

Decision No. 14629

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

Angeles Snowolene Refining Company, a Corporation.
Associated Oil Company, a Corporation.
East-West Refining Company, a Corporation.
J.W. Jameson Corporation, a Corporation.
Vernon Oil Refining Company, a Corporation.
General Petroleum Company, a Corporation.

Complainants.

vs.

The Atchison, Topeka & Santa Fe Railway Company.

Defendant.

CASE NO. 2038

Gwyn H. Baker, for Complainants
E.W. Camp and B. Levy for the Defendant
B.H. Carmichael, E.W. Glensor and F.W. Turcotte,
Glensor, Clewe & Van Dine, for the East-West Refining
Company, Harbor Refining Company, Hercules Gasoline Company,
J.W. Jameson Corporation, Sierra Refining Company,
Wilshire Oil Company, Gilmore Petroleum Company, and
Gilmore Oil Company, Interveners.

BY THE COMMISSION:

O P I N I O N

Complainants are engaged in the oil business, with refineries located within the switching limits of Los Angeles.

It is alleged by complaint filed September 6, 1924 that the rates on petroleum crude and fuel oil of 5 cents per 100 pounds prior to February 15, 1923, and 4 cents per 100 pounds during period February 15, 1923 to April 26, 1923, and 5½ cents per 100 pounds on

refined petroleum oil prior to August 30, 1923, assessed and collected by defendant on various tank car shipments from Santa Fe Springs to Los Angeles, were unjust, excessive, unreasonable, discriminatory and in violation of Sections 13 and 19 of the Public Utilities Act.

Reparation is sought to the basis of the subsequently established rate of 3 cents per 100 pounds on crude or fuel oil, and 4 cents per 100 pounds on refined oil.

A public hearing was held before Examiner Geary December 17, 1924 and the matter is now ready for our decision and order.

Petition for leave to intervene was filed at the hearing, for reparation against shipments of refined oil, on behalf of the East-West Refining Company, Harbor Refining Company, Hercules Gasoline Company, J.W. Jameson Corporation, Sierra Refining Company, Wilshire Oil Company, Inc., Roseberg Oil Corporation, A.F. Gilmore Company, Gilmore Petroleum Company, and Gilmore Oil Company.

The rates will be stated in cents per 100 pounds, and rates stated as applying on crude oil also apply on fuel oil.

By stipulation between the complainants and defendant, the entire record in the proceeding entitled East-West Refining Company, et al., vs. Atchison, Topeka & Santa Fe Railway Company, Case No. 2023, Decision No. 14533, decided February 5, 1925, was made a part of this proceeding.

Complainants' contention in this proceeding is that all of the fuel oil rates assessed and collected were unreasonable to the extent of their being in excess of rates on the same commodities concurrently in effect for the same or similar hauls in the same territory.

The only evidence offered by complainants other than the stipulation into this proceeding of the record in Case No. 2023 was in rebuttal to the defendant's claim that the fuel oil rates in

Southern California were depressed because of pipe line competition. Case No. 2023 involved only rates on crude oil and did not involve refined oil rates, although exhibits were submitted setting forth as a comparison the rates on refined oils from and to various points.

Witness for the complainants testified it costs approximately 5 cents per barrel to transport crude oil 13 miles, the distance from Santa Fe Springs to Los Angeles, when moved via a rented pipe line, but if moved via an owned pipe line of one of the complainants the cost would approximate $2\frac{1}{2}$ cents per barrel. Five cents per barrel, stated in cents per 100 pounds, is approximately $1\frac{1}{2}$ cents per 100 pounds and $2\frac{1}{2}$ cents per barrel, $\frac{3}{4}$ cents per 100 pounds. This witness further stated crude oil would move via pipe line when facilities were available, in preference to moving via rail, because of the difference in cost between the two modes of transportation, and it was also stated it was impracticable to move refined oil via pipe lines. Defendant contended, however, that the net work of pipe lines covering Southern California had a depressing effect upon all of its oil rates. These competing pipe lines no doubt reflect their influence on the rail rates.

As previously stated, the entire record in Case No. 2023 was made a part of the record in the present case and we there found that a rate of 3 cents on petroleum, crude and fuel oil, from Santa Fe Springs to Los Angeles, was just and reasonable under the existing circumstances and conditions and, therefore, it will serve no good purpose to here reiterate in detail the situations controlling in Case No. 2023, other than to state that the same are present in the instant proceeding.

We find that the rates assessed and collected by defendant on complainants' shipments of petroleum crude and fuel oil in

It is alleged by complainants that defendant assessed and collected on refined petroleum oils prior to August 30, 1923, a rate of $5\frac{1}{2}$ cents per 100 pounds from Santa Fe Springs to Los Angeles, but since there was established by defendant May 31, 1923 a rate of 4 cents per 100 pounds from Santa Fe Springs to Los Angeles (Santa Fe Tariff CRC. C.L. 531), any charges collected in excess of 4 cents per 100 pounds on shipments moving on and subsequent to May 31, 1923 should be refunded by the defendant.

The rate on refined oils from Los Angeles, a refining point, to Pasadena, a distance of 9 miles, is 7 cents; to Monrovia, 19 miles, $10\frac{1}{2}$ cents; to Butler, 21 miles, $10\frac{1}{2}$ cents; to Kincaid, 22 miles, $10\frac{1}{2}$ cents. These are the actual 5th class rates from Los Angeles, and rates from other refining points beyond Los Angeles have in some instances been placed on the Los Angeles basis.

Many of the rates from the producing points to the refining points, as well as from the refining points to consuming points, are the same as the 5th class rates. The defendant contends that the 5th class rates are the normal level of refined oil rates in the territory involved, but commodity rates have been established in many instances lower than the 5th class.

Los Nietos is 12 miles from Los Angeles and Santa Fe Springs 13 miles. The refined oil rate of $5\frac{1}{2}$ cents prior to May 31, 1923 from Santa Fe Springs to Los Angeles was the same as in effect from Los Nietos, which was lower than the 5th class rate contemporaneously in effect.

While prior to May 31, 1923 the refined oil rates from El Segundo to Los Angeles were lower than rates contemporaneously in effect from Santa Fe Springs, the rates from Santa Fe Springs were lower or compared favorably with many of the refined oil rates in effect from other producing points.

The record does not disclose the average weight of complainants' refined oil shipments, therefore it is impossible to determine the revenue per car mile or per car.

Complainants did not seriously support their allegations of undue prejudice or discrimination as to refined petroleum oils and having submitted no evidence there will be, therefore, no findings thereon.

After consideration of all the facts of record, we find that the rates assessed by defendant on shipments of refined petroleum oil not excessive, unjust or unreasonable.

O R D E R

This case being at issue upon complaint and answer on file, having been duly heard and submitted by the parties, full investigation of the matters and things involved having been had, and basing its order on the findings of fact and conclusions contained in the opinion, which said opinion is hereby referred to and made a part hereof,

IT IS HEREBY ORDERED that the Atchison, Topeka & Santa Fe Railway Company refund, with interest, to the Angeles Snowolene Refining Company, Associated Oil Company, East-West Refining Company, J.W. Jameson Corporation, Vernon Oil Refining Company and General Petroleum Corporation, all charges that may have been collected in excess of 3 cents per 100 pounds, the rate found to be reasonable and non-discriminatory for the transportation of petroleum fuel or crude oil, in tank cars, minimum weight Shell

gallorage capacity of car, from Santa Fe Springs to Los Angeles,
within two years prior to September 6, 1924.

IT IS HEREBY FURTHER ORDERED that the complaint be and
the same is hereby dismissed insofar as the rates on refined
petroleum products are involved.

Dated at San Francisco, California, this 5th day
of March, 1925.

H. H. Gaudin

George D. Squires

E. H. Gaudin
Commissioners.