

Decision No. 20675

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
Farr-Richmond Terminal Corporation,  
Ltd., a corporation, for an order  
authorizing the granting of an ease-  
ment for pipe lines under wharf at  
Point San Pablo and approving tolls  
and charges covering molasses ship-  
ments through said wharf.

Application No. 20675

ORIGINAL

Morrison, Hohfeld, Foerster, Shuman  
and Clark, by F. C. Hutchens and  
E. W. Hollingsworth, for Applicant.

Orrick, Palmer and Dahlquist, by  
G. W. Dahlquist, for the Pacific  
Molasses Company, Ltd.

CARR, COMMISSIONER:

OPINION

Applicant herein seeks an order authorizing it to grant to the Pacific Molasses Company, Ltd., hereinafter sometimes referred to as the Lessee, the easement for certain pipe lines across its Terminal No. 4 upon the terms and conditions specified in the proposed form of lease and agreement designated as "Exhibit 'A'" attached to and made a part of the application, and approving the certain tolls and charges covering molasses shipments through said wharf.

A public hearing was held in this matter on August 20, 1936, at which time the matter was submitted, and is now ready for decision.

The Farr-Richmond Terminal Corporation, Ltd., is a California corporation engaged in the public utility wharf-inger business, operating docks, wharves and other facilities

on San Francisco Bay, in the City of Richmond, Contra Costa County, State of California. Its public utility properties consist of separately located units known as Parr-Richmond Terminals Nos. 1, 2, 3 and 4, respectively.

The Pacific Molasses Company, Ltd., is a California corporation already established and operating a plant for the storage and handling of molasses, and of which the pipe lines above referred to are a necessary adjunct. Said plant and pipe lines have been in use for several years pursuant to the provisions of a lease dated August 15, 1929, made to the Pacific Molasses Company, Ltd., by the Richmond Belt Railway, the former owner of said wharf and of adjacent lands. Continued use by the Pacific Molasses Company, Ltd., of said wharf and said pipe lines is essential to the continued operation of the plant. The adjacent lands occupied by the plant of Lessee are now the property of the Parr-Richmond Terminal Corporation, Ltd.

It is the desire of the Parr-Richmond Terminal Corporation to grant to Lessee the privilege and easement to maintain, during the term of the lease, two pipe lines of ten inch diameter, together with a two and one-half inch pipe line (the latter to be used for steam supply to ships) under the wharf at Terminal No. 4 of the Parr-Richmond Terminal Corporation at San Pablo. Such easement is to extend from the extreme west side of the wharf to the east side of said wharf and thence be carried by trestle and underground upon the land of Lessor to a point connecting with the tanks of Lessee. The location of the pipe lines across the wharf is set forth in the map attached to the aforementioned "Exhibit 'A'".

The pipe lines are the property of the Lessee and are to be maintained by the Lessee. Such pipe lines are to be used solely for the purpose of pumping molasses between ships and Lessee's tanks and for supplying steam to vessels.

Past history indicates that approximately 70,000 tons per year of the commodity commonly known as Hawaiian cane molasses (or blackstrap molasses), having a present value at the storage tanks of between four and five cents per gallon, will be moved through the pipe lines.

The record indicates that aside from the requirements for berthing the vessel, there is little or no clerical work required of the Parr-Richmond Terminal Corporation in handling the movement.

Applicant sets forth the tolls and charges which it desires to assess against the movement of molasses. These consist of a toll charge of five cents per ton of 2,000 pounds to be in lieu of pipe line or any other charges assessed against the cargo; a service charge of five cents per ton of 2,000 pounds on all inbound shipments whether from vessel or barge, such charge to be in lieu of any dockage or other charge against the vessel, and the assessment of the usual tariff dockage charges on all outbound movements. Such charges are exclusive of Lessor's charges for services in cases where it may be called upon to furnish the labor for handling cargo, or for wharf demurrage if the molasses should remain on the dock, or other special circumstances.

The record indicates that the establishment of the toll charge of five cents took into consideration the fact that the commodity moved in large volume and is of relatively low value. The service charge of five cents per ton on inbound movements was recommended in view of the customary practice of East Bay terminals of including all or a portion of the dockage charge in the service charge. Witness for applicant, after referring to testimony presented in Case No. 4090, now before this Commission, testified that a five cent service

charge would yield as much or greater gross revenue than the dockage charges proposed therein. No objections to these charges were raised by Lessee.

Paragraph 12 of the proposed lease and agreement, entitled "Exhibit 'A'" and attached to the application, sets forth the proposed tariff charges applicable to the movement of Lessee's molasses over Lessor's wharf. Such proposed tariff charges, however, do not specifically limit the application of the rates to the pipe line movements although the testimony of the respondents indicated such to be their specific intention.

A careful review of the record leads to the conclusion that the proposed lease agreement should receive the Commission's approval, provided that Paragraph 12 of the proposed lease and agreement be amended to limit the application of the proposed charges to the pipe line movement of molasses.

A review of the record also indicates that the above proposed rates should be approved, subject to such changes or modifications as this Commission may from time to time direct in the exercise of its jurisdiction.

The charges indicated above will not impair or adversely affect in any way the operations of applicant as a public utility wharfinger.

O R D E R

Basing its order upon the statements and findings of fact in the preceding opinion, which is hereby adopted by this Commission,

IT IS HEREBY ORDERED that applicant be and it is hereby authorized to grant to the Pacific Molasses Company, Ltd., the easement for pipe lines hereinabove described upon

the terms and conditions specified in the proposed form of lease and agreement, a copy of which is attached to the application as "Exhibit 'A'", provided that the change indicated in the foregoing Opinion is made therein and a certified copy of this revised lease, duly executed, is filed with this Commission within sixty days from the date of this Order.

IT IS HEREBY FURTHER ORDERED that the rates set forth in Paragraph 12 of the proposed lease and agreement entitled "Exhibit 'A'" and attached to the application be and they are hereby approved, subject, however, to such changes or modifications as this Commission may from time to time direct.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

The effective date of this Order shall be the date hereof.

Dated at San Francisco, California, this 24<sup>th</sup> day of August, 1936.

W B Harris

Leon C. Kelly

M. A. Carr

W. H. Moore

Frank R. Keim

Commissioners