

ORIGINAL

Decision No. 64125

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of H. J. JOHNSEN an individual doing business as KERNVILLE FREIGHT LINE and KERNVILLE STAGE COMPANY, to sell and GEORGE NELSON YECKL and THEODORE DANIEL JONES, co-partners, to purchase property and operative rights for the transportation of freight, passengers, baggage and express between Bakersfield, California and Kernville and Onyx, California, and intermediate points, and to mortgage and to otherwise encumber property thereof.

Application No. 44628  
Filed July 13, 1962

O P I N I O N

H. J. Johnsen, doing business as Kernville Freight Line and Kernville Stage Company, reports that he finds it desirable to withdraw from his common carrier operations and that he has made arrangements, and in this application seeks authorization, to transfer his operative rights and equipment to George Nelson Yeckl and Theodore Daniel Jones.

The operative rights to be transferred were acquired by said Johnsen under authorization granted by Decision No. 53486, dated July 31, 1956, in Applications Nos. 38235 and 38236. In general, they provide for the transportation of freight, passengers, baggage and express between Bakersfield and Kernville and Onyx and intermediate points. The equipment

to be transferred includes two trucks and two buses. The agreed consideration for the transfer is \$35,000 with a down payment of \$7,500, the balance to be represented by notes payable at the rate of \$400 per month including interest at 7 percent per annum on unpaid balances, payment to be secured by two mortgages of chattels.

It appears that the buyers have had experience in common carrier operations and that they have financial resources which should enable them to take over and conduct the operations. In 1961, according to Exhibit B annexed to the application, the combined operations developed operating revenues of \$31,847 and net operating revenues, before depreciation, of \$6,167.

We find and conclude that the proposed transfers will not be adverse to the public interest and that the application should be granted.

George Nelson Yeckl and Theodore Daniel Jones 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, such rights extend to the holders 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.

The authorization herein granted shall not be construed to be a finding of the value of the operative rights and equipment to be transferred.

O R D E R

The Commission having considered the above-entitled matter and having determined that a public hearing is not necessary, and being of the opinion that the money, property or labor to be procured or paid for by the issue of the notes herein authorized is reasonably required by applicants George Nelson Yeckl and Theodore Daniel Jones for the purpose specified herein; therefore,

IT IS HEREBY ORDERED that -

1. On or before December 31, 1962, H. J. Johnsen may sell and transfer, and George Nelson Yeckl and Theodore Daniel Jones may purchase and acquire, the operative rights and equipment referred to in this application.

2. George Nelson Yeckl and Theodore Daniel Jones, for the purpose of acquiring said operative rights and equipment, may execute two mortgages of chattels in, or substantially in, the same form as those filed in this proceeding as Exhibit D, and may issue promissory notes in the aggregate amount of not to exceed \$27,500 under the terms set forth in the application.

3. Within thirty days after the consummation of the transfers herein authorized, George Nelson Yeckl and Theodore Daniel Jones shall notify the Commission, in writing, of that fact 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 transfers.

4. Applicants shall amend or reissue the tariffs and timetables on file with the Commission, naming rates, rules and regulations governing the common carrier operations here involved to show that H. J. Johnsen has withdrawn or canceled, and George Nelson Yeckl and Theodore Daniel Jones have adopted or established as their own, said rates, rules and regulations. The tariff and timetable filings shall be made effective not earlier than thirty days after the effective date of this order and on not less than thirty days' notice to the Commission and to the public, and the effective date of the tariff and timetable filings shall be concurrent with the consummation of the transfers herein authorized. The tariff and timetable filings made pursuant to this order shall comply in all respects with the regulations governing the construction and filing of tariffs and timetables set forth in the Commission's General Orders Nos. 79, 80-A, and 98.

5. George Nelson Yeckl and Theodore Daniel Jones 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.

6. The authority herein granted shall become effective when George Nelson Yeckl and Theodore Daniel Jones have paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$28.

Dated at San Francisco, California,  
this 21st day of AUGUST, 1962.

George A. Grover  
President  
Paul E. Mitchell  
James Fox  
Robert W. Long  
Frederick B. Hallock  
Commissioners

