

Decision No. 91148 DEC 18 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of HALL PETROLEUM COMPANY for )  
a certificate of public con- )  
venience and necessity author- )  
izing operations as a petroleum )  
irregular route common carrier )  
and for authority to issue )  
stock. )

Application No. 59183  
(Filed October 4, 1979)

O P I N I O N

Applicant Hall Petroleum Company, a California corporation, has applied in this proceeding for a certificate of public convenience and necessity authorizing operations as a petroleum irregular route carrier, as defined in Section 214 of the Code, between all points and places in the State of California.

Applicant does not operate as a for-hire motor carrier. However, it sells petroleum products in bulk and distributes them as a proprietary carrier in the area of Chico, California. The proposed service will be performed daily in accordance with the requirements of the shippers who utilize applicant's service. Applicant will file an appropriate tariff naming rates, rules and regulations as required by the Commission's minimum rate tariffs relating to petroleum products in bulk.

Applicant's business was acquired from its predecessor David B. Hall. Applicant's pro forma balance sheet as at July 1, 1979 indicates that the assets acquired and liabilities assumed by applicant result in a net book value of assets over liabilities of \$62,762.

Since the operations were commenced on July 1, 1979 no income and expense statement is available. However, applicant alleges that the business has been profitably conducted. As noted above, no for-hire transportation service has been performed; however, applicant anticipates that development of petroleum irregular route service

will also be profitable and will be readily integrated with the present distributorship of petroleum products. Applicant intends to offer its transportation services for petroleum products in bulk on a state-wide basis.

Applicant possesses seven highway vehicles which were designed and built for the transportation of petroleum and petroleum products in bulk. If additional units are required to conduct the proposed service, they will be provided and applicant is able to acquire them.

Applicant proposes to issue 100 shares of its corporate common, no par value stock to David B. Hall for a total purchase price of \$10,000. The stock and an installment note in the amount of \$52,762 represent the net value of the assets assumed by the corporation from David B. Hall.

All common carriers with whom the proposed service is likely to compete, have been advised that the application has been filed and of the scope of the authority that is being sought. Notice of the filing of the application appeared in the Commission's Daily Calendar of October 9, 1979. No protests to the application have been received. Because of changes in the manner in which the wholesale bulk petroleum products business is conducted, the applicant stands to lose a substantial number of shippers if there is a delay in the effective date of the certificate. Because of this circumstance, and in view of the absence of protest to the application, the order which follows will be effective on the date it is signed.

#### Findings

1. Based upon the evidence presented herein, applicant has demonstrated its financial as well as operational ability to perform the proposed transportation service.
2. Public convenience and necessity require that applicant be authorized to engage in operations as a petroleum irregular route carrier in intrastate commerce as proposed in the application.

3. The proposed stock issue would be for a proper purpose.

4. The money property or labor to be procured or paid for by the issue of the stock herein authorized is reasonably required for the purposes specified herein, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

5. It can be seen with certainty that there is no possibility the activity in question may have a significant effect on the environment.

6. An urgent need exists to make the certificate effective immediately.

On the basis of the foregoing findings, the Commission concludes that the subject application should be granted as set forth in the ensuing order. A public hearing is not necessary.

Applicant is 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 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. This monopoly feature may be cancelled 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 granted shall not be construed as a finding of value of applicant's capital stock.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Hall Petroleum Company, a California corporation, authorizing it to operate as a petroleum irregular route carrier, as defined in Section 214 of the Public Utilities Code, between all points in the State of California as set forth in Appendix A of this decision.

2. In providing service pursuant to the authority granted by this order, applicant shall comply with the following service regulations. Failure to do so may result in cancellation of the authority.

- (a) Within thirty days after the effective date of this order, applicant shall file a written acceptance of the certificate granted. Applicant is placed on notice that if it accepts the certificate it will be required, among other things, to comply with the safety rules administered by the California Highway Patrol and the insurance requirements of the Commission's General Order No. 100-Series.
- (b) Within one hundred twenty days after the effective date of this order, applicant shall establish the authorized service and file tariffs, in triplicate, in the Commission's office.
- (c) The tariff filings shall be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and the public, and the effective date of the tariff filings shall be concurrent with the establishment of the authorized service.
- (d) 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-Series.
- (e) Applicant shall maintain its accounting records on a calendar year basis in conformance with the applicable Uniform System of Accounts or Chart of Accounts as prescribed or adopted by this Commission and shall file with the Commission, on or before April 30 of each year, an annual report of its operations in such form, content and number of copies as the Commission, from time to time, shall prescribe.

(f) Applicant shall comply with the requirements of the Commission's General Order No. 80-Series for the transportation of collect on delivery shipments. If applicant elects not to transport collect on delivery shipments, it shall make the appropriate tariff filings as required by the General Order.

3. Hall Petroleum Company, on or after the effective date hereof and on or before March 1, 1980, for the purposes specified in this proceeding, may issue not exceeding a total of 100 shares of its no par value capital stock at a total price of \$10,000 to David B. Hall, in consideration of cash and other assets referred to in the application.

4. Hall Petroleum Company shall file with the Commission the report required by General Order 24-B, which order insofar as applicable, is hereby made a part of this order.

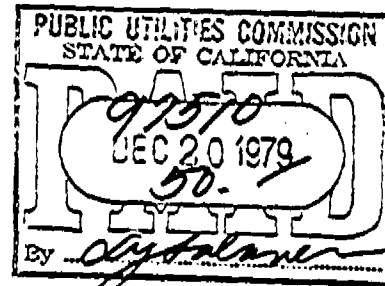
5. The authority granted by this order to issue stock will become effective when Hall Petroleum Company has paid the minimum fee prescribed by Section 1904.1 of the Public Utilities Code, which fee is \$50. In other respects the effective date of this order shall be the date hereof.

Dated DEC 18 1979, at San Francisco, California.

*John E. Guyro*  
President  
*Vernon L. Stenberg*  
*Robert D. Hurd*  
*Charles T. Delap*  
*Lionel J. Smith*  
Commissioners

Certified as a True Copy  
of the Original

ASST. EXECUTIVE DIRECTOR, PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA



Hall Petroleum Company, by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to operate 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 bulk, in tank truck or tank trailers between all points and places in the State of California, subject to the following restriction:

RESTRICTION:

Transportation of waste material under this certificate is subject to obtaining and maintaining a valid registration certificate as a hauler of liquid waste from the State Water Resources Control Board.

(END OF APPENDIX A)

Issued by California Public Utilities Commission.

Decision 91148, Application 59183.