

Decision No. 29747

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

TRUCK FUELS, INC.,

for certificate of public convenience
and necessity for transporting Liquid
Gas Butane-Propane Fuel.

Application No. 20950

ORIGINAL

Bordwell, Mathews & Wadsworth, by John E. Mathews,
for Applicant.

W. A. McMillan and E. T. Lucy for The Atchison
Topeka and Santa Fe Railway Company, Protestant.

Randolph Karr and G.G. Wills, for Southern Pacific
Company and Pacific Motor Transport Company
and Pacific Electric Railway Company, Protestants

L. N. Bradshaw and J. L. Amos, Jr., for Western Pacific
Railroad Company, Sacramento Northern Railway
Company and Tidewater Southern Railway Company,
Protestants.

Randolph Karr and J. E. Taylor for Sierra Railway Company
of California, Protestant.

J. M. Davis for Santa Maria Valley Railroad Company,
Protestant.

Charles E. McCartney for Petrolane Ltd., Protestant.

Tallant Ransome for Ransome Co., Protestant.

Hue Follendore, for C. F. Butane Tank Line and
Hue's Transfer, Protestants.

RILEY, COMMISSIONER:

O P I N I O N

Truck Fuels, Inc., filed the above entitled application seeking a certificate of public convenience and necessity to operate as a highway common carrier for the transportation of liquid gas, Butane-Propane, between all points in the State of California.

Public hearings on this matter were held at Los Angeles on February 16, 1937, and March 18, ⁽¹⁾1937, at which time the matter was duly submitted.

Applicant is engaged in the manufacture of refinery and truck equipment and in the sale and distribution of refined petroleum products, including liquified petroleum gas, Butane-Propane, and in the operation of Butane service stations at Los Angeles and Fresno.

(1) Held by Examiner Gorman

Applicant alleges that liquid gas, Butane-Propane fuel, is used for various purposes; namely, as a motor fuel; as fuel for cooking, lighting and heating in construction camps and at mountain resorts; fuel for tractors used in road construction work; local heating and lighting in small communities; motor fuel for trucks, to some extent as fuel for passenger automobiles and other uses.

Applicant further alleges that the use of Butane has gradually increased during recent years, and, as a result, there has been a greatly increased demand for transportation facilities capable of handling efficiently and safely Butane from the various refinery points to the retail markets in metropolitan areas or directly to points of consumption. The record shows that Applicant sold for its own account, or for use in its own service stations, approximately 1½ million gallons of Butane during 1936.

The application was amended at the first hearing in this matter so as to restrict the proposed operation along certain highway routes as delineated on Exhibit "B", attached to the application, and also to restrict the offer of service to the transportation of Butane in quantities of not less than 2,500 gallons.

The record shows that the following distribution points in California have sufficient capacity to accommodate Butane in quantities of not less than 2,500 gallons: Sacramento, Woodland, Oakland, Grass Valley, Yuba City, Princeton, Gridley, Chico, Anderson, Westwood, Dunsmuir, Yreka, Arcata, Vacaville, Suisun, Rio Vista, Isleton, Selma, Lemoore, Indio, Victorville, Barstow, Los Angeles, Bakersfield, Fresno, Lodi, Emeryville, San Jose, Inyo Valley, San Diego, Sonora and Parker. The principal points of production of Butane gas are the Los Angeles Basin area, Kettleman Hills, Richmond, and Avon.

The record also shows that special equipment is necessary for the safe transportation of Butane, due to its volatility at atmospheric pressure. At the present time Butane gas is being transported by railroads, contract carriers, and proprietary trucks in California.

Applicant avers that it has contracted for the major portion of its hauling; however, the present motor transportation service has been unsatisfactory due to inadequate tankage capacity and transportation equipment.

Applicant, in the past, has not been engaged in the transportation of Butane gas for others except in a very minor manner, and its operations have been confined to the transportation of Butane which it has sold as a distributing agency.

Mr. Clayton Parkhill, President of the Applicant Company, testified that no study had been made for the need of a highway common carrier for the transportation of Butane, and that no public shippers of said commodity had been contacted for the purpose of ascertaining whether or not it would secure any business as a highway common carrier in the event a certificate of public convenience and necessity were granted.

It appears that applicant's principal concern is in connection with the transportation of its own commodity, and it would be doubtful if any common carrier transportation business could be secured from other oil companies, particularly in view of the fact that Applicant is a competitor in the sale of Butane. No shipper witnesses were presented on behalf of Applicant.

After carefully reviewing the entire record in this proceeding, it appears that Applicant has failed to sustain the burden of proof showing that public convenience and necessity required the highway common carrier operation as proposed.

In view of the fact that Applicant failed to make a conclusive showing of public convenience and necessity, it does not appear necessary to discuss herein the other facts of this proceeding; namely, operating costs, rates, etc.

From a careful review of all of the evidence introduced in this proceeding, we are of the opinion that the application should be denied. The following form of order is recommended:

O R D E R

The above entitled application having been filed, public hearings having been held, and the matter having been submitted,

IT IS HEREBY ORDERED that the above entitled application be and the same is hereby denied.

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 twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 10th day of May, 1937.

Walter M. ...
Leon ...
Edward ...
Robert ...
Ray & ...
Commissioners.