

Decision No. 32710.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Petition of)
W.F. Dunn for Relief Under)
Section Eleven (11) of the)
Highway Carriers' Act and Sec-)
tion Ten (10) of the City Car-)
riers' Act from Minimum Rates)
presently effective for Trans-)
portation of Liquid Petroleum)
Products, Viz., Fuel Oil and Road)
Oil by Tank Truck Between points)
in the State of California)

ORIGINAL

Application No. 23218

BY THE COMMISSION:

OPINION AND ORDER

W.F. Dunn, a highway contract and city carrier, seeks authority under Section 11 of the Highway Carriers' Act and Section 10 of the City Carriers' Act to transport fuel oil and road oil in bulk in tank trucks, under contract with Tide Water Associated Oil Company, at rates less than the established minimum rates.

Applicant is engaged exclusively in delivering fuel oil and road oil from Morris Station and Fresno Distributing Station to points in and around the City of Fresno.¹ Deliveries are occasionally made to points as far distant as twenty-five miles but involved in this application are deliveries only to points within the City of Fresno or not more than five miles distant from Morris Station or Fresno Distributing Plant. The transportation is performed in a tank truck having a capacity of 25 barrels, or approximately 1,050 gallons. Deliveries are said to

¹ Morris Station is located approximately one-eighth mile west of the Fresno city limits. The Fresno Distributing Station is located within Fresno at Monterey and N Streets and is used as a source of supply only in emergencies.

be made principally to hotels, commercial establishments and schools which have a limited tankage capacity and can only accommodate small amounts at one time.

The established minimum rates for the transportation described are contained in Decision No. 32220 in Cases Nos. 4079, 4191, 4249 and 4250. The minimum rate for distances of 10 miles and under is 2½ cents per 100 pounds, subject to a minimum weight based on the capacity of the carrier's equipment but not less than 3,000 gallons. Applicant seeks authority to charge, in lieu thereof, a rate of 15 cents per barrel, without minimum weight restriction.

In support of the application it is alleged that the rate sought will be fully compensatory; that this transportation is essentially different from that for which the minimum rates were originally designed; that transportation of this kind is usually performed by oil companies in their own trucks; and that Tide Water Associated Oil Company has advised that it will be compelled to use its own trucks in this service unless the sought rate is authorized. A statement appended to the application shows that for the period from January to October, 1939, inclusive, the cost of performing this transportation (including depreciation and interest on investment) amounted to \$2,112.43, whereas revenue accruing under the minimum rates was \$4,828.11 and that which would have accrued under the sought rate was \$3,116.25.

Applicant advises that interested parties have been informed of the filing of the application and have indicated that they have no objection to the granting thereof.

This does not appear to be a matter in which a public hearing is necessary. In view of the small capacity of applicant's truck and the limited territory within which deliveries are made we are of the opinion that the sought rates will be reasonable. The authority

requested will be granted for a period of one year.

Therefore, good cause appearing,

IT IS HEREBY ORDERED that W.F. Dunn be and he is hereby authorized to charge less than the established minimum rates for the transportation of petroleum fuel oil and petroleum road oil, under contract with Tide Water Associated Oil Company, from Morris Station and Fresno Distributing Station to points within the City of Fresno or within a radius of five (5) actual highway miles of either of said points of origin, but not less than a rate of 15 cents per barrel of 42 gallons.

The authority herein granted shall expire one (1) year from the date hereof unless sooner changed, cancelled or extended by appropriate order of the Commission.

This order shall become effective on the date hereof.

Dated at San Francisco, California, this 20th day of January, 1940.

Ray E. Riley
George H. H. H. H.
Rafael J. J. J.

Justus J. J. J.
Commissioners