

Decision No. 36231

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Petition of J. D. )  
Chace for Relief Under Section )  
Eleven (11) of the Highway Carriers' )  
Act from Minimum Rates Prescribed )  
by the California Railroad Commission )  
for Transportation of Liquid Petro- )  
leum Products, namely, Fuel Oil by )  
Tank Truck Between Points in the )  
State of California. )

Application No. 23323

BY THE COMMISSION:

THIRD SUPPLEMENTAL OPINION AND ORDER

Applicant is engaged in the business of transporting fuel oil in tank truck equipment for Tidewater Associated Oil Company within the City of San Jose and designated contiguous territory. Under authority granted by Decision No. 32928 of March 26, 1940, as amended, in this proceeding, he has been observing a rate less than that established as minimum for this transportation in Cases Nos. 4246 and 4434, in re Rates of Common, Highway and City Carriers.<sup>1</sup> His authority will expire March 26, 1943. By supplemental application, he seeks its extension for such period as the Commission may deem appropriate.

The transportation here involved is the making of deliveries to hotels, schools and other buildings with limited storage facilities. It is represented that most of these deliveries are made in 1,050-gallon and 840-gallon lots which are capacity

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The prescribed minimum rate is 2½ cents per 100 pounds for shipments of not less than 3,000 gallons (23,250 pounds). For smaller shipments transported under this rate charges are required to be assessed on the 3,000-gallon basis. Applicant has been authorized to observe a rate of 15 cents per barrel (4.6 cents per 100 pounds), regardless of the size of the shipment.

loads for applicant's equipment. The 3,000-gallon minimum established in connection with the prescribed rate, applicant contends, is not suited to this so-called "peddling service." He also contends that this type of operation is ordinarily conducted 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. Applicant's revenues for that year, according to a statement submitted with the supplemental application, were \$3,258.96 and his operating expenses, \$1,454.23. These expenses include allocations for depreciation and return on investment, but do not include a salary for the portion of applicant's time devoted to the trucking business. The statement is said to reflect higher operating costs experienced in 1942. These increases, applicant states, were offset by the greater aggregate revenues derived from the increased volume of traffic handled. He also states that no material change in conditions may reasonably be anticipated at this time. He contends the operations will continue to be profitable on the basis of the rate now being observed.

It appears that this is a matter in which a public hearing is not necessary and that a one-year extension of applicant's authority is justified.

Therefore, good cause appearing,

IT IS HEREBY ORDERED that the expiration date of the authority granted J. D. Chace by Decision No. 32928 of March 26, 1940, as amended, in the above entitled application, be and it is

heroby extended to March 26, 1944, unless sooner changed, canceled  
or further extended by appropriate order of the Commission.

This order shall become effective March 26, 1943.

Dated at San Francisco, California, this 16<sup>th</sup> day of  
March, 1943.

Frank A. Staher

H. B. K.

Justus F. Currier

Richard Macke

James Dewey

Commissioners