

Decision No. 30085

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation by
the Commission on its own motion into
the rates, rules, regulations and prac-
tices of carriers engaged in the trans-
portation of petroleum and petroleum
products within the State of California.

Case No. 4079

In the Matter of the Investigation by
the Commission on its own motion into the
rates, rules, regulations and practices
of carriers engaged in the transportation
of refined petroleum products in tank cars,
tank trucks, tank trailers or tank semi-
trailers, or any combination thereof, in
lots of less than 5800 gallons, within
this state.

Case No. 4191

Harold Frasher, for the Terminal Warehouse Company.
E. Bissinger, for Pacific Electric Railway Company.
Douglas Brookman, for Sierra Railroad Company.
Randolph Karr, for Pacific Electric Railway Company.

BY THE COMMISSION:

FOURTH SUPPLEMENTAL OPINION AND ORDER

By prior orders in the above entitled proceedings the Commission established, effective January 24, 1937, reasonable and sufficient rates for common carriers by railroad, and just, reasonable and non-discriminatory minimum rates for highway carriers for the transportation of refined liquid petroleum products in tank cars, tank trucks, tank trailers or tank semi-trailers, or a combination of such highway vehicles, between points in this state. Subsequently various respondent carriers filed with the Commission petitions seeking modification and clarification of the orders, and in response to these petitions the cases were reopened for the purpose of taking and considering evidence in order to determine whether or not, and to what extent, if at all, the prior decisions should be modified or amended.

Public hearings were had at Los Angeles and San Francisco before Commissioner Ware and Examiner Hunter. The matters were sub-

mitted on August 10, 1937.

Several of the modifications originally suggested in the petitions have been withdrawn and others have been disposed of by an interim order dated May 10, 1937, in these proceedings.¹ The proposed modifications and amendments still to be considered are numerous and various, and, in the interest of clarity, each will be numbered and discussed separately.

Proposal 1

The Tank Truck Operators (hereinafter called the Association) requests that the Commission issue an order declaring that the rates set forth in Exhibit "A"² of its original petition are the "proper rates in conformity with the original orders in these cases." It is alleged that rates named in the exhibit are believed to fully comply with the orders in all respects. It is requested that the Commission modify the rates in any particulars in which they are incorrect. No objection was offered to this proposal.

The record shows that the exhibit does not fully comply with the Commission's orders. Exhibit 59, introduced by witness Ahl, called as a witness on behalf of the Association, shows that there are numerous discrepancies in the volume of the rates, and a study of the schedule discloses numerous differences between the rules provided therein and those prescribed. The Commission cannot approve the schedule in its present form. This proposal will not be adopted.

¹ Decision No. 29753, dated May 10, 1937.

² The exhibit is also identified as Tank Truck Operators Tariff Bureau Minimum Schedule No. 3, issued by C. G. Anthony, agent. It names rates from or to approximately 700 points throughout the state.

Proposal 2

Attention was directed to the fact that the mileage table contained in the order³ in some cases provides different distances between a point in one origin group and a point in another such group. Witness Ahl suggested that this be corrected by making the mileages apply "from and to" rather than "between-and". C. G. Anthony, also a witness for the Association, recommended that the "between-and" designation be retained but that it be provided by rule that distances between all points in any group on the one hand and all points in any other group on the other hand be computed as the distance between the designated basing points in each group.

The established rates are graded according to constructive miles traversed. Distance is of course the same in either direction, and no reason appears why the rates should not be the same for transportation in either direction. The "between-and" designation will be retained. A rule will be adopted to remove conflicting distances between group points.

Proposal 3

Witness Anthony stated that controversy had arisen as to whether or not diesel oil, stove oil and smudge oil are subject to the rates prescribed by the prior orders in these proceedings. He recommended that the commodity descriptions be clarified by making the rates applicable to all petroleum refined products classed at 27 degrees or higher on the Baume scale, using an estimated weight of 7.75 pounds per gallon on commodities classed

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The order in Decision No. 29267 in Case No. 4079, decided November 9, 1936, as amended, will sometimes be referred to herein as "the order".

from 27 degrees to 36 degrees, and 6.6 pounds per gallon on commodities classed above 36 degrees. The diesel oils, stove oils and smudge oils would, he stated, fall within the first classification. On the other hand Mr. Slingerland, traffic manager of Standard Oil Company of California, alleged that diesel, stove and smudge oils are commonly and ordinarily known as fuel oils, and as such were exempted from the prior orders herein. He recommended that the term fuel oil be defined as follows:

"Fuel oil, residual and/or distillate, not suitable for illuminating purposes (see note). Note: The term 'fuel oil' does not include petroleum products having flash points below 110 degrees Fahrenheit (Tag. closed cup) or which have 95 per cent distillation points below 464 degrees Fahrenheit."

The prior orders specifically exempt petroleum fuel oil from the application of the prescribed rates. The oil refiners are apparently the interests best qualified to suggest a technical definition of the term "petroleum fuel oil," and the major refiners are agreed upon the definition suggested by Mr. Slingerland. They also agree that such a definition embraces the petroleum products commonly known as diesel oil, stove oil and smudge oil. It is concluded that the term "petroleum fuel oil" as used in the prior orders should be clarified as suggested by the oil refiners.

In connection with the consideration of this proposal it was suggested by the Association that the Commission issue an interim order establishing minimum rates for the transportation of fuel oil by highway carriers, observing the rail rates between rail points and using the gasoline mileage scale (but subject to a weight of 7.75 pounds per gallon)

from or to off-rail points. The purpose of this proposal is to prevent the breakdown of the rates on gasoline established by the Commission through the medium of transporting diesel oils, stove oils and smudge oil at abnormally low rates or at no charge whatsoever. Rail carriers and shippers stated they had no objection to such an order provided it be issued as a temporary expedient only. The Commission will issue herein an interim order establishing rates on fuel oil at approximately 85 per cent. of the rates on gasoline.

Proposal 4

The Association alleges that tank truck operators are occasionally called upon to carry on tank trucks and trailers several drums of refined petroleum products, and requests that the order be amended to provide that the full weight of the drums and containers be added to the weight of the commodity transported in bulk, that the charges be based on the full weight of the entire shipment at the rates specified in the orders, and that the Commission prescribe reasonable charges for the return movement of the empty containers. Witness Anthony testified that the movement in drums under such circumstances is insignificant in volume and takes place only under emergency circumstances. He stated that in theory any weight that is added through the addition of drums would have to be deducted from the liquid contents of the larger tank in order to keep the vehicle within the gross weight limits, and that for this reason the same rate should be assessed. He conceded that such rate would be less than would normally be assessed for the commodity moved as a less-than-truckload shipment, and that under his proposal the competitive situation would favor the trucks at the expense of the rail carriers. For the return of the empty drums he

recommended a flat charge of 25 cents per drum.

No sufficient reason appears why shipments in drums should be rated differently when accompanying a bulk shipment of refined petroleum products than when accompanying a shipment of any other commodity, or when moving alone. The evidence in these proceedings has been directed to transportation of oils in bulk, and rates have not been established herein for transportation in drums. It has not been shown that the rates prescribed for bulk shipments are reasonable and appropriate for shipments in containers. This proposal will not be adopted.

Proposal 5

The Association alleges that question has arisen as to proper charges to be assessed on a shipment of a tank-truck loaded to full capacity with gasoline, and a trailer loaded to full legal carrying capacity with diesel or stove oil, and requests a ruling as to the proper charges to be assessed on the entire shipment. Witness Anthony recommended that in such circumstances the gasoline rate be assessed on the diesel oil and stove oil, and that the weight of the latter commodities be estimated at 7.75 pounds per gallon. This question is disposed of by the adoption of Proposal No. 3.

Proposal 6

The Association alleges that question has arisen as to charges to be assessed in connection with a shipment of 2,500 gallons of gasoline in a truck and 3,450 gallons of gasoline in a trailer, where split delivery is performed, and requests a ruling as to the proper charges to be assessed on the entire shipment. Mr. Anthony testified that in practice the truck operators have collected charges on the weight of the entire shipment from point of origin to highest rated point of delivery, with an additional charge of \$4.50 for each stop

to partially unload. This is in accordance with the rule for stopping in transit provided in the order. Certain of the shippers, according to Mr. Anthony, contend that under the prior orders in these proceedings the charge for the 2,500 gallons in the truck should be assessed on a minimum weight of 3,000 gallons, and the charge for the 3,450 gallons in the trailer should be assessed at the established rate, each at the rate to its own destination, and without addition of the \$4.50 stopping charge.

In this connection, there is some difference of opinion between the parties as to the rates applicable to shipments of less than 5,800 gallons when transported by carriers possessing equipment capable of carrying 5,800 gallons or more. The carriers contend that the minimum weight on such shipments should be the full legal carrying capacity of the carrier's equipment, but in no event less than 5,800 gallons. Certain of the shippers contend that the minimum weight should be the full legal carrying capacity of the particular unit of equipment transporting the shipment, but in no event less than 3,000 gallons. To dispose of this point first, it is apparent from a reading of the order in Case No. 4191 that the shippers' interpretation is the proper one. It is not expected, nor does the order provide, that a carrier operating vehicles of varying capacities may not use its smaller vehicles for smaller shipments, nor that a carrier regularly operating a truck and trailer may not detach the trailer and use the truck alone for the transportation of a small shipment.

When a truck and trailer are coupled they clearly become a single unit within the meaning of the minimum weight rules of the prior orders, and the minimum weight established for ship-

ments in such a unit is the full legal carrying capacity of the tanks but in no event less than 3,000 gallons. The stopping-in-transit rule included in Appendix "A" of Decision No. 29267 in Case No. 4079, provides that "shipments stopped in transit to partially unload will be subject to an additional charge of \$4.50 for each stop, and charges will be collected on the weight of the entire shipment from point of origin to the highest rated point of delivery." It does not appear that any modification of the prior orders is required so far as this proposal is concerned.

Proposal 7

The Association requests that the Commission add to its orders a provision covering charges to be assessed upon shipments refused by consignee and returned to point of origin

or diverted to another destination. Witness Anthony recommended that charges on diverted shipments be assessed upon the basis of the prescribed rate from point of origin to final destination, plus charges for out-of-line haul, delay to equipment, and for telephone and other expenses. On shipments returned to the original point of origin or to any intermediate point, he suggested a charge equal to 50 per cent of the outbound rate. The latter provision, he explained, is published by the rail carriers. He testified that his proposal was intended to place the truck carriers upon an equality with the rail carriers, and stated that if the rail rules were changed so as to accomplish this result his proposal should be withdrawn.

Inasmuch as the prescribed minimum rates are based upon distance and cost of operation, it would appear that lesser rates on shipments diverted to an out-of-line destination would fail to return the full cost of transportation. On shipments returned to point of origin or to a destination intermediate between point of origin and first destination, however, the increased load factor resulting from the reduction of empty mileage would clearly reduce the total transportation cost. The orders will be clarified by the addition of a rule to govern charges on returned and diverted shipments.

Proposal 8

The Association requests the Commission to divide Group 7 in order to "more evenly divide the transportation costs", and to "more evenly balance the rates between shipping and consuming points now embraced within said group". Mr. Anthony pointed out that Group 7 is an unusually large one, extending some 75 miles from one end to the other. Such a group, he stated, is entirely too large a blanket for figuring truck rates, and actually produces rates that are below the cost of operation. He suggested that three groups be made of the present Group 7, using Fillmore, Ventura and Santa Barbara as .

the basing points of the respective groups. (4) Mr. Donaldson, traffic manager of Shell Oil Company, concurred in Mr. Anthony's suggestion. On the other hand, Mr. G. J. Warsco, traffic manager of The Texas Company, objected to the subdivision on the ground that it would disturb competitive relationships and place his company at a disadvantage in shipping north from Fillmore. He introduced Exhibit No. 60, comparing distances in Group 7 with distances in Group 6 and Group 2, and also introduced Exhibit No. 61, comparing present rates with those which would prevail under certain assumed subdivisions of Group 7.

The origin groups prescribed in the order were adopted primarily so that competing refineries located in the same territory might enjoy a rate equality. When a group is too large, however, the disparity between the transportation service performed and the charges assessed therefor may become too great. Group 7 is the largest of the origin groups prescribed in the order, and the proposal that it be subdivided appears to be a reasonable one. A subdivision into two groups, with a basing point for each, would substantially eliminate the objectionable feature said by Mr. Anthony to be present in Group 7, and would create two groups comparable in area with other established groups. Moreover, the disturbance to competitive relationships between shippers would be less than might result from the creation of three groups as proposed.

Proposal 9

The Association alleges that additional origin groups

(4) The suggested groups are as follows:

- (a) Fillmore, Santa Paula, Sespe, Piru, Buckhorn, Camarillo, Moor Park and points between;
- (b) Montalvo, Saticoy, Ventura, Ventura Avenue, Chrisman, Wadstrom, Ortonville, Dulah, Sea Cliff, Carpenteria, Rincon Oil Fields and points between;
- (c) Summerland, Santa Barbara, Goleta, Elwood, Naples and points between.

should be established. Witness Anthony recommended that all producing territory that is competitive be grouped, and the rates out of that territory be figured from a common point, in order to eliminate the necessity of setting up a great number of rates out of each territory. It was stated that oil wells in each producing section ship casinghead gasoline as it comes from the well. He suggested that new groups be adopted, and that certain additional points be added to existing groups.⁵

The reasons advanced for the adoption of this proposal are the same as impelled the adoption of groups in the prior order. No objection was offered. Southern Pacific Company suggested that the new groups should also embrace certain additional oil fields, but it was not indicated that any of the refined petroleum products here involved originate at such fields. It is concluded that new groups

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The following new groups were suggested:

(a) Avenal, Kettleman City, Kettleman Hills, Los Nietos (Kings County), Superior Oil Company's Kettleman Hills Plant, and points between, using Avenal as the basing point.

(b) Blackwell's Corner, Lost Hills, Belridge, North Belridge, South North Belridge, and points between, using Lost Hills as the basing point.

(c) Edison, Weed Patch, Arvin, Mountain View (Kern County), Giffen, Vaccaro, and points between, using Weed Patch as the basing point.

(d) Kern Front, Mount Poso, Poso Creek, and points between, using Poso Creek as the basing point.

(e) La Habra, Brea, Olinda, East Coyote, West Coyote, Fullerton, Loftus, Oleo, Yorba, Yorba Linda, Placentia, Atwood, Peralta, Richfield and points between, using Brea as the basing point.

Mr. Anthony suggested that the following points be added to existing groups:

(a) Oildale and Oil Center to Group 4.

(b) Lokern, Buttonwillow, Bowerbank and Rio Bravo to Group 5.

(c) Montebello, Pico and Whittier to Group 6.

should be adopted, and that certain points should be added to existing groups.

Proposal 10

Witness Anthony recommended that the words "and points between" be added to the description of each origin group. Without such an addition, he explained, the group is not definite, does not include all points of origin within the same territory, and might exclude shipping points located in the very center of the group. No objection was offered to this proposal provided the words "and points between" be amplified to include intermediate points by rail as well as by highway. The necessity for the proposed modification is apparent, and it will be adopted.

Proposal 11

A difference of opinion was apparent between the truck operators and the rail carriers as to the proper interpretation of the prior orders with respect to the prescribed charges between points located in the same origin group. Witness Anthony believed that a charge of 4 cents per 100 pounds was prescribed, whereas representatives of the rail lines generally believed that the mileage scales applied, subject to a minimum of 4 cents per 100 pounds. Mr. Anthony asserted that unless his contention is upheld there will be innumerable examples of higher charges prescribed for a shorter than for a longer distance over the same line or route in the same direction, the shorter being included within the longer distance. Mr. Donaldson, traffic manager of Shell Oil Company, requested particularly that a uniform rate be charged within groups and that the mileage scale not be applied. All parties were in agreement that the rules should be amended to remove any ambiguity as to the applicable rates.

The lowest rate prescribed under the mileage scales is

4 cents per 100 pounds. In order to avoid long-and-short haul departures and to retain long-established competitive relationships between refineries shipping to nearby points, this rate should be prescribed to apply between points within the same origin group. With the subdivision of Group 7 into two smaller groups the principal objection which might otherwise be offered to the 4-cent rate is removed, inasmuch as it will no longer apply between points as widely separated as those in present Group 7. The order will be clarified to provide that the mileage scales do not apply between points in a single origin group.

Proposal 12

The Association alleges that its members are frequently called upon, because of weather conditions and sharp curvature on narrow roads in mountainous sections, to disconnect the trailer from the truck and operate a single truck over mountainous territory to isolated destinations. The Commission is asked to establish rules, regulations, rates and charges for traffic handled under these conditions. Witness Anthony explained that under this type of operation the usual practice is to drop the trailer at a convenient point before the severe road conditions are encountered, finish the haul with the truck, then return to the trailer and pump its contents into the truck and make a second trip with the truck to complete delivery. He recommended that for that portion of the trip negotiated by the truck alone a charge be established 65 per cent. higher than the rate which would otherwise apply. This suggestion was predicated on the fact that it costs more per gallon to transport by truck than it does by truck and trailer. He urged that whatever charge be established be made applicable also to trucks "hauling the 3,000 gallon minimum." Upon cross-examination Mr. Anthony suggested that this matter might well be taken care of by providing appropriate

penalty mileage in the constructive mileage table.

The rates and charges established for highway carriers in the prior orders are minimum in application, and it is not expected that they will be sufficient as maximum in cases where unusually costly operation is encountered. Furthermore, a rule such as here proposed, providing a penalty to be assessed as minimum in cases where, in the judgment of the operator, weather or road conditions require the more expensive method of operation, would be well nigh impossible to enforce and would invite discrimination between shippers. To the extent the established mileage rates considered in connection with the prescribed mileages fail to return proper revenue under unusual operating conditions, the highway carriers may properly be expected to make an additional charge. If in particular instances it appears that the rates or the constructive mileages should be adjusted to compensate for geographical conditions, such conditions may be specifically brought to the Commission's attention.

Proposal 13

The Association alleges that question has arisen as to whether the rates heretofore established in these proceedings are binding upon carriers as defined in the City Carriers' Act. A ruling upon this point is requested. No direct evidence was introduced.

Thus far carriers as defined in the City Carriers' Act, (Statutes of 1935) have not been made respondents in any of these proceedings and are therefore not bound by the minimum rates heretofore and herein fixed; therefore, the Commission will issue an order directing such carriers engaged in the movement of commodities herein affected to appear and show cause why the minimum rates heretofore and herein prescribed for all highway carriers as that term is defined in the Highway Carriers' Act (Chapter 223, Statutes of 1935) should not be made applicable to said carriers.

Proposal 14

It is alleged by the Association that question has arisen as to the proper interpretation of Paragraph (f) of Appendix "A" to Decision No. 29267, which provides that, except as otherwise provided, "the minimum rate between points within the switching limits of a single station shall be the switching charge currently maintained by the rail carriers and lawfully on file with the Railroad Commission of the State of California." The question raised is whether the description "switching limits of a single station" embraces such portion of the switching limits of a particular community as may lie beyond the corporate limits of that community and extend perhaps to another station beyond. Witness Anthony pointed out that the rail switching limits of Los Angeles and San Francisco, particularly, extend to a considerable distance beyond the corporate limits.

There is nothing in the order to suggest that the term "switching limits of a single station", as used therein, is intended to embrace only such portion of the switching limits as lies within the corporate limits of the station. In the absence of such a restriction it is apparent that the term includes all of the switching limits, without regard to political boundaries. No modification of the prior orders is required.

Proposal 15

The petition of Sierra Railroad Company, as amended at the hearings, requests that the prior orders be modified to fix a minimum rate of 15 cents per 100 pounds for transportation by highway carriers between Stockton on the one hand and Sonora and Tuolumne on the other hand, in lieu of the established rates of 12 and 13 cents per 100 pounds, respectively. The prescribed rail rates are 21 and 22½ cents respectively, subject to the provision that the

established highway carrier rates may be published where lower. The published rail rate from Stockton to both Sonora and Tuolumne is 19 cents per 100 pounds. Petitioner alleges that it has for many years enjoyed the petroleum traffic between the points here involved, and feels that it is entitled to continue to enjoy said traffic; that the retention of the traffic is essential to petitioner's prosperity; and that shippers have expressed a willingness to pay the sought rate.

J. E. Taylor, general manager of the Sierra Railroad Company, testified that 30 per cent of his total tonnage consists of petroleum products. He indicated that in order to retain this traffic it is necessary that the rail rate be reduced to the highway carrier level. At the truck level heretofore established in the prior orders, the Sierra Railroad would, according to Mr. Taylor, experience a reduction in revenue of \$5,624.40 per year, whereas under the desired rate of 15 cents per 100 pounds the reduction would be only \$3,222.25. He testified that in his opinion, due to the mountainous condition of the territory, a proper constructive mileage would and does warrant a 15-cent rate for highway carriers, and that rates obtained by application of the constructive mileage table included in the order are too low. Representatives of connecting rail carriers and of the Tank Truck Operators Association stated that they were agreeable to the granting of this proposal.

It appears that the railroads continuously enjoyed this traffic for many years during a period when the rates of radial highway common and highway contract carriers were entirely unregulated. If the rail carriers now desire to reduce their rate from 19 cents to 15 cents, there is no prohibition in these proceedings against their doing so, inasmuch as the orders provide that the rails may reduce their rates to the level of the established highway carrier rates where lower. Further, if the highway carriers wish to assess the 15-cent rate in lieu of the established rates, they may do so also, inasmuch as the rates so far established are minimum rates only. However, it does not appear from this record that the established rates

for highway carriers may properly be increased in this proceeding, as there is no evidence to show that the just and reasonable minimum rate for highway carriers is 15 cents per 100 pounds. The established rates are based upon a uniform distance scale applicable to all parts of the State, subject to constructive mileages. No deviation from the distance scale has been justified, and there is no showing that the constructive mileages used, or to be used, are not proper, other than the unsupported statement that the mountainous territory involved warrants the rate of 15 cents. The proposed modification has not been justified.

Proposal 16

The Association urged that the constructive mileage plan adopted by the Commission in its Decision No. 30000, dated August 9, 1937, in Case No. 4088, Part "N", be substituted for the mileages and mileage plan used in the prior orders in these proceedings. Railroads and shippers stipulated that they were agreeable to this change, and no objection was offered to its adoption. In view of these circumstances, and based upon the fact that the Commission, in said Decision No. 30000, found the proposed constructive mileage plan to be just, reasonable and non-discriminatory, and fair and reasonable for the purpose of determining rates based upon length of haul, it is concluded that this change should be made.

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The rail carriers urged that they be granted such long and short haul relief as may be necessary to effectuate the rate changes necessitated by adoption of the new constructive mileage plan. This request is reasonable, and will be granted. To the extent relief from the long and short haul provisions of the Public Utilities Act and Constitution may be desirable or necessary to maintain an equality of transportation rates as between competing carriers or other forms of transportation, applications for such relief should be filed with the Commission forthwith.

O R D E R

Public hearings having been held in the above entitled proceedings, and based upon the evidence received at the hearings held and upon the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that the rates set forth in Item No. 1, and the rules and regulations set forth in Section No. 1 of Appendix A-1, attached hereto and by this reference made a part hereof, be and they are hereby prescribed to become effective forty (40) days from the effective date of this order, on not less than ten (10) days' notice to the Commission and to the public, as the reasonable and sufficient rates, rules and regulations to be charged, demanded, collected and received by all common carriers by railroad as defined in the Public Utilities Act, for the transportation, between points in this state, of Refined Liquid Petroleum Products as defined in said appendix; provided, however, that where the rates approved and established as the just, reasonable and non-discriminatory minimum rates for the transportation by highway carriers of said commodities and shown in Item No. 2 of said Appendix A-1, are lower, said common carriers by railroad may apply, demand, collect and receive such lower rates.

IT IS HEREBY FURTHER ORDERED that all common carriers by railroad as defined in the Public Utilities Act be and they are hereby ordered to cease and desist forty (40) days from the effective date of this order, and thereafter abstain, from applying, demanding, collecting or receiving for the transportation, between points in this state, of Refined Liquid Petroleum Products as defined in Appendix A-1 hereof, rates less than the rates prescribed in the first ordering paragraph of this order.

IT IS HEREBY FURTHER ORDERED that the rates set forth in Item No. 2, and the rules and regulations set forth in Section No. 1, of Appendix A-1 hereof, be and they are hereby approved and established effective forty (40) days from the effective date of this order, as the just, reasonable and non-discriminatory minimum rates, rules and regulations to be charged and collected by any and all highway carriers as that term is defined in

the Highway Carriers' Act, for the transportation, between points in the State of California, of Refined Liquid Petroleum Products as defined in said appendix, provided, however, that where rates prescribed as the reasonable and sufficient rates for the transportation by rail carriers of said commodities and shown in Item No. 1 of said appendix are lower, said highway carriers may apply, demand, collect and receive such lower rates.

IT IS HEREBY FURTHER ORDERED that the rates set forth in Item No. 3, and the rules and regulations set forth in Section No. 1, of Appendix A-1 hereof, be and they are hereby approved and established effective forty (40) days from the effective date of this order, as the just, reasonable and non-discriminatory minimum rates, rules and regulations to be charged and collected by any and all highway carriers as that term is defined in the Highway Carriers' Act, for the transportation, between points in the State of California, of Petroleum Fuel Oil as defined in said appendix, provided, however, that where the rates concurrently maintained by rail carriers for the transportation of such petroleum fuel oil are lower, said highway carriers may apply, demand, collect and receive such lower rates between rail points.

IT IS HEREBY FURTHER ORDERED that all highway carriers as that term is defined in the Highway Carriers' Act be and they are hereby ordered to cease and desist forty (40) days from the effective date of this order, and thereafter abstain, from charging and collecting for the transportation, between points in this state, of Refined Liquid Petroleum Products or Petroleum Fuel Oil as defined in Appendix A-1 hereof, rates less than the minimum rates prescribed in the two immediately preceding paragraphs of this order.

IT IS HEREBY FURTHER ORDERED that the rates, rules and regulations established and prescribed in and by this order shall cancel and supersede those established and prescribed in and by Decision No. 29267 as amended in Case No. 4079, and Decision No. 29439 as amended.

in Case No. 4191.

This order shall become effective thirty (30) days from the date hereof.

Dated at San Francisco, California, this 28th day of August, 1937.

Walter M. ...
Leon ...
James R. ...

W. L. Riley
Commissioners.

APPENDIX A-1

NAMING REASONABLE AND SUFFICIENT RATES FOR COMMON
CARRIERS BY RAILROAD AS DEFINED IN THE
PUBLIC UTILITIES ACT

and

JUST, REASONABLE AND NON-DISCRIMINATORY MINIMUM
RATES FOR HIGHWAY CARRIERS AS DEFINED IN
THE HIGHWAY CARRIERS' ACT

for the

TRANSPORTATION OF REFINED LIQUID PETROLEUM PRODUCTS
AND PETROLEUM FUEL OIL AS DEFINED HEREIN, WHEN
MOVING IN TANK CARS, TANK TRUCKS, TANK
TRAILERS OR TANK SEMI-TRAILERS OR A
COMBINATION OF SUCH HIGHWAY VEHICLES

BETWEEN

POINTS IN THE STATE OF CALIFORNIA, TOGETHER WITH
RULES AND REGULATIONS GOVERNING.

SECTION NO. 1 - RULES AND REGULATIONS

RULE NO. 10 - DESCRIPTION OF COMMODITIES

Rates named in this appendix apply upon:

(1) Refined Liquid Petroleum Products, including Compound-
ed Oils having a Petroleum Base as described in Supplement No. 17 to
Western Classification No. 65 (Supplement No. 17 to C.R.C. No. 580
of M. A. Cummings, Agent) under the heading "Petroleum or Petroleum
Products * * *". when transported in tank cars, tank trucks, tank
trailers or tank semi-trailers, or a combination of such highway
vehicles.

(2) Petroleum Fuel Oil residual and/or distillate, not
suitable for illuminating purposes (see note) when transported by
highway carriers, except that the minimum rates here provided shall
not exceed the rates concurrently maintained by rail carriers be-
tween rail points.

Note: The term Petroleum Fuel Oil does not include
petroleum products having flash points below 110 degrees Fahrenheit
(Tag. closed cup) or which have 95 per cent distillation points
below 464 degrees Fahrenheit.

Exception: Rates do not apply upon Petroleum Crude Oil,
Petroleum Fuel Oil (except to the extent hereinabove provided) or
Petroleum Gas Oil.

RULE NO. 20 - COMPUTATION OF CHARGES

The weight of the commodities upon which rates are estab-
lished in this appendix shall be computed upon the basis of 6.6
pounds per gallon, except on fuel oil described in Rule No. 10 the
weight shall be computed upon the basis of 7.75 pounds per gallon.

RULE NO. 30 - MINIMUM WEIGHT AND MINIMUM CHARGES

(a) The minimum weight for shipments in tank cars shall
be computed on the basis provided in Rule 35 of Western Classifica-
tion No. 65.

(b) The minimum weight for shipments in tank trucks, tank
trailers, tank semi-trailers, or in any combination of such vehicles,
shall be the full legal carrying capacity of the tank or tanks but
in no event shall the transportation charges for quantities less
than 3,000 gallons be less than those applicable on shipments of
3,000 gallons.

SECTION NO. 1- RULES AND REGULATIONS (Continued)

RULE NO. 40 - STOPPING IN TRANSIT

Shipments transported by highway carriers will be subject to an additional charge of \$4.50 for each stop in transit to partially unload, and charges will be collected on the weight of the entire shipment from point of origin to the highest rated point of delivery.

RULE NO. 50 - PUMPING

Rates provided herein do not include pumping service when rendered with carriers' equipment. When this service is performed by the carrier a charge of 3/4 of one cent per 100 pounds will be made.

RULE NO. 60 - APPLICATION OF RATES

(a) In applying the rate scales named in Items 1 and 2 the following points will be grouped:

Group 1. San Francisco.

Group 2. Pinole, Oakland, Richmond, Rodeo, Oleum, Port Costa, Martinez, Avon and Port Chicago.

Group 3. Coalinga, LeRoy, Ora and Grump.

Group 4. Bakersfield, Seguro, Maltha, Oil City, Mopoco, Harperton, Oildale and Oil Center.

Group 5. Taft, Maricopa, McKittrick, Conner, Fellows, Hazelton, Midoil, Kerto, Millux, Pentland, Shale, Lokern, Buttonwillow, Bowerbank and Rio Bravo.

Group 6. Compton, Signal Hill, Watson, Wilmington, El Segundo, East Long Beach, Los Angeles, Machado, Huntington Beach, Naples, Rioco, Hynes, Bixby, St. Helena Spur, Thernard, Los Nietos, Santa Fe Springs, Vinvale, Vernon, Burnett, Lawn, Wingfoot, Alamitos Heights, Alla, Torrance, Downey, Domingues Junction, Inglewood, Sherman Junction, Playa del Rey, Hyde Park, Long Beach, San Pedro, Wildasin, Venice, Crutcher, Montebello, Pico and Whittier.

Group 7. Carpinteria, Naples, Elwood, Goleta, Santa Barbara, Summerland, Rincon Oil Fields, Sea Cliff, Dulah, Ventura Avenue, Ventura, Chrisman, Wadstrom and Ortonville.

Group 8. Fillmore, Montalvo, Saticoy, Santa Paula, Sespe, Bardsdale, Buckhorn, Piru, Camarillo and Moorpark.

Group 9. Avenal, Kettleman City, Kettleman Hills, Los Nietos (King County) and Superior Oil Company's Kettleman Hills Plant.

Group 10. Lost Hills, Blackwell's Corner, Belridge, North Belridge and South North Belridge.

SECTION NO.1- RULES AND REGULATIONS (Continued)

RULE NO. 60 - APPLICATION OF RATES (Concluded)

Group 11. Weed Patch, Edison, Arvin, Mountain View (Kern County), Giffen and Vaccaro.

Group 12. Poso Creek, Mount Poso and Kern Front.

Group 13. Brea, LaHabra, Olinda, East Coyote, West Coyote, Fullerton, Loftus, Oleo, Yorba, Yorba Linda, Placentia, Atwood, Peralta and Richfield.

(b) The groups described in paragraph (a) of this item shall also include points situated on the shortest highway route or shortest rail route between any two named points in the same group, except that if either the highway or the rail route exceeds the other by more than 100 per cent, points situated on such circuitous route shall not be included.

(c) The rate scales shown in Items 1 and 2 are subject to the shortest resulting mileage via any public highway route computed in accordance with the constructive mileage plan provided in Decision No. 30000 of August 9, 1937, in Case No. 4088 Part "N", or as may be amended, except that:

1. Mileage from or to group points (but not between points situated in the same group) shall be the mileage from or to the basing point of the group as named below, computed in accordance with the constructive mileage plan provided in Decision No. 30000, or as may be amended.

<u>Group</u>	<u>Basing Point</u>
1	San Francisco
2	Pinole
3	Coalinga
4	Bakersfield
5	Taft
6	Compton
7	Carpinteria
8	Fillmore
9	Avenal
10	Lost Hills
11	Weed Patch
12	Poso Creek
13	Brea

2. Between points situated in the same group the minimum rate shall be 4 cents.

(d) The minimum charge between points within the switching limits of a single station shall be the switching charge currently maintained by the rail carriers and lawfully on file with the Railroad Commission of the State of California.

SECTION NO. 1 - RULES AND REGULATIONS (Concluded)

RULE NO. 70 - DIVERTED SHIPMENTS AND RETURNED SHIPMENTS

(a) Charges upon shipments diverted at request of consignor or consignee shall be assessed upon the basis of the charge established for the mileage applicable via the point or points where diversion occurs, except that

(b) If point of diversion is situated on direct rail route between point of origin and point of destination, charges shall be assessed upon the basis of the charge established for direct movement from point of origin to point of destination.

(c) Charges upon shipments returned to point of origin, or to a point situated on the shortest resulting highway route or on a direct rail route between point of origin and original destination (or point of diversion) shall be assessed for the entire trip upon the basis of 150 per cent of the charge established for the outbound movement, or upon the basis established in paragraph (a) of this item, whichever is lower.

SECTION NO. 2 - RATES

ITEM NO. 1 - Reasonable and sufficient rates for the Transportation of Refined Petroleum Products by Common Carriers by railroad in tank cars.

<u>Miles</u>					<u>Rates in cents</u> <u>per 100 pounds</u>
Not over 5					6
Over 5 but not over 10					7
" 10 "	"	"	"	15	8
" 15 "	"	"	"	20	9
" 20 "	"	"	"	25	10
" 25 "	"	"	"	30	11
" 30 "	"	"	"	35	12
" 35 "	"	"	"	40	13
" 40 "	"	"	"	45	14
" 45 "	"	"	"	50	15
" 50 "	"	"	"	60	16½
" 60 "	"	"	"	70	18
" 70 "	"	"	"	80	19½
" 80 "	"	"	"	90	21
" 90 "	"	"	"	100	22½
" 100 "	"	"	"	120	24
" 120 "	"	"	"	140	26
" 140 "	"	"	"	160	28
" 160 "	"	"	"	180	29
" 180 "	"	"	"	200	30
" 200 "	"	"	"	220	31
" 220 "	"	"	"	240	32
" 240 "	"	"	"	260	33
" 260 "	"	"	"	280	34
" 280 "	"	"	"	300	35
" 300 "	"	"	"	320	36
" 320 "	"	"	"	340	37
" 340 "	"	"	"	360	38
" 360 "	"	"	"	380	39
" 380 "	"	"	"	400	40
" 400 "	"	"	"	420	41
" 420 "	"	"	"	440	42
" 440 "	"	"	"	460	43
" 460 "	"	"	"	480	44
" 480 "	"	"	"	500	45

SECTION NO. 2 - RATES (Continued)

ITEM NO. 2 - Just, reasonable and non-discriminatory Minimum Rates to be Charged, Observed and Collected by all Highway Carriers for the Transportation of Refined Petroleum Products except Petroleum Fuel Oil as described in Rule No. 10, Paragraph 2, in tank trucks, tank trailers and tank semi-trailers or any combination thereof.

<u>Miles</u>					<u>Rates in cents</u> <u>per 100 pounds</u>
Not over 5					4
Over 5 but not over 10					4
"	10	"	"	"	4
"	15	"	"	"	4½
"	20	"	"	"	5
"	25	"	"	"	5½
"	30	"	"	"	6
"	35	"	"	"	6½
"	40	"	"	"	7
"	45	"	"	"	7½
"	50	"	"	"	8
"	60	"	"	"	9
"	70	"	"	"	10½
"	80	"	"	"	12
"	90	"	"	"	13
"	100	"	"	"	15
"	120	"	"	"	17½
"	140	"	"	"	20
"	160	"	"	"	22
"	180	"	"	"	24
"	200	"	"	"	26½
"	220	"	"	"	29
"	240	"	"	"	31
"	260	"	"	"	33
"	280	"	"	"	35½
"	300	"	"	"	38
"	320	"	"	"	40
"	340	"	"	"	42
"	360	"	"	"	44½
"	380	"	"	"	47
"	400	"	"	"	49
"	420	"	"	"	51
"	440	"	"	"	53½
"	460	"	"	"	56
"	480	"	"	"	58

Exception: - For transportation from San Diego to El Centro, Niland, Calipatria, Westmoreland, Sandia, Fuller, Rockwood, Brawley, Grape, Imperial, Meloland, Holtville, Heber and Calexico, the rate shall be 18 cents per 100 pounds.

SECTION NO. 2 - RATES (Concluded)

ITEM NO. 3 - Just, reasonable and non-discriminatory Minimum Rates to be Charged, Observed and Collected by all Highway Carriers for the Transportation of Petroleum Fuel Oil as described in Rule No. 10, Paragraph 2, in tank trucks, tank trailers and tank semi-trailers or any combination thereof.

<u>Miles</u>				<u>Rates in cents per 100 pounds</u>
Not over 5				3 $\frac{1}{2}$
Over 5 but not over 10				3 $\frac{3}{4}$
" 10	"	"	15	3 $\frac{3}{4}$
" 15	"	"	20	4
" 20	"	"	25	4 $\frac{1}{4}$
" 25	"	"	30	4 $\frac{1}{2}$
" 30	"	"	35	5
" 35	"	"	40	5 $\frac{1}{2}$
" 40	"	"	45	6
" 45	"	"	50	6 $\frac{1}{2}$
" 50	"	"	60	7
" 60	"	"	70	8
" 70	"	"	80	9
" 80	"	"	90	10
" 90	"	"	100	11
" 100	"	"	120	13
" 120	"	"	140	15
" 140	"	"	160	17
" 160	"	"	180	18 $\frac{1}{2}$
" 180	"	"	200	20 $\frac{1}{2}$
" 200	"	"	220	22 $\frac{1}{2}$
" 220	"	"	240	24 $\frac{1}{2}$
" 240	"	"	260	26 $\frac{1}{2}$
" 260	"	"	280	28
" 280	"	"	300	30
" 300	"	"	320	32 $\frac{1}{2}$
" 320	"	"	340	34
" 340	"	"	360	35 $\frac{1}{2}$
" 360	"	"	380	38
" 380	"	"	400	40
" 400	"	"	420	41 $\frac{1}{2}$
" 420	"	"	440	43 $\frac{1}{2}$
" 440	"	"	460	45 $\frac{1}{2}$
" 460	"	"	480	47 $\frac{1}{2}$
" 480	"	"	500	49 $\frac{1}{2}$