

ORIGINAL

Decision No. 36123

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 Section Ten (10) of the City)
Carriers' Act from Minimum Rates)
presently effective for Transporta-)
tion of Liquid Petroleum Products,)
Viz., Fuel Oil and Road Oil by Tank)
Truck between points in the State)
of California.)

Application No. 23218

BY THE COMMISSION:

THIRD SUPPLEMENTAL OPINION AND ORDER

Applicant is a highway contract and city carrier. He is engaged in the business of transporting fuel oil and road oil in tank truck equipment for Tide Water Associated Oil Company between specified points situated within or in the vicinity of the City of Fresno. Under authority granted by Decision No. 32710 of January 9, 1940, as amended, in this proceeding he has been observing rates less than those established as minima for this transportation in Cases Nos. 4246 and 4434, in re Rates of Common, Highway and City Carriers.¹ This authority expires January 27, 1943. By supplemental application its indefinite extension is sought.

1

Minimum rates of the same volume, 2½ cents per 100 pounds, have been proscribed for the transportation of both fuel oil and road oil between all of the points involved herein in so far as shipments of not less than 3,000 gallons (23,250 pounds) are concerned. For smaller shipments transported under those rates charges are required to be assessed on the 3,000-gallon basis. Applicant has been authorized to assess charges on the basis of rates not less than 15 cents per barrel of 42 gallons (4.6 cents per 100 pounds), regardless of the size of the shipment.

Applicant's operations are said to be confined almost entirely to the making of deliveries to hotels, commercial establishments and schools maintaining limited storage facilities. The preponderance of these deliveries, it is represented, consists of consignments of 1,050 gallons. This is a capacity load for applicant's equipment. A minimum weight based on 3,000 gallons, applicant points out, has been established in connection with the prescribed minimum rates. He contends that, because of this requirement, these rates are not suited to the so-called "peddling service" involved herein. He also contends that this type of operation is ordinarily conducted by the oil companies with proprietary equipment and that the interested shipper will perform the service in question with such equipment unless the sought authority is granted.

That operations under the authority previously granted have been profitable, is said to be demonstrated by the results from these operations for the year 1942. A statement submitted by applicant shows revenues for that year as \$4,441.06 and expenses, including allocations for depreciation and return on investment, as \$2,787.92. Applicant states that, because of abnormal conditions, his 1942 revenues were somewhat lower and his operating costs higher than those formerly experienced, but that revenues were nevertheless substantially greater than operating costs. He claims that no material change in the conditions under which this service is performed may reasonably be anticipated at this time and that operations will continue to be profitable on the basis of the rates now being observed.

It appears that this is a matter in which a public hearing is not necessary and that an extension of applicant's authority is justified. Due, however, to the possibility that the conditions under which this service is rendered may change at any time, the extension will be limited to a one-year period.

Therefore, good cause appearing,

IT IS HEREBY ORDERED that the expiration date of the authority granted W. F. Dunn by Decision No. 34962 of January 27, 1942, in the above entitled application, be and it is hereby extended to January 27, 1944, unless sooner changed, canceled or further extended by appropriate order of the Commission.

This order shall become effective on the date hereof.

Dated at ~~San Francisco~~ ^{Los Angeles}, California, this 26th day of January, 1943.

Francis A. Haberman
W. F. Dunn
W. F. Dunn

Commissioners