

**ORIGINAL**Decision No. 49156

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 )  
 of all common carriers, highway )  
 carriers and city carriers relating )  
 to the transportation of petroleum )  
 and petroleum products in bulk )  
 (commodities for which rates are )  
 provided in City Carriers' Tariff )  
 No. 5-Highway Carriers' Tariff )  
 No. 6). )

Case No. 5436  
(Pet. No. 3)O P I N I O N

Richard Burum Snow, an individual, is a petroleum irregular route common carrier maintaining rates for the transportation of petroleum products throughout the State of California. By his Petition for Modification No. 3, filed in this proceeding on June 8, 1953, he seeks an order authorizing him to publish and maintain certain rates lower than the minimum rates for the transportation of crude oil in bulk in tank vehicles.

The crude oil herein involved moves from an area known as the LeRoy Lease to two destinations known as Carr Station and Battles Station.<sup>1</sup> The actual highway distances

<sup>1</sup> The LeRoy Lease is located in the southwest portion of San Luis Obispo County, just north of the Santa Maria River. Carr Station is located on an unnamed county road adjacent to the community of Betteravia. Battles Station is located just east of Santa Maria.

range from 12.6 to 18.6 miles, varying with the points of origin and destination. The existing minimum rates and the rates proposed by the petitioner are as follows:

<u>To</u>	<u>Rates in Cents Per 100 Pounds</u>	
	<u>Minimum Rates</u>	<u>Proposed Rates</u>
Carr Station	4-3/4	* 3.85
Battles Station	4-3/4	* 4-1/4

\* Petitioner proposes rates stated in cents per "barrel" of 42 gallons. For ease of comparison they are herein converted to equivalent rates stated in cents per 100 pounds.

Petitioner alleges that special circumstances justify the proposed lower rates. He asserts that there is a regular and substantial movement of crude oil between the points in question, that the loading and unloading conditions are favorable to expedited handling, and that the route of operation is through a noncongested area permitting "perfect operation". He estimates that the proposed rates will permit net earnings ranging from 1.33 cents to 1.93 cents per trip. Petitioner states it to be his opinion that in the event the proposed rates are not authorized the traffic will be diverted to proprietary transportation.

Engineers of the Commission transportation staff have examined petitioner's financial and operating records and made observations of the actual conditions of loading, transporting and unloading. Their study confirms the allegations of the petition regarding running time, standing time, and route conditions. The staff engineers agree that extremely good operating conditions are evident, with no traffic problems or excessive

delays. From their analysis of petitioner's own records the engineers estimate that the proposed rates will permit the development of operating ratios ranging from 76 percent to 94 percent, before provision for income taxes, varying with the points of origin and destination and with the quantity of crude oil transported in the vehicles.

This is a proceeding in which public hearing is unnecessary and would serve no useful purpose. No protests have been filed to the granting of the sought authority. It is clear that the level of rates desired to be established by the carrier will be sufficient to return all of the costs of operation and to permit reasonable earnings. It does not appear that the establishment of the sought rates will adversely affect any other for-hire carrier or any shipper or receiver, nor does it appear that publication of such rates by petitioner will have any general effect upon the existing minimum rates.

Petitioner will be authorized to establish reduced rates as proposed, converted however to the recognized form of cents per 100 pounds. No necessity appears for departing from this established form. Because conditions may change at any time, the authority herein granted will be limited to a period of one year, subject to extension as circumstances may require.

O R D E R

Upon careful consideration of the facts and circumstances of record,

IT IS HEREBY ORDERED that Richard Burum Snow, an individual operating as a petroleum irregular route carrier, be and he is hereby authorized to establish rates for the transportation of petroleum crude oil between the points herein involved which are lower than the rates heretofore established by this Commission as minimum, but not lower than the following:

From LeRoy Lease To

Carr Station - 3.85 cents per 100 pounds

Battles Station - 4-1/4 cents per 100 pounds

IT IS HEREBY FURTHER ORDERED that such rates lower than the minimum rates shall be published to expire with October 15, 1954, unless sooner cancelled, changed or extended upon authority of this Commission.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall expire unless exercised within sixty days after the effective date of this order.

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

Dated at San Francisco, California, this 29th day of September, 1953.

[Signature]  
President  
[Signature]  
[Signature]  
[Signature]

Commissioners