

ORIGINAL

Decision No. 63723

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. 54
(Filed April 25, 1962)

OPINION AND ORDER

Acme Transportation, Inc., operates as a highway common carrier of petroleum products. By Decision No. 61783, as amended by Decisions Nos. 62567 and 63380, issued in Case No. 5436, it was authorized to establish rates less than the established minimum for the transportation of residual fuel oil between certain California points.¹ The rates are published to expire with June 30, 1962.

Petitioner now seeks authority to extend the rates to February 1, 1963, to increase the currently authorized additional charge from \$.50 to \$.75 per hour or fraction thereof and to make the tariff changes effective on five days' notice to the Commission and to the public.

The currently authorized rates are similar to those established in Minimum Rate Tariff No. 6 for the transportation of gasoline and petroleum fuel oil distillate which are scheduled to expire with June 30, 1962.

Petitioner alleges that, except for increased wage rates which become effective as of July 1, 1962, the conditions which justified the current authority still exist; that this traffic is

¹ The authorized rates are vehicle unit volume tender rates applicable from San Leandro, Oakland, Richmond, Crockett, Martinez and related points to Sugarfield and Manteca.

very important to petitioner; that the availability of such traffic at the proposed rates is dependent upon the continuance of the current authority; and that based upon a study of the costs and its experience in the performance of this transportation, it is satisfied that the rates as proposed are and will be compensatory for the entire proposed period during which they will be effective. A cost study submitted by petitioner indicates revenues and costs on a weekly basis to be \$1,827 and \$1,731, respectively, for one truck and trailer unit. Petitioner avers that the study is based on the actual experience of five weekly tenders performed in 1962 which are typical of the entire movement of the traffic herein involved.

Petitioner states that the residual fuel oil herein involved is used to generate energy for the processing of beets; that the harvesting and processing of sugar beets commences prior to the expiration of the current authority; that if the currently authorized rates are terminated the shipper would find it uneconomical to continue to use residual fuel oil as a source of energy and therefore would be required to alter its plant so as to permit the use of energy derived from another source. According to the petition, such a conversion would require approximately two weeks and a delay of two weeks during the harvesting and processing season would be detrimental because the sugar content of beets commences to deteriorate from the moment they are taken from the soil and deterioration progressively continues until the beets are processed. This situation allegedly requires the continued availability of the rates proposed herein during the entire processing season.

The petition shows that a copy thereof was served on interested parties on or about April 25, 1962. No objection to the granting of the petition has been received.

In the circumstances, it appears, and the Commission finds, that continuation of the current authority with the proposed modification and an expiration date of February 1, 1963, as requested,

is reasonable and justified by transportation conditions. A public hearing is not necessary. The petition will be granted.

Good cause appearing,

IT IS ORDERED that:

1. Acme Transportation, Inc., a corporation, is authorized to continue in effect to expire with February 1, 1963; the rates, rules and regulations in Item 620 of Western Motor Tariff Bureau, Inc., Agent, Local Freight and Express Tariff No. 3-D, Cal.P.U.C. No. 25, applicable to the transportation of residual fuel oil from points located in Group 2 as described in Minimum Rate Tariff No. 6 to Sugarfield and Manteca, except that the additional charge per hour or fraction thereof may be increased to \$4.75.

2. The tariff publications authorized to be made as a result of the order herein may be made effective not earlier than ten days after the effective date hereof on not less than ten days' notice to the Commission and to the public.

3. Acme Transportation, Inc., a corporation, 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 22nd day of May, 1962.

Garrett B. [Signature]
 President

[Signature]

[Signature]

George J. [Signature]

[Signature]
 Commissioners