

ORIGINAL

Decision No. 58370

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
Ralph O. Clayton, as Administrator  
of the Estate of John W. Clayton,  
deceased, and of Eunice M. Clayton,  
for authority to transfer Santa Ana-  
Garden Grove Bus Lines.

Application No. 40941

O P I N I O N

Ralph O. Clayton, as Administrator of the Estate of John W. Clayton, Deceased, hereinafter referred to as seller, seeks authority to sell the passenger stage certificate of public convenience and necessity granted by Decision No. 44162, dated May 9, 1950, in Application No. 30444, as amended by Decision No. 44215, dated May 23, 1950, in Application No. 30444, as amended by Decision No. 46832, dated March 11, 1952, in Application No. 32992, as amended by Decision No. 54106, dated November 19, 1956, in Application No. 38301, to John W. Clayton, doing business as Santa Ana-Garden Grove Bus Line, the passenger stage used in said business, and the assets thereof, to Eunice M. Clayton, in conformance with an "Order Approving Report and Decree of Distribution" attached to said application as Exhibit "A". Exhibit "A" attached to the instant application is a copy of an order of the Superior Court of the State of California, in and for the County of Orange, No. A-31501, dated February 20, 1959, distributing to Eunice M. Clayton all of the assets of the Estate of John W. Clayton,

Deceased, including cash, the passenger stage used in conducting the business of the said bus company, and the good will of the sole proprietorship business known as the Santa Ana-Garden Grove Bus Line, including a permit (certificate of public convenience and necessity) issued by the Public Utilities Commission of the State of California.

It is alleged that the original cost of the Marmon-Herrington bus was \$14,466, that the book cost as of March 2, 1959, was \$10,155, and that there will be no change in equipment, schedules or service resulting from the granting of the application herein.

Exhibit "B" attached to the application is a copy of the latest consolidated balance sheet, dated June 30, 1958, showing assets valued at \$12,810 and liabilities of \$8,869. Exhibit "C" attached to the application shows that for the first six months of the year 1958 the bus company made a net profit of \$1,948.

There will be no consideration for the transfer.

The Commission having considered the matters pertinent hereto is of the opinion and finds that the transfer herein authorized would not be adverse to the public interest. A public hearing is not necessary.

Eunice M. Clayton, doing business as Santa Ana-Garden Grove Bus Line, is 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, such rights 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.

O R D E R

Application having been made, the Commission being fully advised in the premises, and good cause appearing,

IT IS ORDERED:

(1) That Ralph O. Clayton, as Administrator of the Estate of John W. Clayton, Deceased, may transfer to Eunice M. Clayton, the passenger stage operating rights and business and assets referred to in the foregoing opinion, said transfer to be in accordance with the "Order Approving Report and Decree of Distribution" of the Superior Court of the State of California, in and for the County of Orange, No. A-31501, "In the Matter of the Estate of John W. Clayton, also known as J. W. Clayton, Deceased" and said Eunice M. Clayton may acquire said operating rights and assets and continue the passenger stage service as heretofore authorized by this Commission.

(2) That within sixty days after the effective date hereof, and on not less than five day's notice to this Commission and to the public, applicant shall amend the tariffs on file with the Commission naming rates, rules and regulations governing the operation here involved to show that Ralph O. Clayton, as Administrator of the Estate of John W. Clayton, Deceased, has withdrawn, and that Eunice M. Clayton, doing business as Santa Ana-Garden Grove Bus Line, has adopted as her own, said rates, rules and regulations.

(3) That Eunice M. Clayton shall notify this Commission in writing, within thirty days after the effective date hereof, that she is operating the stage line herein authorized to be transferred.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California,  
this 5<sup>th</sup> day of March, 1959.

F. Lynn Fox  
President

W. L. Mitchell

Matthew H. Smith

Theodore H. Jensen

Commissioners