

ORIGINALDecision No. 52456

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of H. R. NELSON to assign irregular)
route franchise to FRANK WILKINSON, JR.,) Application No. 37519
and FRED McDONALD, co-partners, doing)
business as SUPREME TANK LINE.)

O P I N I O N

H. R. Nelson has authority from this Commission to render service as a petroleum irregular route carrier, as defined in Section 214 of the Public Utilities Code, for the transportation of petroleum and petroleum products in tank trucks and tank trailers between all points and places in the State of California.^{1/}

By the application herein the Commission is requested to authorize H. R. Nelson to sell, and Frank Wilkinson, Jr., and Fred McDonald copartners doing business as Supreme Tank Line, to purchase the described operative right for the sum of \$500, payable on approval by this Commission of the transfer. No property other than the operative right is to be transferred.

It is alleged in the application that the reason for the proposed transfer is that the seller is retiring from business due to health and financial problems. It is further alleged that the seller is not a party to any through routes or joint rates. It is further alleged in the application that the buyers are

^{1/} Decision No. 44375, dated June 20, 1950, in Application No. 31044.

hauling molasses pursuant to a radial highway common carrier permit issued by this Commission and desire to expand their business to include the transportation of liquid petroleum products.

The purchasers appear to be in a solvent financial condition.^{2/} Their attorney has advised the Commission that they have three trucks and trailers which are available for use in the business.

In our opinion the proposed sale is not adverse to the public interest. The application will be granted. A public hearing is not necessary. The action taken herein shall not be construed to be a finding of value of the property herein authorized to be transferred.

Frank Wilkinson, Jr., and Fred McDonald 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. 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.

^{2/} Exhibit "B" on the application.

O R D E R

Application having been made, the Commission being fully advised in the premises and having found that the proposed transfer is not adverse to the public interest and should be granted,

IT IS ORDERED:

(1) That H. R. Nelson may sell and transfer to Frank Wilkinson, Jr., and Fred McDonald, partners doing business as Supreme Tank Line, within thirty days after the effective date of this order, the operating right hereinabove described for the sum of \$500 payable at the time of or prior to the completion of said transfer, and Frank Wilkinson, Jr., and Fred McDonald may acquire said operating right.

(2) That within thirty days after the consummation of the transfer herein authorized, Frank Wilkinson, Jr., and Fred McDonald, or either of them, shall notify the Commission in writing of that fact.

(3) That effective concurrently with the consummation of such transfer, 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 and regulations governing the common carrier operations here involved to show that H. R. Nelson has withdrawn or cancelled, and Frank Wilkinson, Jr., and

Fred McDonald have adopted or established as their 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 9th day of January, 1956.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners