

ORIGINAL

Decision No. 6882

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
HIWAY EQUIPMENT LEASING CORPORATION
(a corporation) doing business as
HARGRAVE FREIGHT TERMINAL, for
authority to sell and transfer
certain operative rights as a
public utility warehouseman, and
G-K DISTRIBUTING (a corporation),
to purchase and acquire said
operative rights.

Application No. 42728

O P I N I O N

This application was filed on October 6, 1960, for an order authorizing Hiway Equipment Leasing Corporation, a corporation doing business as Hargrave Freight Terminal, to transfer warehouse operative rights to G-K Distributing, a corporation.

The operative rights to be transferred are prescriptive in their nature and were determined by the Commission by its order dated August 30, 1960, in Case No. 6901, as consisting of 12,000 square feet of floor space in Vernon, exclusive of the 50,000 square feet of expansion permissible under Section 1051 of the Public Utilities Code. The agreed price to be paid for the rights is \$200.

The purchaser is a corporation which was organized in October, 1959 but as yet has not conducted any public utility business. Upon acquiring the warehouse operative rights, it will adopt the rates, rules and regulations of the present owner and will conduct its operations in leased premises located at

4817 Alcoa Avenue, Vernon. The application indicates that the incorporators of the new corporation are experienced in carrier and warehouse activities and have the resources to undertake the operations.

Upon reviewing this application, we find and conclude that the proposed transfer will not be adverse to the public interest and that the application should be granted. In making this order, we place G-K Distributing upon 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 which 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 authority herein granted shall not be construed to be a finding of the value of the operative rights 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,

IT IS HEREBY ORDERED that Hiway Equipment Leasing Corporation, a corporation, be, and it hereby is, authorized to transfer the warehouse operative rights referred to in the preceding opinion to G-K Distributing, a corporation.

IT IS HEREBY FURTHER ORDERED that 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 now on file with the Commission, insofar as they name rates, rules and regulations governing the warehouse operations here involved to show that Hiway Equipment Leasing Corporation, a corporation doing business as Hargrave Freight Terminal, has withdrawn or canceled and that G-K Distributing, a corporation, concurrently has adopted or established, as its own, said rates, rules and regulations. The tariff filings made pursuant to this order in all respects shall comply with the regulations governing the construction and filing of warehouse tariffs set forth in the Commission's General Order No. 61.

The authority herein granted shall become effective on the date hereof.

Dated at San Francisco, California,
this 18th day of October, 1960.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners