

ANV

Decision No. 86325

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of: NEW EDGINGTON CORPORATION, a )  
corporation, to control HERCULES )  
OIL COMPANY OF SAN DIEGO, INC., )  
a corporation, and a petroleum )  
irregular route carrier and a )  
highway permit carrier. )

Application No. 56644  
(Filed July 26, 1976)

In the Matter of the Application )  
of: NEW EDGINGTON CORPORATION, )  
a corporation, to control SAHUARO )  
PETROLEUM & ASPHALT CO., a cor- )  
poration, and a highway permit )  
carrier. )

O P I N I O N

By this application, New Edgington Corporation (New Edgington), a Delaware corporation, qualified to transact business in the State of California, seeks authority to control Hercules Oil Company of San Diego, Inc. (Hercules), a California corporation, which holds a petroleum irregular route carrier certificate of public convenience and necessity and radial highway common carrier and petroleum contract carrier permits. New Edgington Corporation also seeks to control Sahuaro Petroleum & Asphalt Co. (Sahuaro), an Arizona corporation, which is qualified to transact business in this State and holds a petroleum contract carrier permit.

The certificate held by "Hercules" was granted by Decision 44863, dated October 3, 1950, in Application 31318, and acquired by "Hercules" by Decision 57901, dated January 20, 1959, in Application 40435.

It is alleged that "Hercules" and "Sahuaro" are both wholly owned subsidiaries of Edgington Oil Company (Old Edgington), a California corporation. There presently is pending between "New Edgington" and "Old Edgington" a proposed transaction whereby New Edgington proposes to acquire the properties and assets of Old Edgington, including all of the issued and outstanding shares of stock of "Hercules" and "Sahuaro."

The agreed purchase price is \$47,515,000 which consists of \$33,115,000 for "Old Edgington's" assets, including the stock of the subsidiaries, but less inventories, plus an estimated \$14,400,000 for the total inventories as valued on the anticipated date of closing the transaction which is August 31, 1976. The pro forma balance sheet of "New Edgington" as of March 31, 1976 (Exhibit "B" to the application) gives effect to the proposed transaction between New Edgington and Old Edgington and indicates a prospective net worth of \$15,000,000

There will be no change in the business in California conducted by the sole shareholder of "Hercules" and "Sahuaro."

Notice of the filing of the application was made in the Commission's Daily Calendar of July 26, 1976. No protests to the application have been received.

After consideration, the Commission finds that control of "Hercules" and "Sahuaro" by "New Edgington" would not be adverse to the public interest. However, as hereinbefore stated, "Hercules," who holds a statewide petroleum irregular route certificate and "Sahuaro" both hold petroleum contract carrier permits. The Commission in this regard does not permit the holding, by the same or affiliated entities, of both certificated and permitted tank truck authorities which overlap each other. Whenever such information comes to our attention we require divestiture and we will so order it here. A petroleum irregular route carrier is a common carrier and as such is prohibited from deviating from its tariff rates and services. As a public utility it is prohibited from granting any

preference or advantage to any corporation or person, or subject any corporation or person to any prejudice or disadvantage.

The Commission concludes that the acquisition of control of "Hercules" and "Sahuaro" by "New Edgington" is not adverse to the public interest and should be authorized. A public hearing is not necessary. The order which follows will provide for, in the event the proposed change in control is completed, the revocation of the certificate presently held by Hercules Oil Company of San Diego and the reissuance of a certificate, in appendix form, to reflect the new corporate affiliations. The certificate will be restated, but such restatement will not change or broaden the authority.

The Commission also concludes that the effective date of this order should be the date on which it is signed because there is no known opposition and no reason to delay granting of authorization requested. The action taken herein shall not be construed as a finding of value of the capital stock or property of Hercules Oil Company of San Diego, Inc., Sahuaro Petroleum & Asphalt Co., or Edgington Oil Company.

O R D E R

IT IS ORDERED that:

1. New Edgington Corporation, a Delaware corporation, may control Hercules Oil Company of San Diego, Inc., a California corporation, and Sahuaro Petroleum & Asphalt Co., an Arizona corporation.
2. Within ninety days after the effective date hereof, New Edgington Corporation, Hercules Oil Company of San Diego, Inc., and Sahuaro Petroleum & Asphalt Co., shall file reports informing the Commission whether or not the control authorized herein has been completed.
3. In the event the control authorized in Paragraph 1 is completed, effective concurrently with the effective date such

control is accomplished, the certificate of public convenience and necessity acquired by Hercules Oil Company of San Diego, Inc., a California corporation, pursuant to Decision 57901 is revoked and reissued as provided in Appendix A hereof.

4. Within six months after the effective date hereof, Hercules Oil Company of San Diego, Inc., and Sahuaro Petroleum & Asphalt Co. shall file applications to transfer the petroleum contract carrier permit held by each of them. In the event such applications are not filed within the time prescribed, these permits shall be revoked without further order of the Commission.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 25<sup>th</sup> day of August, 1976.

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President  
*William J. ...*  
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*Vernon ...*  
\_\_\_\_\_  
*Robert ...*  
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Commissioners

Commissioner D. W. Holmes, being necessarily absent, did not participate in the disposition of this proceeding.

Hercules Oil Company of San Diego, Inc., a California corporation, by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to conduct operations as a petroleum irregular route carrier, as defined in Section 214 of the Public Utilities Code for the transportation of petroleum and petroleum products in tank trucks or tank trailers between all points and places in the State of California, subject to the following restriction:

Whenever Hercules Oil Company of San Diego, Inc., engages other carriers for the transportation of the property of Hercules Oil Company of San Diego, Inc., a corporation, or Sahuaro Petroleum & Asphalt Co., a corporation, or New Edgington Corporation, a corporation, or customers or suppliers of said corporations, Hercules Oil Company of San Diego, Inc., shall not pay such other carriers rates and charges less than the rates and charges published in the tariffs filed with this Commission by Hercules Oil Company of San Diego, Inc.

(END OF APPENDIX A)

Issued by California Public Utilities Commission.

Decision 86325, Application 56644.