

Decision No. 31686

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-) Case No. 4079
tices of Carriers engaged in the Trans-)
portation of petroleum and Petroleum Pro-)
ducts within 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 Refined Petroleum Products) Case No. 4191
in Tank Cars, Tank Trucks, Tank Trailers)
or Tank Semi-Trailers, or any combina-)
tion thereof, in lots of less than 5800)
gallons within this State.)

BY THE COMMISSION:

SEVENTEENTH SUPPLEMENTAL OPINION AND ORDER

By petitions filed January 11, 1939, and January 12, 1939, The Atchison, Topeka and Santa Fe Railway Company, Northwestern Pacific Railroad Company, Southern Pacific Company and the Western Pacific Railroad Company seek modifications of Decision No. 30085, as amended, in the above entitled proceedings to permit the publication of (1) a reduced rate of 5 cents per 100 pounds, minimum weight 60,000 pounds, for the transportation of refined petroleum products in tank cars from points in Group No. 2, as described in said decision, ¹ to Treasure Island, the site of the Golden Gate International Exposition, said reduced rate to expire December 31, 1939, and (2) a reduced rate of 7½ cents per 100 pounds, minimum weight 60,000 pounds, for the transportation of refined petroleum products in tank cars from points in Group No. 2 to Petaluma. Petitioners ask also that authority be granted to publish

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Group No. 2 includes Pinole, Oakland, Richmond, Rodco, Oleum, Port Costa, Martinez, Avon and Port Chicago.

said rates on one day's notice to the Commission and to the public and to maintain the rate from Group 2 to Petaluma as a non-intermediate rate.

In support of the petition seeking the establishment of a reduced rate to Treasure Island, the rail lines allege that the minimum rate established by Decision No. 30085, supra, is 10 cents per 100 pounds, but that competing vessel carriers are offering to perform the service for a rate of 5 cents per 100 pounds. The rail lines assert that they are equipped to perform this transportation by means of a combination rail and barge service and that the sought rate will return revenue in excess of the cost incurred in performing the service in that manner. Publication of the reduced rate on short notice is said to be necessary in order that it may be made effective well in advance of February 18, 1939, the opening date of the Exposition.

In support of the petition seeking a reduced rate to Petaluma, petitioners allege that the existing minimum rate is $10\frac{1}{2}$ cents per 100 pounds and that said rate will be reduced to $8\frac{1}{2}$ cents per 100 pounds when Decision No. 31605 in Cases Nos. 4088, Part "N", 4145 and 4246 becomes effective.² They assert, however, that large quantities of refined petroleum products are now transported to Petaluma by vessel at rates less than $7\frac{1}{2}$ cents per 100 pounds and that large quantities are also transported in plant facility trucks at a cost of less than $7\frac{1}{2}$ cents per 100 pounds. Here, also, petitioners allege that the rate sought will produce revenue substantially in excess of the cost of performing the service. Publication of the rate non-intermediate in application is said to

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Decision No. 31605 issued December 27, 1938, to become effective February 15, 1939, provides a revised basis of computing mileage.

be justified by the fact that intermediate points are not served by vessel and, consequently, similar competitive conditions do not exist.

In view of the showing that competing forms of transportation are performing the services here involved at rates lower than those here sought, these do not appear to be matters in which a public hearing is necessary. The petitions will be granted. Therefore, good cause appearing,

IT IS HEREBY ORDERED that Decision No. 30085, dated August 28, 1937, as amended, in the above entitled proceedings, be and it is hereby further amended by adding the following additional exceptions to Item No. 1 of Appendix "A-1" thereof:

Exceptions: (5) For transportation from points in Group No. 2 to Treasure Island only, the rate shall be 5 cents per 100 pounds, minimum weight 60,000 pounds. This exception shall expire December 31, 1939.

(6) For transportation from points in Group No. 2 to Petaluma, the rate shall be 7½ cents per 100 pounds, minimum weight 60,000 pounds.

IT IS HEREBY FURTHER ORDERED that all common carriers by railroad be and they are hereby authorized to publish the reduced rates provided by the preceding ordering paragraph hereof on not less than one (1) day's notice to the Commission and to the public and to maintain as a non-intermediate rate the reduced rate therein provided from Group 2 to Petaluma.

IT IS HEREBY FURTHER ORDERED that in all other respects said Decision No. 30085, as amended, shall remain in full force and effect.

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

Dated at San Francisco, California, this 16th day of

January, 1939.

Robert W. Ahlquist
Frank L. Smith
Carl L. Craig
H. H. H. H.
Justus D. Casper
Commissioners