

Decision No. 13359.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

Richfield Oil Company, a Corporation,)
Complainant,)

vs.)

Sunset Railway Company, a Corporation,)
Defendant.)

CASE NO. 1915.

Carmichael-Skidmore Corporation, B.H. Carmichael,
H.W. Glensor and F.W. Turcotte, for Complainant.
E.W. Camp, Elmer Westlake, A.A. Johnson and B. Levy,
for Defendant.

BY THE COMMISSION:

O P I N I O N

The complainant is a corporation duly organized under the laws of the State of California, with headquarters in the city of Los Angeles, and is engaged in the business of producing, refining and selling petroleum products, including gasoline and liquefied petroleum gas.

It is alleged by this complaint, filed May 21, 1923 that the rates charged by the defendant for the transportation of carload shipments of petroleum products, including gasoline and liquefied petroleum gas, from Kerto, Taft, Fellows and Shale to Bakersfield are excessive, unjust and unreasonable in violation of Section 13 of the Public Utilities Act, and discriminatory and prejudicial in violation of Section 19 of the Public Utilities Act.

We are asked to prescribe just and reasonable rates for the future and to award reparation.

At the hearing complainant abandoned its request for rates from Fellows and Shale.

Kerto and Taft are points located on the Sunset Railway, a line owned jointly by the Atchison, Topeka & Santa Fe Railway Company and the Southern Pacific Company, and extend in a westerly direction from Bakersfield. Kerto is 39.7 miles and Taft 46.2 miles from Bakersfield.

Complainant operates refineries at Los Angeles and Bakersfield and contemplates the erection of a refining plant at Kerto. The details of the operation of the plants at Los Angeles and Bakersfield and the proposed one at Kerto are dealt with in our decision in connection with Case No. 1913. Both cases were heard together and the facts in each being similar will not be repeated here.

Complainant shipped 123 carloads of gasoline from Kerto and Taft to Bakersfield during the period May 15, 1921 to May 15, 1923, or an average of five carloads per month.

There are no commodity rates in effect and the charges are on the basis of the prevailing 5th class rate, which at the present time is 13 cents from Kerto and 16 cents from Taft.

The statement set forth below carries the rates in effect on gasoline and petroleum crude oil prior to the war increases and the changes made to the present time:

TO BAKERSFIELD									
		Prior To							
	From: Miles:	June 25, 1918:	June 25, 1918:	Aug. 9, 1918:	Aug. 26, 1918:	July 1, /22.			
Kerto:	39.7:	* 9¢	:	11½¢	:	14½¢	:	13	
	:	‡ 37¢	:	46½¢	:	162.5	:	146.5	
Taft :	46.2:	* 11	:	14	:	17½	:	16	
	:	‡ 45	:	56½	:	175	:	157½	

* Gasoline and Liquefied Petroleum Gas per 100 pounds.

‡ Petroleum Crude Oil, Fuel Oil Petroleum Gas Oil, per ton.

In the adjustments made during this period, the rate on gasoline from Kerto was increased from 9 cents to 13 cents, and from Taft from 11 cents to 16 cents, or by approximately 50 per cent. The crude oil rate from Kerto was increased from 37 cents to \$1.46½ and from Taft from 45 cents to \$1.57½. This Commission, however, by its Decision No. 12464, August 7, 1923, reduced the crude oil rates to \$1.00 per ton from both Kerto and Taft, which leaves the percentage increase at Kerto 170 per cent higher and at Taft 125 per cent higher than the pre-war rates. By this comparison it will be noted that the present rates for gasoline bear a much lower percentage increase than do the present rates on crude oil between the same points.

Complainant presented several exhibits showing the rates on petroleum products between points within the State of California, in the vicinity of Los Angeles and in the San Francisco Bay regions, where entirely different conditions prevail, and endeavored to show by these exhibits that the commodity rates there in effect lower than the existing 5th class rates resulted in a discrimination by reason of the 5th class rates being used in the Bakersfield Territory. The existence of lower rates between other points differently located do not furnish sufficient justification to warrant a finding of unreasonableness in the absence of supporting facts.

There was no presentation made of the rates applied in the Bakersfield territory from the refineries at Seguro and at Maltha, which are in competition with the gasoline shipped and sold by this complainant. Our check of the rates would indicate that to most of the gasoline consuming points in the Bakersfield territory, 5th class rates are assessed from the competing plants the same as from Kerto and Taft, against which rates this complaint is directed.

Defendant introduced a number of exhibits to show that the 5th class rates assessed in the Bakersfield territory are not excess-

ive or unreasonable when compared with other rates between points in California similarly located. Exhibits were also introduced showing that the rates here under attack are lower than rates for equal-distant hauls between points in nearby States.

From this record it does not appear that the rates under attack are intrinsically unreasonable. The complaint has not shown unjust discrimination or undue prejudice, and nothing was introduced into the record which would justify a finding that the rates per se are unreasonable.

Upon this record we must find that the rates assailed are not unreasonable or otherwise unlawful.

The complaint will be dismissed.

O R D E R

This case being at issue upon complaint and answer on file, having been duly submitted by the parties, full investigation of the matters and things involved having been had, and the Commission having been fully advised in the premises, and basing its order on the findings of fact contained in the opinion which precedes this order,

IT IS HEREBY ORDERED that the complaint in this proceeding be and it is hereby dismissed.

Dated at San Francisco, California, this 7th day of April, 1924.

Chas. E. Shaver
W. B. Bunnage
Irving Martin
Egerton Shore
J. T. Whittier
Commissioners.