

ORIGINALDecision No. 50161

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 J. & G. Oil Well Service, a corporation,)
 for a certificate of public convenience)
 and necessity as a petroleum irregular)
 route carrier to operate a vacuum tank) Application No. 35277
 truck service within a radius of 90)
 miles from base of operations, with)
 emergency service to all areas in the)
 State of California being developed or)
 explored for oil.)

Nordman and Berensen, by Ben E. Nordman, for applicant.
 Glanz & Russell, by Theodore W. Russell, for System
 Tank Lines, Inc., Asbury Transportation Co., Cantlay
 & Tanzola, Inc., Ventura Truck & Transfer Co., and
Paul L. Tibbets for Routh Transportation Co.,
 interested parties.
C. S. Abernathy, Senior Transportation Rate Expert,
 Public Utilities Commission, for the Commission's
 staff.

O P I N I O N

Applicant is a California corporation. It seeks authority to serve as a petroleum irregular route carrier as defined in Section 214 of the Public Utilities Code for the transportation of petroleum products, consisting of drilling fluids, oils for drilling purposes, and road oil, within a radius of ninety miles from the City of Ventura, California, with emergency service to all areas in the State of California being developed or explored for oil. It now renders, and since 1945 has rendered, the proposed service pursuant to a petroleum contract carrier permit and a radial highway common carrier permit issued by this Commission. It has, and will use if

certificated, the following equipment:

- (a) Three 40-barrel capacity vacuum tank trucks with mechanical pumps and spreader bars.
- (b) Four 50-barrel capacity vacuum tank trucks with mechanical pumps and spreader bars.

A public hearing was held in Oxnard on May 25, 1954 before Examiner Rogers, evidence was presented, and the matter was submitted. It is ready for decision.

Several petroleum irregular route carriers and a Commission rate expert appeared at the hearing. The parties stipulated as follows:

(1) Applicant's operations will be limited to the distribution of petroleum and petroleum products in vacuum type tank trucks and trailers only and in connection with and incidental to drilling, maintenance or reconditioning of oil wells or repair of pipe line breaks.

(2) Service will be rendered only between points and places in Ventura and Santa Barbara Counties within a radius of ninety airline miles of the city limits of the City of Ventura, including the City of Ventura, and including points and places in Los Angeles County within ten airline miles from the easterly and southerly borders of Ventura County.

(3) Applicant's rates will conform to the requirements of the Local Vacuum and Pump Tank Truck Tariff No. 7, Cal. P.U.C. No. 16, of Southwestern Motor Tariff Bureau, J. L. Beeler, Agent.

Applicant's president stated that if the applicant receives the authority outlined in the foregoing stipulation, its petroleum contract carrier's permit may be cancelled.

Applicant's witness testified that it operates nothing

but vacuum trucks and that it proposes an "on-call" service, that it does not and will not operate over regular routes, that only a small fraction of its transportation is on the public highway, and that the majority of the trips never traverse the public highway.

Applicant's witness further testified that several of the major oil companies in Ventura County use, and will continue to use, its service as proposed, and that there are no certificated petroleum irregular route carriers operating in the area proposed to be served.

Upon the evidence of record herein, we find that public convenience and necessity require that applicant establish and operate a service as a petroleum irregular route carrier to the extent set forth in the ensuing order.

J. & G. Oil Well Service, a corporation, is hereby placed upon notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate-fixing, for any amount of money in excess of that originally paid to the state as the consideration for the grant of such rights. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business. This monopoly feature may be changed or destroyed at any time by the state, which is not, in any respect, limited to the number of rights which may be given.

O R D E R

Application having been made, the Commission being fully advised and having found 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 J. & G. Oil Well Service, a corporation, authorizing the establishment and operation of a service as a petroleum irregular route carrier, as defined in Section 214 of the Public Utilities Code, for the transportation of petroleum and petroleum products in vacuum-type tank trucks and tank trailers only, and in connection with and incidental to drilling, maintenance or reconditioning of oil wells, or repair of pipeline breaks, between all points and places in Ventura and Santa Barbara Counties within a radius of 90 air-line miles of the city limits of the City of Ventura, including the City of Ventura, and including points and places in Los Angeles County within 10 air-line miles from the easterly or southerly borders of Ventura County.

(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 not to exceed thirty days from the effective date hereof.
- (b) Within sixty days after the effective date hereof and on not less than five days' notice to the Commission and the public, applicant shall establish the service herein authorized and file in triplicate, and concurrently make effective, tariffs containing rates and charges conforming to those set forth in Local Vacuum and Pump Tank Truck Tariff No. 7, Cal. P.U.C. No. 16, of Southwestern Motor Tariff Bureau, J. L. Beeler, Agent, and otherwise satisfactory to the Commission.

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(3) That on the date the common carrier service is instituted the petroleum contract carrier's permit of J. & G. Oil Well Service shall be canceled.

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

Dated at San Francisco, California, this 18 day of June, 1954.

Richard E. Mitchell
President

Samuel Patten

Deane Roggins

Commissioners

Justus F. Craemer
Commissioner
necessarily absent, did not participate
in the disposition of this proceeding.