

Decision No. 47746

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )	
R. F. Conway and Constance White, a )	
copartnership doing business under )	Application No. 33662
the firm name of J. C. FREESE CO., )	
for an order authorizing a change. )	
in rates. )	

OPINION AND ORDER

Applicants operate a common carrier vessel service. They transport petroleum products in bulk from Oakland, Richmond, San Francisco, Amorco, Avon, Martinez, Oleum and Port Costa to Stockton. Their rate for this transportation is .175 cents per gallon for shipments of 4,500 barrels or more. Applicants propose to increase the minimum per shipment from 4,500 to 10,000 barrels.

The verified application, as amended, shows that the 4,500 barrel minimum was established when this quantity was the approximate maximum capacity of applicants' barges, that some six years ago applicants acquired barges with capacities of 12,000 and 14,000 barrels, that this larger equipment has since been used in providing the service in question, and that all of the barges now operated by applicants, except one 4,500 barrel barge used in providing other service, are of 12,000 barrel capacity or larger. Applicants represent that the use of the small barge for the transportation in issue would be impractical and uneconomical. They allege that for at least the last five years they have been called upon to transport only quantities of not less than 10,000 barrels. They explain that two of the shippers involved have cooperatively

tendered shipments aggregating such total quantities but that because of larger storage facilities recently put into operation by one of these shippers it does not intend to continue this practice. Thus, applicants claim, they are imminently faced with the necessity of transporting quantities of 4,500 barrels at the .175-cent rate. A minimum shipment they point out would produce revenue amounting only to \$330.75. They claim that the average cost of operation at current cost levels is \$701.40 per trip. Applicants assert that they have been able to maintain the .175-cent rate in spite of increased costs because the greater quantities per trip handled by the larger barges have offset the increases experienced in operating costs. Minimum quantities of 10,000 barrels are essential, they assert, for compensatory operations at existing cost levels, if the .175-cent rate is to be maintained. This, applicants claim, would be more advantageous to all concerned than the alternative of increasing the rate. Under the proposed basis minimum shipments would return revenues of \$735.00. As previously stated, the cost per trip is estimated as \$701.40.

Applicants have served copies of the application upon all shippers utilizing the service involved. No objection has been offered.

In the circumstances it appears that the sought increase in the minimum per shipment provision is justified. The application will be granted. A public hearing is not necessary.

Therefore, good cause appearing,

IT IS HEREBY ORDERED that R. F. Conway and Constance White, doing business as J. C. Freese Co., be and they are hereby

authorized to establish the minimum of 10,000 barrels per shipment proposed in the above-entitled application, as amended, for the transportation specified in said application.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall expire unless exercised within sixty (60) days 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 9<sup>th</sup> day of September, 1952.

*A. I. [Signature]*  
President  
*Justin J. [Signature]*  
*Harold P. [Signature]*

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Commissioners