

ORIGINAL

Decision No. 58451

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of DAL GRETTEMBERG, d/b/a FUN ZONE BOAT COMPANY, for a Permit to Transfer Certificate Issued under Decision No. 56944, in Application No. 39808, to FUN ZONE BOAT COMPANY, INC., a California Corporation; Application of FUN ZONE BOAT COMPANY, INC. for a Permit to Issue Stock of a Total Par Value of \$25,000.00.

Application No. 41064

O P I N I O N

This is an application for an order of the Commission (1) authorizing Dal Grettenberg, an individual doing business as Fun Zone Boat Company to transfer operative rights and assets to Fun Zone Boat Company, Inc., a corporation, and (2) authorizing Fun Zone Boat Company, Inc., to issue 250 shares of its \$100 par value common stock.

Applicant Grettenberg, for a number of years, has been engaged in operating vessels in a sight-seeing service in and about Newport harbor. On July 8, 1958, by Decision No. 56944, in Application No. 39808, he was certificated as a common carrier of persons by vessel from a pier at 702 Edgewater in Balboa and/or a pier at 506 Edgewater in Balboa, via Newport Bay and all places in the bay and in the coastal waters between Balboa and Laguna Beach, to the point of origin, and was authorized to pick up and discharge passengers at any suitable points enroute, subject to certain restrictions. In 1958, applicant Grettenberg reported

revenues of \$32,914 and net profit of \$210, after making allowance of \$4,184 for depreciation.

It appears that applicant Grettenberg now desires to conduct his business by means of a corporate form of organization and that he has made arrangements to transfer his certificate of public convenience and necessity and certain assets to Fun Zone Boat Company, Inc., a new corporation which he has formed for the express purpose of taking over such certificate and assets and of continuing the operations. A statement of the assets to be transferred is as follows:

Bank account		\$ 2,950.83
Boats and automotive equipment	\$39,716.40	
Less - accumulated depreciation	<u>23,747.73</u>	
Total		15,968.67
Lease deposit with Newport Dunes, Inc.	5,000.00	
Organization expense	<u>642.24</u>	
	<u>5,642.24</u>	
Less - amortization	<u>136.00</u>	
Total		<u>5,506.24</u>
Total assets		<u>\$24,425.74</u>

In consummating the transaction, outstanding liabilities will be cancelled and the new corporation will issue 250 shares of its common stock of the par value of \$100 each.

The application shows that there will be no change in the rates or service as the result of the transfer and that the same equipment will be available to the corporation as is now used in the service. We are of the opinion, therefore, and so find, that the proposed transfer will not be adverse to the public interest and we will enter our order granting applicants' request.

In making our order, we place applicants 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 authorization herein granted shall not be construed to be a finding of the value of the operative rights and assets 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, 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 purposes specified herein, and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; NOW THEREFORE,

IT IS HEREBY ORDERED as follows:

1. Dal Grettenberg, on and after the effective date hereof and on or before December 31, 1959, may transfer to Fun Zone Boat Company, Inc., the operative rights acquired by him by virtue of Decision No. 56944, dated July 8, 1958, in Application No. 39808, and the assets as set forth in this application.

2. Fun Zone Boat Company, Inc., in acquiring said operative rights and assets, may issue not to exceed 250 shares of its common stock of the aggregate par value of \$25,000.

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 Dal Grettenberg, doing business as Fun Zone Boat Company, has withdrawn or canceled and Fun Zone Boat Company, Inc., a corporation, has adopted or established as its own, said rates, rules and regulations.

4. Fun Zone Boat Company, 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 San Francisco, California, this 22nd day of May, 1959.

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