

Decision No. 21221.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

GENERAL PETROLEUM CORPORATION OF
CALIFORNIA,
Complainant,

vs.

SOUTHERN PACIFIC COMPANY,
Defendant.

ORIGINAL

Case No. 2535.

F. A. Jones and L. F. Jones, for complainant.

A. L. Whittle, J. E. Lyons and C. N. Bell,
for defendant.

BY THE COMMISSION:

O P I N I O N

Complainant, a corporation with its principal place of business at Los Angeles, is engaged in refining, buying and selling petroleum and its products. By complaint filed December 7, 1928, it is alleged that the rate assessed and collected on petroleum gas oil, in carloads, from Los Angeles to Chrisman and Wadstrom, California, subsequent to December 8, 1926, were, are, and for the future will be unjust, unreasonable, unduly prejudicial and discriminatory in violation of Sections 13 and 19 of the Public Utilities Act. Reparation and a rate for the future are sought. Rates are stated in cents per 100 pounds.

A public hearing was held before Examiner Geary at Los Angeles April 2, 1929, and the case having been submitted is now

ready for an opinion and order.

Chrisman and Wadstrom are on the Ojai branch of the Southern Pacific Company, 77 miles and 79 miles respectively northwest of Los Angeles. Complainant's shipments consisted of 76 cars of a petroleum product derived from crude oil in the process of distillation and used in the Ventura oil fields as an agency for absorbing the gasoline contents of natural gas. Defendant contends that the commodity is absorption oil and not gas oil, but the record shows that it comes within the designation of the latter commodity as defined in Pacific Freight Tariff Circular No. 19 (not filed with the Commission), in which this defendant appears as a participating carrier with respect to interstate traffic.

A rate of 15½ cents was assessed and collected on the shipments at issue. At the time these shipments moved defendant maintained in the reverse direction from Wadstrom, Chrisman and Ventura to Los Angeles a rate on gas oil of 13 cents prior to September 22, 1926, and 10 cents subsequent thereto, and on gasoline a rate of 11 cents. It likewise had in effect from or to the Ventura oil fields other rates on gas oil, casinghead gasoline and gasoline lower than assessed complainant's shipments. The following, compiled from complainant's exhibits, is illustrative:

Commodity	From	To	Miles	Rate (cents)	Rate per ton per mile (mills)
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RATES ASSESSED

Gas Oil	Los Angeles	Wadstrom	79	15½	39.0
" "	Los Angeles	Chrisman	77	15½	40.0

Commodity	From	To	Miles	Rate (cents)	Rate (mills) per ton per mile
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COMPARISONS

Gas Oil	Summerland	Los Angeles	97	13	27.0
" "	Wadstrom	Los Angeles	79	10	25.0
" "	Chrisman	Los Angeles	77	10	26.0
" "	Ventura	Los Angeles	75	10	27.0
" "	Los Angeles	Carpinteria	92	13½	30.0
" "	Los Angeles	Santa Barbara	102	18	35.0
Casinghead Gasoline	Wadstrom	Los Angeles	79	11	28.0
" "	Chrisman	Los Angeles	77	11	29.0
" "	Wadstrom	El Segundo	96	13	27.0
" "	Chrisman	El Segundo	94	13	28.0

Defendant claims the 10-cent rate from Chrisman, Wadstrom and Ventura to Los Angeles was originally established on crude oil at the request of complainant to enable it to market this product in Los Angeles in competition with crude oil produced at points adjacent to Los Angeles, and as gas oil was ordinarily carried on the crude oil basis the 10-cent rate was also established on the former product. It also contends that the lower rates on gasoline, including casinghead gasoline, from the Ventura fields to Los Angeles are depressed by pipe line and motor truck competition; that the rates under attack have been in effect since 1902 without change other than the general war-time increases and reductions and are not unreasonable as compared with rates on other commodities such as sugar, salt, beans, beverages and lumber. The rates on the commodities used for comparative purposes, however, have not been shown on this record

to be comparable with the rates on gas oil.

After careful consideration of all the facts of record we are of the opinion and so find that the rate assailed is unjust and unreasonable to the extent it exceeded, exceeds or may exceed 10 cents; that complainant made the shipments as described, paid and bore the charges thereon, and has been damaged in the amount of the difference between the charges paid and those that would have accrued at the rate herein found reasonable, and is entitled to reparation with interest at 6% per annum.

Complainant should submit a statement of the shipments made to defendant. Should it not be possible to reach an agreement as to the amount of reparation due, the matter may be referred to the Commission.

O R D E R

This case being at issue upon complaint, full investigation of the matters and things involved having been had, and basing this order on the findings of fact contained in the preceding opinion,

IT IS HEREBY ORDERED that defendant, Southern Pacific Company, be and it is hereby notified and required to cease and desist on or before thirty (30) days from the effective date of this order and thereafter to abstain from applying, demanding or receiving for the transportation of gas oil in carloads from Los Angeles to Chrisman and Wadstrom a rate which shall exceed 10 cents per 100 pounds.

IT IS HEREBY FURTHER ORDERED that defendant, Southern Pacific Company, be and it is hereby notified and required to establish on or before thirty (30) days from the effective date of this order on not less than five (5) days' notice to the Commission and to the public and thereafter to maintain for the

transportation of gas oil, in carloads, from Los Angeles to Chrisman and Wadstrom a rate of 10 cents per 100 pounds.

IT IS HEREBY FURTHER ORDERED that defendant, Southern Pacific Company, be and it is hereby authorized and directed to refund, with interest at six (6) per cent. per annum, to complainant, General Petroleum Corporation of California, all charges in excess of 10 cents per 100 pounds which it may have collected for the transportation of all shipments of gas oil involved in this proceeding from Los Angeles to Chrisman and Wadstrom.

Dated at San Francisco, California, this 10th day of June, 1929.

Thos D. Smith

W. L. Sawyer

Edward J. Hart

Leon C. Whittell

Commissioners.