

A. 32585-JC
(5th & 6th Supp.)

ORIGINAL

Decision No. 54589

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
John W. Doudell for authority to charge)
less than minimum rates as established)
by Decision 36208, Cases 4246 and 4434,) Application No. 32585
as amended, for the transportation of) (Fifth and Sixth
petroleum and petroleum products within) Supplementals)
the State of California.)

SUPPLEMENTAL OPINION AND ORDER

Doudell Trucking Company, a corporation, operates as a common carrier of bulk petroleum and petroleum products. By prior orders in this proceeding, John W. Doudell, an individual, was authorized to publish rates lower than the established minimum rates for the transportation of crude oil and distillate fuel oil between oil wells in the Zaca Oil Field situated six miles from Zaca, on the one hand, and Gaviota, Santa Maria and points within a radius of seven and one-half miles from Santa Maria, on the other hand. He was authorized to assess rates of 14.7 and 17.2 cents per 42-gallon barrel for the transportation. By Decision No. 53717 of September 4, 1956, an interim order was issued in Fifth Supplemental Application No. 32585 authorizing Doudell Trucking Company, a corporation, successor to John W. Doudell, to increase the rates to 16.1 and 18.6 cents per 42-gallon barrel, respectively, but limited to a six-month period pending resolution of the question of whether the rates authorized therein should be established in the minimum rate tariffs. The authority is scheduled to expire March 3, 1957.

By Sixth Supplemental Application No. 32585, Doudell Trucking Company, a corporation, seeks extension of the previous authority for a further six-month period and to continue to depart from the long-and-short-haul provisions. Applicant states that the rates now in effect have proven profitable for the transportation

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and it is believed they will be profitable for the ensuing period. Applicant alleges, however, that increases in costs are anticipated within the six months, and that the nature and extent of them will be known within that time. A cost study submitted with the sixth supplemental application shows that the transportation is profitable at the present rates. The Commission's staff has reviewed the study and recommends granting the application.

Minimum rates established by this Commission may not exceed the current rates of common carriers by land (Public Utilities Code, Sec. 3663). Accordingly, the rates authorized for and published by the applicant herein become the minimum rates for all carriers. There is now in issue in another proceeding the question whether, or under what circumstances, the type of rates herein proposed should be established in the minimum rate tariffs.¹ The proposed extension in the sixth supplemental application will be authorized pending the resolution of this question.

In the circumstances it appears, and the Commission finds, that the proposed rates are reasonable and justified by transportation conditions. This is a matter in which a public hearing is not necessary. The sixth supplemental application will be granted. In view of the expiration date of the present authority the order will be made effective March 3, 1957, and applicant will be authorized to make the necessary tariff publication on two days' notice.

Therefore, good cause appearing,

IT IS HEREBY ORDERED that Doudell Trucking Company, a corporation, be and it is hereby authorized to publish and file, and to make effective on not less than two days' notice to the Commission and to the public, the following rates, to expire September 3, 1957, for the transportation of the specified

¹ Case No. 5438 (Pet. No. 12) - George C. Smith, Jr., doing business as Smith Transportation Co.

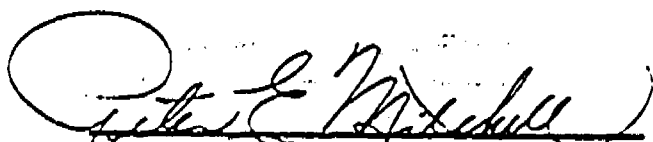
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commodities in bulk in tank truck equipment: (1) a rate of 18.6 cents per 42-gallon barrel on crude oil from oil wells in the Zaca Oil Field, situated six miles northeast of Zaca, to Gaviota; (2) a rate of 16.1 cents per 42-gallon barrel on distillate fuel oil from Gaviota to the aforesaid wells; and (3) a rate of 18.6 cents per 42-gallon barrel on distillate fuel oil from Santa Maria and points within a radius of seven and one-half miles of the intersection of Stowell Road and Broadway Street, Santa Maria, to wells in the aforesaid Zaca Oil Field.

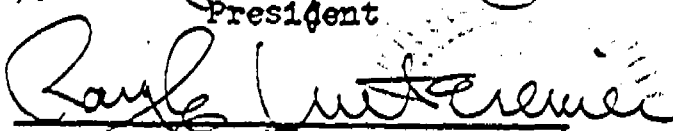
IT IS HEREBY FURTHER ORDERED that applicant be and it is authorized to depart from the provisions of Section 460 of the Public Utilities Code to the extent necessary to exercise the authority herein granted.

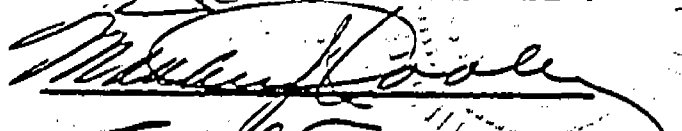
This order shall become effective March 3, 1957.

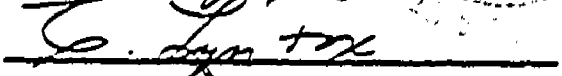
Dated at San Francisco, California, this 25th day of February, 1957.



President







Commissioners