

Decision No. 36109

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of LANG TRANSPORTATION CORPORA-)
TION, a corporation, for author-) Application No. 25448
ity to charge less than minimum)
rates under the provisions of the)
Highway Carriers' Act.)

ORIGINAL

BY THE COMMISSION:

OPINION AND ORDER

By this application, filed under Section 11 of the Highway Carriers' Act, Lang Transportation Corporation seeks authority to transport fuel oil in tank truck equipment from Monterey to San Juan for Tide Water Associated Oil Company at a rate of 4-3/4 cents per 100 pounds. The minimum rate established for this transportation by Decision No. 32608 of December 5, 1939, as amended, in Case No. 4246, in re Rates of All Common and Highway Carriers, is 5 1/2 cents.

The fuel oil involved is that used by Pacific Portland Cement Company in the operation of its cement mill at San Juan. Tide Water Associated Oil Company supplies the oil from its Monterey plant. Annual requirements of the mill are said to amount to 7,800,000 gallons (60,450,000 pounds). Loading and unloading facilities, it is claimed, are available to the applicant twenty-four hours a day instead of the nine to ten hours such facilities are available under average conditions. Applicant represents that the unusually favorable circumstances surrounding the transportation in question are reflected in subnormal costs therefor. On an annual basis, it estimates that the full cost of rendering the service is \$26,434.81, and that under the proposed rate its revenues

would amount to \$28,713.75.

Applicant's proposed rate, it points out, is $3/4$ cents higher than the 4-cent rate it was authorized to observe for the handling of similar traffic from July 12, 1941 to July 12, 1942 (see Decision No. 34407 in Application No. 24332). It explains that a lesser quantity of oil is now involved and that increased operating expenses have been experienced since the granting of the previous authority.¹

It appears that this is a matter in which a public hearing is not necessary and that under the exceptional conditions disclosed by this record the proposed rate is reasonable. As it is possible, however, that these conditions may change at any time, the sought authority will be granted for a one-year period and will be made subject to earlier cancellation, change or extension. Therefore, good cause appearing,

IT IS HEREBY ORDERED that Lang Transportation Corporation be and it is hereby authorized to transport fuel oil in tank truck equipment from Monterey to San Juan for Tide Water Associated Oil Company at a rate less than that established for this transportation by Decision No. 32608 of December 5, 1939, as amended, in Case No. 4246, but not less than $4-3/4$ cents per 100 pounds.

IT IS HEREBY FURTHER ORDERED that in all other respects the transportation involved in this application shall be subject to the provisions of said Decision No. 32608, as amended.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall expire one year from the date of this order unless

¹ At that time applicant estimated that the cement mill's annual requirements would amount to 14,002,560 gallons (108,518,592 pounds), that revenues under the 4-cent rate would be \$43,407.44 per year and that full costs would be \$37,808.32.

sooner changed, canceled or extended by appropriate order of the Commission.

This order shall become effective on the date hereof.

Dated at San Francisco, California, this 19th day of January, 1943.

Francis A. Havenue

M. B. K. U.

Justus J. Casper

Francis A. Havenue

Commissioners