

Decision No. 45401

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation )	
into the rates, rules, regulations, )	
charges, allowances and practices )	Case No. 4808
of all common carriers, highway )	
carriers and city carriers relating )	
to the transportation of property. )	

ORIGINAL

Appearances

Arlo Poe, for Otha M. Slosson, petitioner, and  
for Elmer Ahl, Agent for Tank Truck Operators  
Tariff Bureau.

William J. Knoell, for Elmer Ahl, Agent for Tank  
Truck Operators Tariff Bureau.

(Appearances shown above are those entered in the  
instant phase of this proceeding. For earlier  
appearances, see previous decisions in this case.)

SUPPLEMENTAL OPINION

Petitioner Otha M. Slosson, an individual doing business as  
O. M. Slosson Trucking Company, is engaged in transporting bulk pe-  
troleum and petroleum products in tank motor vehicle equipment be-  
tween points in southern California under a certificate of public  
convenience and necessity authorizing operations as a petroleum  
irregular route carrier. He seeks authority to establish, on less  
than statutory notice, a reduced rate to apply to the transportation  
of crude oil to Huntington Beach from an oil field in the vicinity of  
Costa Mesa. Elmer Ahl, Agent for Tank Truck Operators Tariff Bureau,  
joins in the petition as tariff publishing agent for Otha M. Slosson.  
He also seeks like authority on behalf of other carriers who may wish  
to participate in the sought rate.

Public hearing of the matter was had before Examiner  
Abernathy at Los Angeles on January 15, 1951. Evidence was submitted

by the manager of the Slosson Trucking Company and by a representative of Elmer Ahl.

The transportation involved herein is that which petitioner performs in transporting crude oil from storage tanks in the Costa Mesa oil field to an oil pumping station of the Standard Oil Company at Huntington Beach.<sup>1</sup> The crude oil is accumulated in the tanks as it is pumped from the ground and is tendered at irregular intervals to petitioner for delivery to the pumping station. The station facilities permit delivery 24 hours a day. In transporting the oil petitioner operates the vehicles used in the service continuously until delivery of the full amount of each shipment is completed.

The rate which applies to the transportation is 5½ cents per 100 pounds, plus a surcharge of 10 percent. This rate is the minimum rate applicable to transportation of crude oil and other specified oils from the Costa Mesa oil field to destinations within the area designated in the tariffs as Group 6 Territory.<sup>2</sup> Petitioner

---

<sup>1</sup> Boundaries of the Costa Mesa Oil Field are described by petitioner as follows:

Beginning at the intersection of Huntington Beach Boulevard and U.S. Highway 101, northerly along Huntington Beach Boulevard to Atlanta Avenue, easterly along Atlanta Avenue to Bushard Street, southerly along Bushard Street to Hamilton Street, easterly along Hamilton Street and Victoria Street to Newport Avenue, northeasterly along Newport Avenue to 23rd Street, southeasterly along 23rd Street to the Newport Bay, southerly along the west shore line of Newport Bay to U.S. Highway 101, northwesterly along U.S. Highway 101 to the point of beginning.

<sup>2</sup> Generally speaking, Group 6 Territory is the area lying south and west of a line running from Santa Monica through Hollywood and Whittier to Huntington Beach. The applicable rate and the description of Group 6 Territory are set forth in Local Freight Tariff No. 3, Cal.P.U.C. No. 5 of Tank Truck Operators Tariff Bureau, Elmer Ahl, Agent, and in City Carriers' Tariff No. 5, Highway Carriers' Tariff No. 6 (Appendix "C" of Decision No. 32608, as amended, in Cases Nos. 4246 and 4434).

states that the oil field has been developed since the boundaries of Group 6 Territory were established. The length of haul from the field to Huntington Beach is approximately 5 miles as compared to the distance of about 28 miles from the field to Compton, the basing point for Group 6. Petitioner alleges that the present rate of  $5\frac{1}{2}$  cents per 100 pounds is in excess of a reasonably compensatory rate in view of the nature of the transportation involved. He states that he has been informed by the oil company that unless the rate is reduced to a reasonable level the transportation will be diverted to proprietary truck or pipe line facilities. He stressed that need for the adjustment is immediate and urgent to minimize possible action by the oil company to provide its own transportation service.

Petitioner seeks authority to assess a rate of  $2\frac{1}{2}$  cents per 100 pounds, plus a surcharge of 10 percent, for the transportation in question.<sup>3</sup> This rate, it was stated, is comparable to rates provided in the tariffs for similar movements under similar circumstances. Petitioner's tariff agent compared the sought rate with the tariff rates for the transportation of crude oil within Group 6 Territory. He pointed out that the proposed rate is higher than those named for transportation within defined areas (subgroups) within the territory; it is the same as that which applies between the subgroup area in which Huntington Beach is located and the contiguous subgroup. Petitioner's manager testified by way of example regarding other transportation services performed in Group 6 Territory involving longer hauls of crude oil through more congested areas for which the tariff rates are the same as that sought.

Petitioner's witness asserted that the sought rate is sufficiently compensatory. Regarding revenues from the present and

---

<sup>3</sup>The proposed rate is exclusive of additional charges for accessorial services.

proposed rates, he stated that the present rate results in gross revenues of \$12.80 per hour per unit of equipment used in the service, and that the proposed rate would produce revenues of \$6.90 per hour. Petitioner's total operations for the 11 months ended with November, 1950, have resulted in an average of \$4.60 per hour per vehicle unit with an equivalent operating ratio of 95 percent before allowance for income taxes, the witness stated.

The record shows that notices of petitioner's proposal and of the hearing relating thereto were given to persons believed to be interested. No one appeared in opposition to granting of the petition.

It is clear from the record in this matter that the rate reduction which is sought herein is deemed a necessary step in order to avoid loss of traffic to proprietary carriage. It appears that the proposed rate would be sufficiently compensatory and reasonable. Upon careful consideration of all of the facts and circumstances of record the Commission is of the opinion and finds that the proposed rate is justified by transportation conditions. The reduced rate will be authorized.

In view of the evident urgency for establishment of the reduction as soon as possible, petitioner will be authorized to publish the rate on less than statutory notice but on not less than five (5) days' notice to the Commission and to the public. Because the conditions under which the transportation is performed may change at any time, the rate will be limited in duration to a one-year period.

Inasmuch as the rate hereinafter authorized, upon its being lawfully established and published by or on behalf of Otha M. Slosson, may be observed as minimum by other carriers subject to the minimum rates provided in City Carriers' Tariff No. 5, Highway

Carriers' Tariff No. 6, the authority herein granted to Otha M. Slosson to establish the rate upon less than statutory notice will be extended to other common carriers engaged in the same transportation in order to avoid discrimination against such common carriers.

O R D E R

Public hearing having been had of the petition filed November 20, 1950, in the above-numbered proceeding by Otha M. Slosson and Elmer Ahl, and based upon the evidence received and upon the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that Otha M. Slosson and other common carriers be and they are hereby authorized to establish and publish, within sixty (60) days after the effective date of this order and on not less than five (5) days' notice to the Commission and to the public, rates of 2½ cents per 100 pounds, subject to a surcharge of 10 percent, for the transportation of crude oil in bulk in tank vehicles from the Costa Mesa oil field, the boundaries of which are described in the preceding opinion, to Huntington Beach, said rates to apply only when consignors' facilities permit shipment and consignees' facilities permit delivery 24 hours a day.

IT IS HEREBY FURTHER ORDERED that except to the extent that deviations are herein authorized from the minimum rates, rules and regulations as set forth in City Carriers' Tariff No. 5, Highway Carriers' Tariff No. 6 (Appendix "C" of Decision No. 32608, as amended, in Cases Nos. 4246 and 4434), said minimum rates, rules and regulations shall apply in full force and effect to the aforesaid transportation of crude oil from the Costa Mesa oil field to Huntington Beach.

