

**ORIGINAL**Decision No. 49898

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 JACK W. AKE to sell and Louis A. Lesea )  
 doing business as NORTHERN TANK LINES ) Application No. 35246  
 to buy petroleum irregular route )  
 common carrier rights between points )  
 in the State of California. )

O P I N I O N

By application filed March 15, 1954 Jack W. Ake seeks authority to sell and Louis A. Lesea doing business as Northern Tank Lines seeks authority to purchase the operative rights issued by Decision No. 44402 dated June 20, 1950 in Application No. 31197. The purchase price for the operative rights as a petroleum irregular route carrier is \$1000, with \$250 paid into escrow and the balance or \$750 to be paid thirty days after the Commission's approval of the contemplated transfer.

The application shows that applicant Ake also desires to retire from the operation of his business of transporting petroleum and petroleum products for the public in order to devote his time to other business activities. It also alleges that applicant Lesea has been in the transportation business in the western states for six years in both a managerial and supervisory capacity. Prior to the amendment in 1949 of Section 50-3/4 of the Public Utilities Act he was engaged in the transportation of petroleum in California. He has acquired through a five year lease, one Kenworth 1949 diesel powered tank truck, one Autocar 1951 diesel powered tractor, one Utility 1948 and one Fruehauf 1949 frameless tank pull trailers, and one Utility 1949 frameless semi-trailer. This applicant appears to be financially able to properly carry on this business.

Upon reviewing this matter we are of the opinion that the proposed transfer will not be adverse to the public interest and should be authorized. A public hearing is not necessary.

Applicant Lesea 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. 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 and properties which may be given.

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

O R D E R

The Commission having considered the above-entitled matter, and being of the opinion that a hearing is unnecessary and that the proposed transfer of operative rights is not adverse to the public interest; therefore,

IT IS ORDERED:

(1) That on or before July 1, 1954 Jack W. Ake may sell and transfer the operative rights conferred by Decision No. 44402 dated June 20, 1950 in Application No. 31197 to Louis A. Lesea doing business as Northern Tank Lines and said Lesea may acquire and thereafter operate pursuant to said rights as a petroleum irregular route carrier upon the terms and conditions stated in Application No. 35246.

(2) That within said period, applicant Lesea shall notify the Commission in writing of the fact of transfer, and file with the Commission any bill of sale or other instrument of transfer which may have been executed to effect such transfer.

(3) That within said period and on not less than five days' notice to the Commission and to the public, applicants shall amend tariffs on file with the Commission naming rates, rules and regulations governing the operations here involved to show that Jack W. Ake has withdrawn and Louis A. Lesea, doing business as Northern Tank Lines, has adopted 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 6<sup>th</sup> day of April, 1954.

R. J. Indrany  
President  
Justin J. Casella  
John E. McMill  
James Deagan  
Commissioners