less than five days' notice to the Commission and to the public, amend the tariffs on file with the Commission insofar as they name rates, rules and regulations governing the operations here involved to show that Sunset Oil Company has withdrawn or canceled and that Reserve Trucking Company has concurrently adopted or established as its own said rates, rules and regulations.

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

Dated at San Francisco, California, this 9<sup>th</sup> day of February, 1954.

R. Z. [Signature]  
 President  
Justice F. [Signature]  
[Signature]  
[Signature]  
[Signature]  
 Commissioners