

ORIGINAL

Decision No. 51366

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
LOUIS A. LESEA, an individual, doing	:	
business as NORTHERN TANK LINES, to)	
sell and NORTHERN TANK LINES, a	:	Application
California Corporation, to buy)	No. 36775
petroleum irregular route common	:	
carrier rights between points in the)	
State of California.	:	
-----)	

O P I N I O N

Applicant Louis A. Lesea, doing business as Northern Tank Lines, holds a certificate of public convenience and necessity for the transportation of petroleum and petroleum products as a petroleum irregular route carrier between all points and places in the State of California.^{1/} It appears that he desires to conduct his operations under a corporate form of organization and by this application, filed on March 8, 1955, seeks authority to transfer to Northern Tank Lines, a recently formed California corporation, his certificate and a three-axle tank truck and a two-axle tank trailer in exchange for 500 shares of common capital stock of the par value of \$10 each. The corporation joins in the application and requests authorization to issue the shares.

The application indicates there will be no change in the rates or service as a result of the transfer. We are of the opinion, and hereby find, that the proposed transfer will not be adverse to the public interest. Applicant corporation is hereby placed on

^{1/} Decision No. 49898, dated April 6, 1954, in Application No. 35264.

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 granted.

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

ORDER

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 issue of the shares of stock herein authorized is reasonably required by applicant corporation 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. Louis A. Lesea, doing business as Northern Tank Lines, may sell and transfer his operative rights and properties to Northern Tank Lines, a California corporation.

2. Northern Tank Lines, a corporation, may issue not exceeding 500 shares of its capital stock in payment for said rights and properties.

3. Within 60 days after the effective date hereof and on not less than five days' notice to the Commission and the public, Northern Tank Lines, a corporation, shall institute said service and shall join with Louis A. Lesea in supplementing or amending tariffs on file with the Commission naming rates, rules and regulations governing the operations here involved to show that said Louis A. Lesea has withdrawn and that said Northern Tank Lines, a corporation, has adopted, as its own, said rates, rules and regulations.

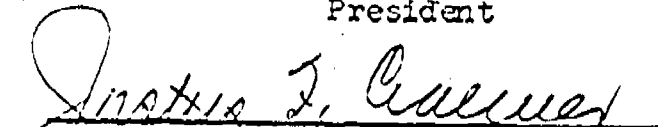
4. Northern Tank Lines, a corporation, shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

5. The authority herein granted will become effective 20 days after the date hereof.

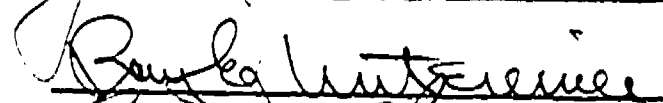
Dated at San Francisco, California, this 26th day of APRIL, 1955.



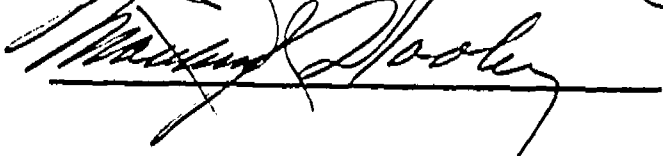
President



Commissioners



Commissioners



Commissioners

Commissioners