

Decision No. 41299**ORIGINAL**

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Petition of )  
 John Doudell for Relief Under Section )  
 Eleven (11) of the Highway Carriers' )  
 Act From Minimum Rates Applicable to ) Application No. 29063  
 Transportation of Liquid Petroleum )  
 Products, namely, Crude Oil and )  
 Distillate Fuel Oil Between Points in )  
 the State of California. )

Appearance

John Doudell, in propria persona.

OPINION AND ORDER

John Doudell, an individual operating as a highway contract and radial highway common carrier, seeks authority to transport crude oil and distillate fuel oil in bulk in tank truck equipment for Tide Water Associated Oil Company at a rate less than that established as minimum. The authority is sought for a one-year period.

A public hearing was had at San Francisco on February 18, 1948, before Examiner Jacopi.

The transportation in question involves the movement of crude oil from Tide Water Associated Oil Company wells near Zaca to the Sun Ray Oil Company refinery at Santa Maria, and the movement of distillate fuel oil from the refinery to the wells on the return trip.<sup>1</sup> The established minimum rate for this transportation, stated on a per barrel basis, is 19.693 cents per 42-gallon barrel.<sup>2</sup> The sought rate is 15 cents per 42-gallon barrel.

<sup>1</sup>

Zaca is a point in Santa Barbara County situated on Highway U.S. 101 about 27 miles south of Santa Maria. The oil wells in question are situated about 6 miles northeast of Zaca.

<sup>2</sup>

The minimum rate established by Decision No. 32608, as amended, in Cases Nos. 4246 and 4434 is 5.5 cents per 100 pounds, subject to a 10 per cent surcharge applicable on the amount of the charges.

Applicant asserted that the established minimum rate was improper for the unusually favorable conditions surrounding the transportation in question. He testified that some 40,000 barrels of oil would be transported per month, that loading and unloading could each be completed in 20 minutes, that facilities therefor would be available 24 hours per day 7 days per week, and that his equipment would be used in transporting the oil approximately 20 hours per day. Moreover, he said, unusually favorable equipment load and use factors would result from transportation of oil in both directions. A revenue and cost study submitted by applicant indicates that the proposed rate will return a substantial profit after payment of all operating costs including income tax. Applicant alleged that the traffic would be diverted to proprietary operations in the event that the sought authority was denied.

No one opposed the granting of the application.

It appears from the record that the sought rate will be reasonable in the face of the unusually favorable circumstances which will obtain for the transportation in question. The application will be granted.

Therefore, good cause appearing,

IT IS HEREBY ORDERED that John Doudell be and he is hereby authorized to transport for Tide Water Associated Oil Company crude oil in bulk in tank truck equipment from that company's oil wells situated about 6 miles northeast of Zaca to the Sun Ray Oil Company refinery at Santa Maria, and distillate fuel oil in bulk in tank truck equipment from said refinery to said oil wells, at a rate

less than the established minimum rate, but not less than fifteen (15) cents per 42-gallon barrel.

This authority will expire one (1) year from the effective date of this order.

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

Dated at San Francisco, California, this 9<sup>th</sup> day of March, 1948.

*J. J. [unclear]*  
*Justin J. [unclear]*  
*James H. [unclear]*  
*Harold P. [unclear]*  
*Herbert [unclear]*  
Commissioners