

ORIGINAL

Decision No. 60554

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:

(a) WANDA KELLER, an individual doing business as KELLER'S FREIGHT LINE, to sell, a certificate of public convenience and necessity for transportation of general commodities, pursuant and by virtue of Application No. 41850 and Decision No. 60082 dated May 9, 1960, pursuant to Sections 851-853 of the California Public Utilities Code.

Application No. 42403

(b) KELLER'S FREIGHT LINE, a corporation, to issue shares of its common capital stock, pursuant to Sections 816-830 of the California Public Utilities Code.

O P I N I O N

This application was filed on June 24, 1960, for an order of the Commission (1) authorizing Wanda Keller, doing business as Keller's Freight Line, to transfer operative rights and equipment to Keller's Freight Line, a corporation, and (2) authorizing Keller's Freight Line, a corporation, to issue 2,000 shares of its common stock of the aggregate par value of \$20,000.

Wanda Keller is engaged in the operation of a highway common carrier service for the transportation of general commodities between certain points in northern California, including all points and places in the San Francisco-East Bay Cartage Zone, as defined in an in-lieu certificate of public convenience and necessity which was granted by Decision No. 60082, dated May 9, 1960, in

Application No. 41850, and in the operation of a city carrier and a highway contract carrier service. According to Exhibit B filed in this proceeding her total revenues for the first ten months of 1959 amounted to \$136,856 and her net profit amounted to \$25,271.

It is set forth in the application that Delbert R. Keller and Ronald G. Keller heretofore had assisted Wanda Keller in the conduct of her highway common carrier operations by furnishing her with certain assets which are used in such operations and that it is now proposed to transfer to Keller's Freight Line, which is a recently organized corporation, the assets which have been provided by said Delbert R. Keller and Donald G. Keller and also the assets and operative rights of Wanda Keller, in exchange for shares of stock of said new corporation in a total amount equivalent to the reported cost of said assets, with no value, however, being assigned to the certificate of public convenience and necessity. A pro forma statement as of April 1, 1960, giving effect to the transfer of the assets and to the issue of stock, is as follows:

<u>Assets</u>	
Current assets	\$11,338.84
Tangible assets, less allowance for depreciation	25,254.28
Special deposits	<u>150.00</u>
Total	<u>\$36,743.12</u>
<u>Liabilities and Capital</u>	
Current liabilities	\$ 4,946.12
Long-term liabilities	11,797.00
Subscription to capital	<u>20,000.00</u>
Total	<u>\$36,743.12</u>

Keller's Freight Line, the new corporation, will adopt the tariffs now on file by Wanda Keller and it appears that there will be no change in the service now being offered the public. Upon the basis of the information contained in the verified application, we find and conclude that the proposed transfer will not be adverse to the public interest, that the money, property or labor to be procured or paid for by the issue of the stock herein authorized is reasonably required for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. We will enter our order granting the application.

Applicants are 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 operative rights and equipment 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, therefore,

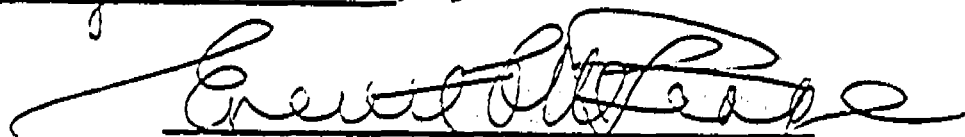
IT IS HEREBY ORDERED as follows:

1. Wanda Keller, an individual doing business as Keller's Freight Line, may transfer to Keller's Freight Line, a corporation, her assets and the certificate of public convenience and necessity which was granted by Decision No. 60082, dated May 9, 1960, in Application No. 41850.
2. Keller's Freight Line, a corporation, in acquiring the certificate and the assets referred to in this proceeding, may assume the payment of outstanding indebtedness and may issue not to exceed \$20,000 par value of its common stock.
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 common carrier operations here involved to show that Wanda Keller, doing business as Keller's Freight Line, has withdrawn or canceled and Keller's Freight Line, 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. Keller's Freight Line, 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. The authority herein granted shall become effective 20 days after the date hereof.

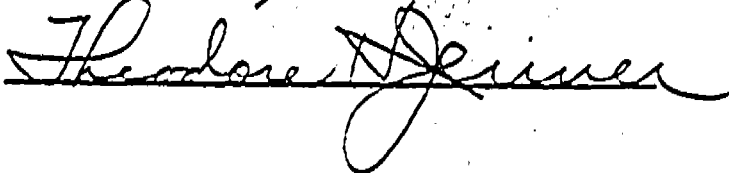
Dated at San Francisco, California,
this 16th day of August, 1960.



President







Commissioners