

ORIGINAL

Decision No. 52521

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of J. P. HAYNES, AGENT, for)	} Application No. 40467
Authority to reduce certain rates in)	
PSFB Tariff No. 252-D to meet pipeline)	
competition.)	

OPINION AND ORDER

By the above application, J. P. Haynes, Agent, on behalf of the Western Pacific Railroad Company, seeks authority to publish, on less than statutory notice, reduced rates on petroleum products from the San Francisco Bay area and Sacramento to Doyle, Herlong, Loyalton, Portola and Blairsden, California. Authority is also sought to depart from the long-and-short-haul provisions of the Constitution of the State of California and of the Public Utilities Code to the extent necessary to establish the reduced rates.

The application states that by Decision No. 56343 of March 11, 1958, in Application No. 39622, applicant was authorized to publish reduced rates to meet the competition created by pipeline transportation from the San Francisco Bay area to Sparks, Nevada, plus tank truck transportation from Sparks, Nevada, to the destinations involved. The application states that, since the establishment of the rates authorized by Decision No. 56343, supra, Southern Pacific Pipe Lines, Inc., has reduced its pipeline charges in connection with shipments of petroleum products from the San Francisco Bay area to Sparks, Nevada, and has reduced its charges covering handling through its Sparks, Nevada, terminal, such reductions amounting to 6 cents per barrel for transportation charges and 5 cents per barrel in connection with the Sparks terminal handling charges.

Applicant alleges that the competition is in existence and that if the Western Pacific Railroad Company is to maintain its

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participation in the traffic involved, its rates must be reduced to the level proposed; that to interstate destinations reduced competitive rates are being published and that subject to securing the necessary authority from this Commission it is proposed to publish the rates set forth in Paragraph IV of the application. It is proposed to have the reduced rates apply to the points named only, in order to preserve revenues now being received from intermediate rates not affected by the competitive situation.

The application shows that on or about September 29, 1958, a copy of the application was served on interested carriers and shippers. No objection to its being granted has been received. A public hearing is not necessary.

It appears and the Commission hereby finds that the proposed reduced rates are justified by transportation conditions. The application will be granted. By Decision No. 32608, dated December 5, 1939, in Cases Nos. 4246 and 4434, minimum rates for the transportation of refined petroleum products in tank cars by railroad common carriers were established. Certain of applicant's proposed rates are less than those minimum rates. Applicant will accordingly be authorized to deviate from the minimum rates to the extent necessary to establish the proposed rates.

Therefore, good cause appearing,

IT IS ORDERED:

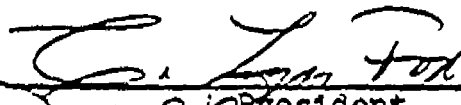
(1) That J. P. Haynes, Agent, on behalf of the Western Pacific Railroad Company, is hereby authorized to publish and file, on not less than five days' notice to the Commission and the public, the reduced rates proposed in Application No. 40467 and to depart from the long-and-short-haul provisions of Article XII, Section 21, of the Constitution of the State of California and Section 460 of the Public Utilities Code to the extent necessary to establish the above authorized rates as nonintermediate in application.

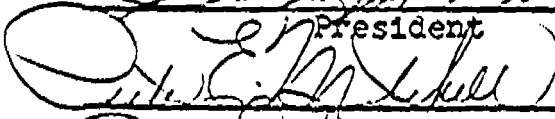
(2) That the applicant is hereby authorized to deviate from the minimum rates established in Appendix "A" of Decision No. 32608, in Cases Nos. 4246 and 4434, to the extent necessary to establish the above rates.

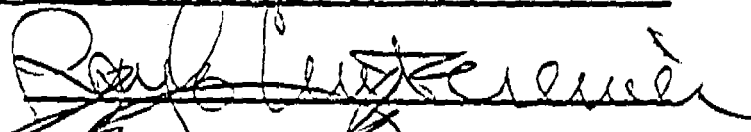
(3) That the authority herein granted shall expire unless exercised within ninety days after the effective date of this order.


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

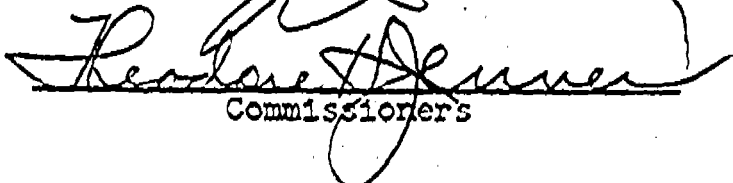
Dated at San Francisco, California, this 28th day of October, 1958.



President








Commissioners