

Decision No. 42713

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
Albert M. Bland, and Alonzo D. Moss,)
a copartnership doing business as)
B & M Delivery Service, for authority)
to charge less than minimum rates)
under the provisions of the Highway)
Carriers' Act, for transportation of)
petroleum crude oil from San Ardo oil)
field located approximately eight)
miles southeast of San Ardo to Union)
Oil Company of California pumping)
station located one mile north of)
Santa Margarita.)

Application No. 30118

Appearances

T. A. Twitchell, for applicants.
J. D. Rearden, H. M. Schafer and
C. P. Stephenson, for Union
Oil Company of California.

OPINION AND ORDER

Applicants are highway carriers. They seek 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 heretofore established as minimum. The authority sought is for a period of one year.

Public hearing was had before Examiner Edwin Lake on March 31, 1949, at San Luis Obispo.

The transportation in question involves the movement of crude oil from points in the San Ardo oil field located approximately 8 miles southeast of San Ardo to the Union Oil Company pumping station located one mile north of Santa Margarita. The established minimum rate for this movement is 9½ cents per 100 pounds, the resulting charges being subject to the addition of a 10 per cent surcharge. The rate proposed is 8.89 cents per 100 pounds. The highway distance

between the points involved is approximately 60 miles.

A witness for the applicants testified that unusually favorable operating conditions will be experienced in the handling of this business; that some 2800 barrels of oil per day will be transported; that the movement will be over good national, state, county and private roads involving no movement through metropolitan areas; that average loading and unloading time, by reason of the exceptionally good facilities at points of origin and destination, will be 15 minutes each; and that operations will be conducted on a 24-hour basis 7 days per week. These circumstances, the witness said, will result in an exceptionally high use factor and in lower expenses for dispatching, supervision and solicitation of business than would otherwise be experienced. A statement of expenses and revenues submitted by the witness discloses that the profit accruing under the proposed rate would be substantial.¹

A witness for the shipper stated that denial of the application would result in diversion of the traffic to proprietary operations. No one opposed the granting of the application.

The record is convincing that, with the unusually favorable operating conditions which will be experienced, the proposed rate is reasonable. The application will be granted.

Therefore, good cause appearing,

IT IS HEREBY ORDERED that Albert M. Bland and Alonzo D. Moss be and they are hereby authorized to transport for Union Oil Company of California crude oil in bulk in tank truck equipment from

1

The statement reflected operating ratios of 77 under the minimum rate and 90.5 under the sought rate. According to the witness the traffic handled has doubled since the period covered by the statement and concurrently the costs of fuel and supplies and of maintaining equipment have declined.

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points in the San Ardo oil field located approximately 8 miles south-east of San Ardo to the pumping station of Union Oil Company of California located one mile north of Santa Margarita at a rate less than the established minimum rate but not less than 8.89 cents per 100 pounds.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall expire one (1) year after the effective date of this order.

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

Dated at San Francisco, California, this 12th day of April, 1949.

R. J. Sullivan
Justice J. Calver
Harold Kule

Samuel L. Lott
Commissioners