

Decision No. 55509**ORIGINAL**

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) (Seventh Supplemental)
 petroleum and petroleum products within)
 the State of California.)

SUPPLEMENTAL OPINION AND ORDER

Doudell Trucking Company, a corporation, operates as a highway common carrier of bulk petroleum and petroleum products. Prior orders in this proceeding authorized it and its predecessor, John W. Doudell, an individual, 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. It was authorized to assess rates of 16.1 and 18.6 cents per 42-gallon barrel for the transportation. The authority is scheduled to expire September 3, 1957. By this supplemental application, authority is sought to continue to publish less than the minimum rates and depart from the long-and-short-haul provisions for a further one-year period but to increase the rates to 16.8 and 19.3 cents per 42-gallon barrel, respectively.

In its Sixth Supplemental Application, Doudell Trucking Company requested only a six-month extension of the previous authorities because it alleged that increases in costs were anticipated within the six months. That request was granted by Decision No. 54569 dated February 25, 1957. By this Seventh Supplemental Application, applicant states that the anticipated increased costs have materialized and that the increased rates are necessary to

offset the increased costs. It further states that the justifications which warranted the previous authorities still exist. A cost study submitted with this supplemental application shows that the transportation will be profitable at the proposed increased rates. The Transportation Division staff has reviewed the cost study and recommends that the supplemental application be granted.

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 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 supplemental application will be granted. In view of the expiration date of the present authority the order will be made effective immediately and applicant will be authorized to make the necessary tariff publication on one day's 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 one day's notice to the Commission and to the public, the following rates, to expire September 3, 1958,


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

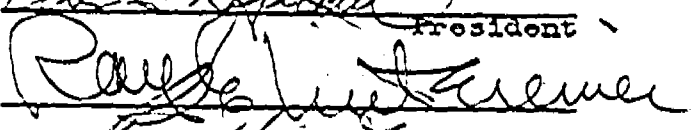
for the transportation of the specified commodities in bulk in tank truck equipment: (1) a rate of 19.3 cents per 42-gallon barrel on crude oil from oil wells in the Zaca Oil Field, situated six miles northeast of Zaca, to Gaviota; (2) a rate of 16.8 cents per 42-gallon barrel on distillate fuel oil from Gaviota to the aforesaid wells; and (3) a rate of 19.3 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.

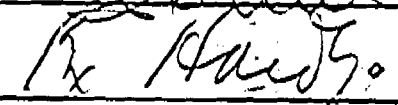
IT IS HEREBY FURTHER ORDERED that applicant be and it is hereby authorized to depart from the provisions of Section 460 of the Public Utilities Code to the extent necessary to exercise the authority herein granted.

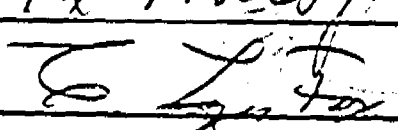
This order shall become effective on the date hereof.

Dated at San Francisco, California, this 3rd day of September, 1957.



President






Commissioners