Decision No. 61462

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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. 37)

A. D. Poe, J. C. Kaspar and J. X. Quintrall, for
California Trucking Associations, Inc.; petitioner.
Lloyd R. Guerra, G. C. Sears, Cleo Evans, Fred G.
Bonner, William J. Collinge, A. J. Eyraud, by
William H. Adams, Edwin S. Acker, Phil Jacobson,
F. M. Walmsley, A. V. Friis-Hanson, Robert
Hutcherson, Edwin K. Davis, W. J. Willis, C. Jerry
Lamb, Wm. Giacomazzi, Jr., and Fred Zeebuyth; for
various carriers; respondents.
Keith M. Brown, E. C. Hurley, Richard Canham,
Robert J. Sullivan, C. R. Hand, Robert N. Creek,
A. E. Patton, Edward M. Berol, W. J. Knoell,
David W. Jones, and Dale Finley, for various
shippers and organizations; interested parties.
M. J. Gagnon and E. M. Jennings, for the Commission
staff.

OPINION

Minimum Rate Tariff No. 6 names minimum rates, rules and regulations for the transportation of petroleum and petroleum products in bulk in tank vehicles by for-hire highway carriers. By this petition, filed October 10, 1960, the California Trucking Associations, Inc., seeks the establishment of state-wide volume tender provisions for the transportation of gasoline and petroleum fuel oil distillate.

Public hearing was held before Examiner William E. Turpen on December 8, 1960, at San Francisco. Evidence was presented by petitioner's director of research. Members of the Commission's staff assisted in developing the record.

Petitioner's proposal is an attempt to secure to the for-hire carriers some of the business of transporting gasoline to service stations. Most of this transportation is now performed by

proprietary facilities. The proposed item will provide for exclusive use of the vehicle for a designated time and will allow transportation from any origin points located within 75 miles of the first point of origin and deliveries to any points within 150 miles of such first point. Three bases of charges are provided depending on the period of time the shipper contracts for the use of the equipment. The basic charge per unit of equipment is as follows for the specified periods: per 24 consecutive hours, \$20; per 7 consecutive days, \$130; per 30 consecutive days, \$550. To these basic charges the item provides that there will be added \$4.25 per hour and 20 cents per mile. Provision is also made for use of the equipment in excess of the period requested in order to complete delivery.

Petitioner's director of research presented a study he had made of the estimated cost of providing this service. The study showed the costs to be just slightly less than the proposed rates and charges. The witness admitted that many of the factors he used in preparing his study were based on present proprietary operations or estimated due to lack of experience in this type of service by for-hire carriers. He stated, however, that he believes that if the proposal is adopted the carriers will be able to achieve the operating results indicated in his study. In view of the fact that the proposal is somewhat experimental in nature, the witness requested that, if adopted, the new item be made to expire after six months. This, he said, would give the carriers an opportunity to determine if the expected results can be achieved and if any revisions in the item should be made.

The witness pointed out a basis of assessing volume tender rates applicable in the metropolitan areas of San Francisco and Los Angeles is now contained in Minimum Rate Tariff No. 6 (Item No. 250). In Decision No. 55964, dated December 16, 1957, which established these rates, we made the following comment on the proposal to establish the volume tender rates:

"The transportation service with which this proposal deals is one of substantial volume. Inasmuch as the transportation is being performed predominantly by proprietary facilities, it appears that petitioner justifiably alleges that the minimum rates which now apply are not reasonably suited thereto. It is clear that in seeking the establishment of the rates which are proposed, petitioner is advocating a basis of rates which, as a matter of business judgment, it believes will enable for-hire carriers to participate in the traffic to a much greater extent than they have in the past and which will prove profitable in actual operations."

It is apparent that the above comments are equally applicable to the instant proposal. Petitioner should be given an opportunity to attempt to secure this added business. In view of the circumstances, the request for a six-month trial period appears reasonable.

Upon careful consideration of all of the facts and circumstances of record, the Commission is of the opinion and finds that petitioner's proposed amendments to Minimum Rate Tariff No. 6 have been shown to be reasonable and justified and will result in just, reasonable and nondiscriminatory minimum rates and charges for the transportation involved. Petitioner's proposal will be adopted. Petitioner also requests that common carriers be authorized to depart from the long- and short-haul provisions of the State Constitution and of the Public Utilities Code to the extent necessary in publishing the new rates herein established. This request will also be granted.

ORDER

Based upon the evidence of record and upon the findings and conclusions set forth in the preceding opinion,

IT IS ORDERED:

1. That Minimum Rate Tariff No. 6 (Appendix C of Decision No. 32608, as amended), be and it is hereby further amended by incorporating therein, to become effective March 25, 1961, Fifth Revised Page 17, Fourth Revised Page 18 and Original Page 20-B, which original and revised pages are attached hereto and by this reference are made a part hereof.

- 2. That tariff publications authorized to be made by common carriers as a result of the order herein may be filed not earlier than the effective date hereof, and may be made effective on not less than five days' notice to the Commission and to the public if filed not later than sixty days after the effective date of the minimum rate tariff pages incorporated in this order.
- 3. That common carriers, in establishing the rates hereinabove authorized, be and they are hereby authorized to depart from the 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; and that schedules containing the provisions so established shall make reference to this order.
- 4. That in all other respects, said Decision No. 32608, as amended, shall remain in full force and effect.

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

	Dated	at	San Francisco	, California, this 7 th
day of _		FEBRUARY	, 1961.	
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Commissioners

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MINIMUM RATE TARIFF NO. 6

No. SECTION NO. 2 - RATES (Continued)

VEHICLE UNIT VOLUME TENDER RATES

The rates in this item will apply for the transportation of Gasoline (other than Blended Gasoline as described in Item No. 30, Casinghead Gasoline or Natural Gasoline) and/or Petroleum Fuel Oil Distillate as described in Item No. 30, from any origin points located within 75 miles of first point of origin, to points of destination located within 150 miles of the first point of origin, when performed subject to, and in accordance with the provisions of Notes 1 through 9.

The provisions of this item apply only when prior to the transportation of the property the shipper has requested in writing that the transportation be performed under the provisions of this item and when the rate per unit of carrier's equipment is prepaid. (For form of agreement, see Item No. 285)

RATES

(Vehicle Unit Rates)

Per 2h Per 7 Consecu- Consecu-Consecutive tive tive Hours Days Days The basic charge per equipment unit shall be.... \$20.00 \$130.00 \$550.00 Plus an additional charge per hour or fraction thereof ... (1) 4.25 (1) 4.25 (1) 4.25 Plus an additional charge per -20 -20 .20 mile of

(1) Subject to a minimum charge based on 20 hours for each day that a driver or drivers are assigned to operate the vehicle.

Note 1.-(a) Each engagement shall commence at time of arrival of carriers equipment at point of origin and shall terminate at the expiration of the calendar period requested in advance by the shipper or when released by the shipper within the requested calendar period, provided that the engagement shall not be deemed to be terminated until carrier's equipment is returned or charges are paid for return of carrier's equipment to the point of origin of the shipment.

(b) Charges for time used in excess of the calendar period requested shall be computed as follows, (1) At the rate of \$5.25 per hour or fraction thereof plus 20 cents per mile until delivery of the product is completed, (2) At the rate of 37 cents per mile for return of equipment from the point of final delivery to the point of origin of the shipment. Said charge based on actual mileage shall apply whether or not carrier's equipment is physically returned to point of origin of the shipment. Note 2.-Each unit of equipment shall be made available to the shipper for the full calendar period requested less only that time necessary for the fueling and servicing of the equipment. Note 3.-As used in this item "unit of carrier's equipment" means any power unit, tank trailer or tank semi-trailer (other than pressurized), or any combination of such highway vehicles operated together as a single unit. It also includes any of such vehicles used in the replacement of the unit of carrier's equipment, or a portion thereof, which has become inoperable while engaged in transportation under this item. Note 4.-Mileages applicable in connection with this item shall be actual mileages. Actual mileage shall not include mileage that equipment operates to and from carrier's terminal for any purpose. Note 5.-When transportation is performed under the provisions of this item, the following rules will not apply: Item No. 40 through 46 inclusive - Territorial Groups; Item No. 80 - Minimum Charge; Item No. 87 - Split Delivery; Item No.100 - Pumping Item No.130 - Shipments Diverted, Returned or Stopped in Transit for Partial Loading or Unloading; Item No.140 - Demurrage or Detention Charges; Item No.150 - Issuance of Shipping Documents; Item No.175 - Allowance for Delivery after Hours. Note 6.-All required tolls, ferry, special permits and weighmaster fees shall be in addition to the above-named rates and charges. Note 7.-A shipping document shall be issued by the carrier to the shipper for each engagement for transportation. The form of shipping document in Item No. 335 will be suitable and proper. A copy of each shipping document shall be retained and preserved by the issuing carrier for a period of not less than three years from the date of issuance. Note 8.-The charge for collecting and remitting amounts collected on C.O.D. shipments transported under the provisions of this item shall be \$2.40 per collection. Note 9.-In the event that other volume tender provisions are available for the use of the same service contemplated, the shipper must elect in advance as to which type of service is to be utilized. S1452 Addition, Decision No. (E) Expires with September 25, 1961. EFFECTIVE MARCH 25, 1961 Issued by the Public Utilities Commission of the State of California, San Francisco, California. Correction No. 207 -17-

No.	SECTION NO. 2 - RATES (Concluded)
	WRITTEN AGREEMENT
	Prior to the transportation of Gasoline (other than Blended Gasoline as described in Item No. 30, Casinghead Gasoline or Natural Gasoline) and/or Petroleum Fuel Oil Distillate as described in Item No. 30, under the provisions of Item No. 280, the shipper must enter into a written agreement with the carrier. The agreement should contain the following information: (1) Name and address of carrier. (2) Name and address of shipper. (3) Date of engagement. (4) Calendar period of agreement. (5) Rates and other charges agreed upon. (6) Size and type of equipment to be used. (7) The agreement shall be in substantially the following form.
(E)	Date
#285	Tariff No. 6, I hereby request to have Gasoline (other than Blended Gasoline as described in Item No. 30, Casinghead Gasoline or Natural Gasoline) and/or Petroleum Fuel Oil Distillate as described in Item No. 30, transported by (Name of Carrier) under the rates, charges and provisions of Item No. 280 of said tariff, subject to the following terms: Date of engagement Calendar period of agreement Capacity of unit of equipment Identification of equipment Charge per unit of equipment for calendar period Additional charge per hour Additional charge per hour Excess charge per hour Excess charge per hour Excess charge per mile Charge for additional service Shipper (Name in full) Address Confirmed: Carrier By (Name in full) Address
# (E)	Addition, Decision No. S1452 Expires with September 25, 1961.
) + •	EFFECTIVE MARCH 25, 1961
Issu	ned by the Public Utilities Commission of the State of California, San Francisco, California.
Correct	tion No. 208

Correction No. 209

San Francisco, California.

SECTION NO.	4 - FORMS OF DOCUMENTS
(E)	#Item No. 335
FREIGHT BILL FOR VEHICLE UN	IT RATES FOR TRANSPORTATION OF
	ded Gasoline as described in
• • • • • • • • • • • • • • • • • • •	asoline or Natural Casoline)
•	DISTRILATE AS DESCRIBED IN
II	EM NO. 30
Name of Carrier	Bill No.
	arrior Must Be
•	
Same as Sa	own on Permit No
Name of Shipper	
A	
Street Address	City
Date of Danie and L	
Date of Agreement	Calendar Period of Engagement
Unit(s) of Equipment Used	Capacity
	dentify) (Gallons)
	(ocazons)
Time Engagement Commanced (1)	
Time Engagement Expired (2)	
Total Time	
Less Deductions (See Note 2, It	
Less Deductions (See Note 2, 17	em No. 280/
Net Time	
Charges:	Rate Charge
No. Units of Equipment Us	
The sum of the sum of	~~
No. Hours	
Excess Hours	
- 37.1.1	
Additional Charges (3)	<u> </u>
Total Charges	
(1) Time equipment arrives at a	First point of origin.
(2) Time equipment returns to	
(3) Show each charge separately	
	and what it represents.
Certification of Data:	
Shipper	Carrier
Ву	
<u> </u>	
# Addition, Decision No.	61462
(E) Expires with September 2	5. 1961.
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	EFFECTIVE WARCH 25, 1961
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