

Decision No. 12356

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
R. B. SNOW, an individual, for authority )  
to charge less than minimum rates under )  
the provisions of the Highway Carriers' )  
Act, for transportation of petroleum )  
crude oil between the Olivera Canyon oil )  
field located approximately five miles )  
southeast of Sisquoc and storage tanks )  
located six miles south of Sisquoc. )

Application No. 29832

Appearances

T. C. Twitchell, for applicant.  
J. D. Rearden and C. P. Stephenson, for  
Union Oil Company of California.

OPINION AND ORDER

R. B. Snow is a highway carrier. He seeks authority to transport petroleum crude oil in bulk in tank truck equipment for the Union Oil Company of California at a rate less than that established as minimum. The authority sought is for a period of one year.

The matter was submitted at a public hearing had before Examiner Edwin Lake on December 16, 1948, at San Luis Obispo.

The transportation in question involves the movement of crude oil from oil wells in the Olivera Canyon oil field located approximately 5 miles southeast of Sisquoc and storage tanks located approximately 6 miles south of Sisquoc.<sup>1</sup>

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<sup>1</sup> Sisquoc is a point situated in Santa Barbara County.

The established minimum rate for this transportation is 3 cents per 100 pounds. The charges resulting under this rate are subject to the addition of a 10 per cent surcharge. The rate proposed is 2.2 cents per 100 pounds. The distance between the points involved varies from 8 to 10 miles. Applicant asserted that the established minimum rate when applied under the unusually favorable conditions surrounding the transportation in question produced an improper result. He testified that some 60,000 barrels of crude oil would be transported per month from the oil wells to the storage tanks; that approximately 20,000 barrels of light crude diluent would be under load in the reverse direction; that the movement would be over good county and private roads; and that facilities provided by the shipper would permit loading and unloading times of 20 minutes each. Operations he alleged would be conducted on a 24 hour per day basis. A revenue and expense statement submitted by applicant indicates that the proposed rate would return a profit after payment of operating costs.

Witnesses for the shipper alleged that unless the proposed rate was authorized the traffic would be diverted to proprietary operations.

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. Because the conditions under which this authority is granted may change at any time the authority will be limited to a period of one year.

Therefore, good cause appearing,

IT IS HEREBY ORDERED that R. B. Snow be and he is hereby authorized to transport for Union Oil Company of California crude oil in bulk in tank truck equipment between that company's oil wells situated in the Clivera Canyon oil field located approximately 5 miles southeast of Suisun and storage tanks located approximately 6 miles south of Suisun at a rate less than the established minimum rate but not less than 2.2 cents per 100 pounds.

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

This order shall become effective twenty (20) days from the date hereof.

Dated at San Francisco, California, this 28<sup>th</sup> day of December, 1948.

*[Handwritten signatures]*  
Justice F. Carver  
Samuel Patten

Commissioners