

Decision No. 44353

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 HUMBOLDT MOTOR STAGES, INC., a
 corporation, for a certificate of
 public convenience and necessity to
 operate as a petroleum irregular route
 carrier, between Eureka, Arcata, Trinidad,
 Orick, Klamath, Crescent City, Korbel,
 Sawyers Bar, Happy Camp, Burnt Ranch,
 Del Loma, Weaverville, Fieldslanding, Fortuna,
 South Fork, Garberville, Usal and Richmond,
 California, under "Grandfather Rights" as
 defined in Statutes 1949, Chapter 1399, by
 California Legislature.

ORIGINAL

Application No. 31175

Melvin G. Pinkham, for applicant Humboldt Motor Stages, Inc.

O P I N I O N

In this proceeding, Humboldt Motor Stages, Inc., a corporation, (referred to hereafter as Humboldt), seeks a certificate of public convenience and necessity authorizing operation as a petroleum irregular route carrier. The matter was submitted at a public hearing held May 22, 1950, at Eureka. Although all interested carriers were notified, no one other than applicant entered an appearance, nor was any opposition voiced against the approval of applicant's proposal.

The nature and extent of applicant's operations were described by its president, Melvin G. Pinkham. In addition, the local representative of its principal shipper was called as a witness.

Specifically, Humboldt seeks a certificate under Section 50-3/4 of the Public Utilities Act, as amended by Statutes 1949, Chapter 1399, authorizing it to engage in the transportation of bulk petroleum products as a petroleum irregular route carrier. The application is predicated upon operations conducted by applicant, under its radial permit, on and prior to September 1, 1949, the critical date prescribed by the statute mentioned. Although the

application designated the points as to which operating authority is sought, Humboldt, nevertheless, requests a statewide certificate. Pinkham testified that applicant does not intend to waive any rights with which it may have been clothed under its radial permit.

Pursuant to certificates issued by the Commission, Humboldt serves certain points in Humboldt and Siskiyou counties, both as a passenger stage corporation and as a highway common carrier. In general, it is authorized to operate as a highway common carrier:

" . . . between the junction of U.S. Highways 101 and 299, near Blue Lake, and Forks of Salmon and intermediate points via Willow Creek and Orleans; and between these points, on the one hand, and, on the other hand, Scotia and Trinidad and intermediate points, including Eureka, Arcata, Crannell and Redwood Acres Fair Grounds."⁽¹⁾

Until recently, it also had served the territory extending easterly from Willow Creek, Mad River and Minersville to Redding, (as well as intermediate points, including Weaverville and French Gulch).

However, this segment of its operations was transferred to Redding-Eureka Freight Lines.⁽²⁾

Humboldt holds permits both as a radial and as a contract carrier.⁽³⁾ With respect to public liability and property damage, so Pinkham testified and the Commission's records disclose, its insurance

(1) Decision No. 41536, in Application No. 29230, dated April 27, 1948; Decision No. 41137, in Application No. 28870, dated January 19, 1948.

(2) By Decision No. 41536, supra, Humboldt was authorized to lease the operation described above to Redding-Eureka Freight Lines, for a definite term subject to an option to purchase.

(3) Humboldt holds Radial Highway Common Carrier Permit No. 12-321, issued April 13, 1939, and Highway Contract Carrier Permit No. 12-144, issued December 15, 1936.

coverage applies to operations conducted throughout the state.

For many years Humboldt has been engaged in the transportation of petroleum products in bulk, using tank trucks, trailers and semitrailers for that purpose.⁽⁴⁾ On and prior to September 1, 1949, and ever since that date, applicant continuously has performed such a service. This was confined to liquid petroleum products.⁽⁵⁾ It has transported no liquid asphalt, hot road oil or products requiring insulated tanks; nor has it handled any liquefied petroleum gases or other products requiring pressurized tanks. In addition, some packaged petroleum products have been carried on applicant's regular equipment; in the aggregate, however, these shipments did not exceed one per cent, in volume, of the liquid petroleum products moving in tank truck equipment.

This petroleum operation has extended over a wide area. With minor exceptions, these shipments originated at Eureka. Some moved to points which Humboldt serves as a highway common carrier, such as Korbol, Willow Creek, Hoopa Indian Reservation, Orleans and Forks of Salmon. Under its radial permit, applicant has transported these products from Eureka north to Arcata, Trinidad, Orick, Klamath and Crescent City; east to Happy Camp, Sawyers Bar, Burnt Ranch, Del Loma, Junction City, Weaverville and Hayford; and south to Fields Landing, Fortuna, South Fork, Garberville and Usal (an off-route point near Rockport). Various mines, dredges and lumber mills, scattered throughout this territory, were served. Some of

(4) Humboldt embarked upon this enterprise in 1941, when it purchased the business and equipment of Fox Transportation Company. Previously, that company had been engaged in the transportation of bulk petroleum products, under contracts with its shippers.

(5) Of the commodities which Humboldt has transported, over 50 per cent consisted of gasoline of various types; about 20 per cent, of stove oil; about 20 per cent, of diesel oil; and the remainder, of kerosene.

the traffic moved to bulk plants. Occasionally, shipments were transported from Richmond to South Fork, Fields Landing, Eureka and McKinleyville. These move less frequently now than formerly; because of the low rates, the business is not attractive.

Throughout this area, the traffic has been distributed among the points mentioned with varying degrees of frequency. Shipments have been delivered at some points more often than at others. In conducting this operation, Humboldt has observed no regular schedule. Essentially, an on-call service was provided. This was designed to be responsive to the shippers' demands.

The service is available to the public generally, so Pinkham testified. Actually, most of the traffic was offered by a few shippers, comprising five of the major oil producers and a local distributor situated in Eureka.⁽⁶⁾ Approximately 90 per cent of the traffic was received from Standard Oil Company, the remainder having been fairly evenly distributed among the others. No special agreement relating to the transportation service to be provided has been negotiated with any shipper excepting Standard Oil Company. The record does not definitely show the terms of this agreement.

This traffic moves in substantial volume. A statement was submitted covering the shipments transported for Standard Oil Company during August, 1949. This, it appears, fairly reflects the tonnage handled throughout the year.⁽⁷⁾

(6) These shippers comprised Standard Oil Company, General Petroleum Corporation, Richfield Oil Company, Shell Oil Company and Union Oil Company, all of which are major petroleum producers; and the Eureka Oil and Burner Company, a distributor of petroleum products, situated at Eureka.

(7) The statement submitted discloses that during August, 1949, Humboldt transported for Standard Oil Company 124 shipments, which moved on 29 different specified dates. Of these, 99 shipments consisted of gasoline; 16, of diesel oil; five, of diesel or stove oil; three, of both gasoline and diesel oil; and one, of both kerosene and stove oil. These shipments ranged in size from 2,000 to 7,078 gallons each. There were seven shipments of 2,000 gallons each; 23, of 3,000 gallons; 23, of 5,000 gallons; 44, of 5,007 gallons; and 23, of 7,078 gallons. The remaining four shipments comprised varying combinations.

The equipment used in this operation comprises three tractors and five semitrailers. Excepting the final installment due on one tank semitrailer, the purchase price has been fully paid.

Ordinarily, the rates observed are those which have been established as minima by the Commission. This is true where good roads are encountered. However, where poor roads are traversed in providing the service, and generally throughout mountainous territory, rates higher than the prescribed minima are exacted. In the future, applicant would continue to follow this practice.

Information was submitted concerning applicant's financial status. A balance sheet as of December 31, 1949, discloses current assets, \$3,627.06; tangible property, \$31,568.95; and total assets, \$45,242.61. The liabilities reported include current liabilities, \$29,237.42; equipment obligations, \$4,569.95; common capital stock, \$7,500.00; and unappropriated surplus, \$7,600.23. As shown by the income statement for the calendar year 1949, the total revenues (including net income of \$7,920.35 derived from non-carrier operations) were \$110,568.43; and the total expenses (including "other deductions" of \$630.82) were \$110,794.71, leaving a net loss of \$226.28. These figures covered all of applicant's operations.

In support of its proposal, Humboldt called the branch manager of Standard Oil Company, whose headquarters are at Eureka. This witness testified that for many years applicant had transported Standard's products throughout the territory described above. With minor exceptions, these shipments moved in bulk, in tank semitrailers and trailers. About five per cent of the total tonnage consisted of packaged petroleum products, which moved in regular equipment. By far the larger share of the bulk shipments consisted of gasoline; in addition stove oil, diesel fuel, furnace oil and kerosene were transported. All of this traffic originated at Eureka. Some points were served more frequently than others; the service was provided whenever a need for it arose.

The record discloses, and we accordingly find as a fact, that on the critical date, viz., September 1, 1949, and thereafter, Humboldt was engaged in the transportation of liquid petroleum products, in tank trucks, trailers and semitrailers, throughout the territory described above. This service was provided by applicant in its capacity as a radial highway common carrier. It was available to all who desired to use it. Although the service actually was confined to the territory situated north of San Francisco, and more particularly, within northwestern California, applicant nevertheless was authorized under its radial permit to conduct a statewide operation. Accordingly, a certificate will be issued under which applicant may continue its operations as a petroleum irregular route carrier throughout the state.

O R D E R

Application as above entitled having been filed, a public hearing having been held thereon, the matter having been duly submitted, the Commission being now fully advised and now finding that public convenience and necessity so require,

IT IS ORDERED:

(1) That a certificate of public convenience and necessity be, and it hereby is granted to Humboldt Motor Stages, Inc., a corporation, authorizing the establishment and operation of a service

as a petroleum irregular route carrier, as defined in Section 2-3/4 of the Public Utilities Act, for the transportation of liquid petroleum products in bulk between all points and places within the State of California.

(2) That, in providing service pursuant to the certificate herein granted, applicant shall comply with and observe the following service regulations:

- a. Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed 30 days from the effective date hereof.
- b. Within 60 days from the effective date hereof and on not less than 5 days' notice to the Commission and the public, applicant shall establish the service herein authorized and comply with the provisions of General Order No. 80 and Part IV of General Order No. 93-A, by filing in triplicate and concurrently making effective, appropriate tariffs and time tables.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, June 20, 1950.

[Signature]

Charles H. Farrell

Harold P. Kille

[Signature]
COMMISSIONERS