

Decision No. 60541

ORIGINAL

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 Minimum Rate Tariff)
No. 6).

Case No. 5436
Petition for Modification
No. 35

OPINION AND ORDER

Tankways, a corporation, operates as a highway common carrier and petroleum irregular route carrier engaged in the transportation of petroleum and petroleum products, in bulk, in tank truck equipment between all points in California. Decision No. 58862, dated August 11, 1959, in Case No. 5436 (Petition for Modification No. 26), authorized petitioner 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 northeast of Zaca, on the one hand, and Gaviota, Santa Maria and points within a radius of seven and one-half miles of Santa Maria, on the other hand. The presently authorized rates are 20 and 17½ cents per 42-gallon barrel, respectively. The published rates are scheduled to expire September 3, 1960.

By this petition, filed July 14, 1960, authority is sought to continue to publish rates which are lower than the established minimum rates, retaining the 17½-cent rate but increasing the current 20-cent rate to 20½ cents per 42-gallon barrel; also to depart from the long-and-short-haul provisions of the Constitution of the State of California and of the Public Utilities Code for a further one-year period.

The verified petition indicates that increased labor costs, which occurred earlier in 1960, will be offset by the increase in the 20-cent rate to 20½ cents as shown in Exhibit "A" attached thereto; that no further increases of any materiality are foreseeable; and that the operating results under the proposed rates should prove satisfactory during the ensuing year.

Petitioner states that the revenue derived from the transportation service involved herein constitutes a substantial portion of its gross; that without this revenue it would be financially impaired; and that the shipper, Tidewater Associated Oil Company, will provide its own equipment for this transportation unless the authority sought is granted. Petitioner further states that all of the favorable transportation conditions heretofore of record in the prior proceedings still exist, including the 24-hour per day availability of loading and unloading facilities.

The Transportation Division staff has reviewed the verified petition and has recommended that it be granted.

In the circumstances, it appears, and the Commission finds, that the proposed rates are reasonable and justified by transportation conditions. A public hearing is not necessary. The petition will be granted.

Therefore, good cause appearing,

IT IS ORDERED:


(1) That Tankways, a corporation, is hereby authorized to publish and file, and to make effective on not less than five days' notice to the Commission and to the public, the following rates for the transportation of the specified commodities, in bulk, in tank truck equipment: (a) a rate of 20½ cents per 42-gallon barrel on crude oil from oil wells in the Zaca Oil Field, situated six miles northeast of Zaca, to Gaviota; (b) a rate of 17½ cents per 42-gallon barrel on distillate fuel oil from Gaviota to the aforesaid wells;


and (c) a rate of 20½ 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. The rates authorized herein shall expire with September 3, 1961.

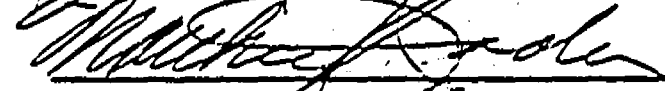
(2) That applicant is hereby authorized to depart from the long-and-short-haul provisions of Section 460 of the Public Utilities Code; and Article XII, Section 21 of the Constitution of the State of California, to the extent necessary to exercise the authority granted herein.

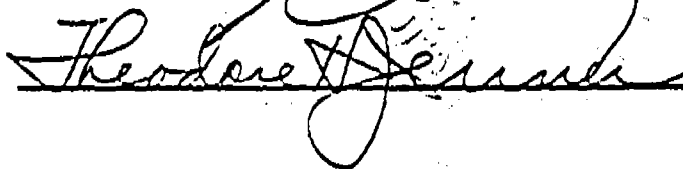
This order shall become effective twenty days after the date hereof.

Dated at San Francisco, California, this 9th day of August, 1960.



President






Commissioners