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ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 RANCHERS OIL CO., a California)
 corporation, to sell and PETROLEUM)
 EXPRESS, a California corporation,)
 to purchase certain operating)
 certificates.)

Application No. 42497

Donald G. Haefer for applicant.O P I N I O N

Ranchers Oil Co. requests authority to sell and transfer and Petroleum Express, a newly formed corporation, requests authority to purchase and acquire certain highway common carrier and petroleum irregular route carrier operative rights. Petroleum Express requests authority to issue \$1,000 par value of its capital stock for working capital.

A public hearing was held before Examiner Thomas E. Daly on January 10, 1961, at San Francisco and the matter was submitted.

The operative rights were granted by Decisions Nos. 42623 and 44393. Applicant seller acquired the rights by Decision No. 58432. The agreed consideration for the transfer of the certificates is \$1,000, which is the price paid by Ranchers Oil Co. in acquiring said authority. Petroleum Express will issue its promissory note in the amount of \$1,000 payable six months from the date of transfer and bearing interest at the rate of 6 percent per annum.

It was stated that Ranchers Oil Co. is a corporation engaged in many diversified activities including the distribution of petroleum products as a broker, company operations of retail service stations, purchase and sale of properties; that Manley H. Reitz

and his wife, the sole stockowners of Ranchers Oil Co., caused Petroleum Express to be formed for the purpose of taking over the transportation operations, which result in a gross revenue of approximately \$4,000 a month.

After consideration the Commission finds and concludes that the proposed sale will not be adverse to the public interest and 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.

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, 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 modified or canceled 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 filed and the Commission being informed in the premises,

IT IS ORDERED:

1. That on or before June 1, 1961, Ranchers Oil Co. may sell and transfer and Petroleum Express may purchase and acquire the operative rights granted by Decisions Nos. 42623 and 44393.
2. That, within thirty days after the consummation of the transfer herein authorized, the purchaser shall notify the Commission,

in writing, and within said period shall file with the Commission a true copy of any bill of sale or other instrument of transfer which may be executed to effect said transfer.

3. That, on not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of the transfer, applicants shall amend or reissue the tariffs on file with the Commission, naming rates, rules and regulations governing the highway common carrier and petroleum irregular route carrier operations here involved, to show that Ranchers Oil Co. has withdrawn or canceled, and that Petroleum Express has adopted or established as its own, said rates, rules and regulations. The tariff filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 80.

4. That, after the effective date hereof and on or before June 1, 1961, Petroleum Express may issue not to exceed \$1,000. per value of its capital stock for the purpose heretofore specified.

5. That Petroleum Express shall file with the Commission a report or reports, as required by General Order No. 24-A, which order, in so far as applicable, is made a part of this order.

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

Dated at San Francisco, California, this 21st day of February, 1961.

[Signature]
 President

[Signature]

[Signature]

George J. Trover

Fredrick B. Hildehoff
 Commissioners