

**ORIGINAL**

Decision No. 56310

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )

of )

CHARLOTTE L. EVANS, doing business )  
as EVANS TANK LINE for authority to )  
sell, and EVANS TANK LINE, INC., a )  
California corporation, to purchase )  
that Certificate granted seller by )  
Decision No. 44631 and that Certi- )  
ficate granted seller by Decision )  
No. 43161, and application of EVANS )  
TANK LINE, INC., a California cor- )  
poration, to sell and issue stock to )  
Charlotte L. Evans in return for cer- )  
tain operating assets. )

) Application No. 39708

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OPINION

This is an application for an order of the Commission (1) authorizing Charlotte L. Evans, doing business as Evans Tank Line, to transfer operative rights, business and assets to Evans Tank Line, Inc., a California corporation, and (2) authorizing said corporation to assume indebtedness and to issue \$35,000 par value of its common stock.

Under authority of Decision No. 43897, dated March 7, 1950, Charlotte L. Evans acquired the assets of Evans Tank Line, including the operative rights granted by Decision No. 43161, dated July 26, 1949 relating to the transportation of petroleum products, with certain exceptions, as a highway common carrier in portions of Southern California. In addition, Charlotte L. Evans was granted a certificate of public convenience and necessity by Decision No. 44631, dated August 8, 1950, authorizing the establishment and operation of a service as a petroleum irregular route carrier for

the transportation of petroleum and petroleum products in tank trucks and tank trailers between all points and places in the State of California. A condensed statement of her assets, liabilities and capital at October 31, 1957, prepared from Exhibit C attached to the application, is as follows:

| <u>Assets</u>                  |                  |
|--------------------------------|------------------|
| Current assets                 | \$ 55,933        |
| Fixed assets, less reserve     | 70,966           |
| Deferred charges               | <u>5,720</u>     |
| Total                          | <u>\$132,619</u> |
| <u>Liabilities and Capital</u> |                  |
| Accounts payable               | \$ 26,577        |
| Contracts payable              | 71,042           |
| Capital                        | <u>35,000</u>    |
|                                | <u>\$132,619</u> |

It now appears that Charlotte L. Evans has concluded her operations can be conducted more advantageously by means of a corporate form of organization and she proposes to transfer her operative rights, business and assets to Evans Tank Line, Inc., a new corporation which she has formed for the express purpose of taking over such rights, business and assets and of continuing the operations. The corporation, in acquiring the operative rights, business and assets, will assume the outstanding liabilities and will issue shares of its stock having an aggregate par value equal to the proprietor's investment.

A review of the application shows that there will be no change in the rates or service as the result of the transfer, that the same operative properties will be available to the corporation as now are utilized by Charlotte L. Evans, and that nothing is claimed for value of the operative rights. Upon reviewing the verified application, we are of the opinion and so

find that the transfer will not be adverse to the public interest and should be authorized.

Applicants are hereby placed on 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 given.

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.

O R D E R

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 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. Charlotte L. Evans may transfer to Evans Tank Line, Inc., a corporation, the operative rights created by this Commission's Decision No. 43161, dated July 26, 1949, and Decision No. 44631, dated August 8, 1950, and her business and assets, as set forth in the application, such transfer to be made on or before June 30, 1958.

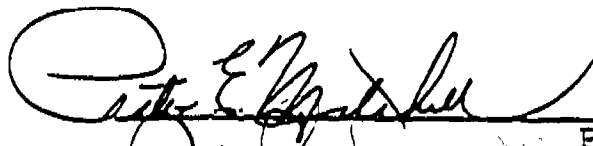
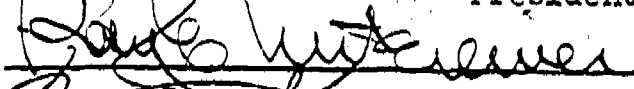

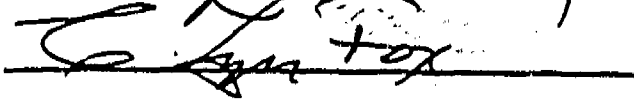
2. Evans Tank Line, Inc., a corporation, in payment for such rights, business and assets, may issue not exceeding 350 shares of its common stock, of the par value of \$100 each and of the aggregate par value of \$35,000, and may assume the payment of outstanding indebtedness.

3. On not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of such transfer, applicants shall supplement or reissue the tariffs on file with the Commission naming rates, rules and regulations governing the operations here involved to show that Charlotte L. Evans has withdrawn or cancelled and Evans Tank Line, Inc., a corporation, has adopted or established, as its own, said rates, rules and regulations. The tariff filings made pursuant to this order shall comply in all respects with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 80.

4. Evans Tank Line, Inc., 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. This order will become effective on the date hereof.

Dated at Los Angeles, California, this 3<sup>rd</sup> day of MARCH, 1958.

  
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President  
  
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Commissioners