

Decision No. 30533 .

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of PARR-RICHMOND
TERMINAL CORPORATION, a corporation, for an order
authorizing the granting of an easement for pipe
lines under wharf at Point San Pablo, and approv-
ing tolls and charges covering shipments of vege-
table and marine oils through said wharf.

) Application
) No. 21687.

BY THE COMMISSION:

O P I N I O N

Applicant herein seeks an order authorizing it to grant to the Philippine Refining Corporation of New York, hereinafter sometimes referred to as the lessee, the easement for certain pipe lines under its wharf at Point San Pablo, Contra Costa County, California, upon the terms and conditions specified in the proposed lease and agreement, designated as Exhibits "A" and "B" and attached to and made a part of the application, and approving the tolls and charges covering shipments of vegetable oils through said wharf.

The Parr-Richmond Terminal Corporation is a California corporation engaged in the public utility wharfing 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 Philippine Refining Corporation of New York is a non-utility corporation of New York, qualified to do business, and carrying on business in California. At the present time said lessee holds under lease from applicant certain premises in the vicinity of applicant's public wharf, known as Parr-Richmond Terminal No. 4, at Point San Pablo, and operates on said premises a tank station for

the receiving and handling of vegetable oils. Said lease was originally granted to said lessee by the Richmond Belt Railway, a corporation, predecessor of the applicant, under date of August 15, 1929, and was subsequently assigned by said Richmond Belt Railway to applicant in connection with applicant's purchase of said wharf and adjacent property from said Richmond Belt Railway pursuant to the decision of this Commission rendered upon Application No. 17529. Lessee has given notice of its intention to renew said lease upon its expiration on August 15, 1939, for an additional ten years to August 15, 1949.

The easement for pipe lines will be to maintain, during the term of said lease as thus extended, a main pipe line not exceeding ten inches in diameter, together with a six-inch line, both for pumping oil from vessels to tanks, and also necessary steam pipes, all to be laid under said wharf from the extreme west side to the east side thereof as now located, and thence carried by trestle and underground upon the land of applicant to a point connecting with the tanks of said lessee upon the demised premises; also the right to maintain in connection therewith such sewer pipes as may be required connecting into the Bay. Said pipe lines are to be used for the sole purpose of handling oil from ships to said tanks, or to ships from said tanks, and for supplying steam to ships and for sewer purposes. The location of the pipe lines across the wharf is set forth in the map attached to the application.

Tariff changes requested by the applicant consist of a reduction from 15¢ to 10¢ per ton on vegetable oils moving in the "Off-shore" trades and handled through pipe lines. This 15¢ rate is an "all-commodity" rate applying on general cargoes, except where otherwise specified. (The "all-commodity" toll charge on tariff moving in the "Coastwise" trade is 5¢ per ton).

It appears that a special commodity rate upon this pipe line movement is not unreasonable in view of the limited wharf

facilities required, as compared with that required for general cargo. This Commission, in its Decision No. 29075, dated August 24, 1936, in Application No. 20675, approved the establishment of special commodity tolls of 5¢ per ton on molasses handled through pipe lines at this same facility. The record in this latter case, however, indicated that such rate was predicated upon the large volume of movement involved and the relatively low value of the commodity. It appears that the movement of vegetable oils handled over this facility is only about 20 per cent of that for molasses, while, on the other hand, its value per gallon is 500 per cent or more of that for molasses.

It appears that this application has the approval of the Philippine Refining Company and also that it has the approval of, or is unopposed by, this company's two competitors handling vegetable oils in the San Francisco Bay area, viz., the El Dorado Oil Works and Spencer Kellogg & Sons Sales Corporation.

The following competing public terminals have expressed approval of the application:

Encinal Terminals
Howard Terminal
Port of Oakland
State Terminal Company, Ltd.

Upon consideration of the facts and circumstances, we are of the opinion that the proposed easement and the rate reduction set forth hereinabove should be approved.

O R D E R

Good Cause Appearing,

IT IS HEREBY ORDERED that applicant be and it is hereby authorized to grant to the Philippine Refining Company of New York the easement for pipe lines, the description and use for which

are set forth hereinabove.

IT IS HEREBY FURTHER ORDERED that the toll upon vegetable oils of 10¢ per ton, Offshore Trades, be and it is hereby approved, subject to the condition that applicant forthwith supplement its tariff on not less than one day's notice to the Commission and the public, in accordance with the authority herein granted.

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

Dated at San Francisco, California, this 17th day of January, 1938.

W. H. ...
Leon ...
Frank ...

Ray & ...
Commissioners