

ORIGINAL

Decision No. 56426

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
J. M. CHAPPELL, dba,  
VALLEJO INTERURBAN TRANSIT CO.,  
operating a passenger stage service,  
for an order authorizing the trans-  
fer of its operating rights and  
properties to WILLIAM S. PIPER  
and LILA B. PIPER

Application No. 39771

O P I N I O N

In this application J. M. Chappell, doing business as Vallejo Interurban Transit Company, seeks an order of this Commission authorizing him to sell and transfer his operative rights, properties and business to William S. Piper and Lila B. Piper for a base purchase price of \$2,500.

By Decision No. 53087, dated May 15, 1956, the Commission granted to J. M. Chappell a certificate of public convenience and necessity authorizing the establishment and operation of a passenger stage service between the intersection of York Street and Marin Street in Vallejo and the intersection of Sacramento Street and Sears Point Road in Bay Terrace.<sup>1/</sup> Such certificate of public convenience and necessity comprises the operative rights proposed to be transferred. The tangible property consists of one 8-passenger sedan subject to an outstanding indebtedness of \$1,416 at the first of the year.

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<sup>1/</sup> For the first seven months of 1957, applicant Chappell reported gross revenues of \$4,374 and net income of \$490.

The application shows that there will be no change in the rates or service as the result of the transfer and that the same operative properties will be available to the purchasers as are utilized in the present operations. 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.

ORDER

The Commission having considered the above-entitled matter and being of the opinion that a public hearing is not necessary, and that the application should be granted, as herein provided, therefore,

IT IS HEREBY ORDERED as follows:

1. J. M. Chappell may sell and transfer to William S. Piper and Lila B. Piper, the operative rights created by Decision No. 53087, dated May 15, 1956, and the business and assets as set forth in this application.
2. William S. Piper and Lila B. Piper, in acquiring such rights, business and assets, 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 and timetables on file with the Commission naming rates, rules, regulations and schedules governing the common carrier operations here involved to show that J. M. Chappell has withdrawn or canceled and William S. Piper and Lila B. Piper have adopted or established, as their own, said rates, rules, regulations and schedules. 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. 79.

4. This order will become effective on the date hereof.

Dated at San Francisco, California, this  
1<sup>st</sup> day of April, 1958.

[Signature]  
President  
[Signature]  
[Signature]  
[Signature]

Commissioners