

Decision No. 87634 JUL 19 1977

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investiga- )  
 tion for the purpose of consid- )  
 ering and determining minimum )  
 rates for transportation of )  
 petroleum and petroleum products )  
 in bulk, in tank truck equipment )  
 statewide as provided in Minimum )  
 Rate Tariff 6-B and the revi- )  
 sions or reissues thereof. )

Case No. 5436  
 Petition for Modification  
 No. 245  
 (Filed April 19, 1977)

OPINION AND ORDER

Jack Burtch Company, a corporation, operates as a petroleum irregular route carrier. By this petition, it seeks authority to publish rates which are less than the Commission's established minimum rates for the transportation of residual fuel oil in tank truck equipment from Bakersfield Extended Area, Kern River (northeast of Bakersfield) and Anchor Field to North Midway Field and from Anchor Field to South Midway Field.<sup>1</sup>

Petitioner anticipates that the movement in question will involve ten loads per day from the Bakersfield-Kern area and 7 loads per day from Anchor Field. Petitioner states that loading and unloading at Bakersfield and Anchor Field will be available on a twenty-four-hour-day, seven-day-per-week basis and efficient loading and unloading conditions exist at all origins. Petitioner avers that the movement will be from origin points to destination points only and transportation between such points is not subject to adverse weather conditions or delays.

Petitioner alleges that, upon completion of delivery and release of its equipment at the involved destination points, it will be able to obtain full utilization of said equipment by transporting other shipments from North Midway and South Midway and intermediate points to Bakersfield. Petitioner asserts that the proposed rates are predicated on a minimum volume of 45,000 barrels per month from the Bakersfield-Kern River origins and 15,000

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<sup>1</sup> Petitioner's rates are set forth in Western Motor Tariff Bureau, Inc., Agent, Local and Joint Freight and Express Tariff No. 18, Cal. P.U.C. No. 24.

barrels per month from the Anchor Field origins. Petitioner declares that the residual fuel oil is required for the operation of the steam generators in thermal recovery which process increases crude oil output at North Midway Field and South Midway Field. Petitioner contends that its proposal will have a desirable effect on the environment by enabling more efficient use of its equipment, conserving fuel and reducing the return movement of empty highway carrier equipment.

Revenue and expense data submitted by petitioner are sufficient to determine that the transportation involved may reasonably be expected to be profitable under the proposed rates.

The petition was listed on the Commission's Daily Calendar of April 20, 1977. No objection to the granting of the petition has been received.

In the circumstances, the Commission finds that:

1. Excellent loading and unloading conditions exist at all origin and destination points.
2. Loading and unloading facilities will be available on a twenty-four-hour-day, seven-day-per-week basis at Bakersfield and Anchor Field.
3. Transportation between the points in question is not subject to adverse weather conditions.
4. Ten loads per day will be tendered at the Bakersfield Kern River area and seven loads per day will be tendered at Anchor Field.
5. The proposed rates are predicated on a minimum volume of 45,000 barrels per month from the Bakersfield Kern River origins and 15,000 barrels per month from the Anchor Field origins.
6. Petitioner will obtain better utilization of its equipment as it will transport other shipments on the return movement from North Midway and South Midway and intermediate points to Bakersfield.
7. The residual fuel oil to be transported is required for the operation of the steam generators in thermal recovery at North Midway Field and South Midway Field.

8. The involved thermal recovery operation increases the crude oil output at North Midway Field and South Midway Field.

9. Petitioner's proposal will have a desirable effect on the environment by enabling it to make more efficient use of its equipment.

10. The needs of commerce and the public interest require that the proposed rates be established.

11. The proposed rates are reasonable and justified by transportation conditions.

13. Increases which may result in the event the proposed rates should expire with August 1, 1978, are justified.

The Commission concludes that the petition should be granted to the extent indicated in the ensuing order and the effective date of this order should be the date hereof because there is an immediate need for this relief. A public hearing is not necessary.

IT IS ORDERED that:

1. Jack Burtch Company, is authorized to publish and file, to expire with August 1, 1978, rates for the transportation of residual fuel oil as set forth, and subject to the conditions specified, in Appendix A attached hereto and by this reference made a part hereof.

2. Tariff publications authorized to be made as a result of the order herein, may be made effective on one day's notice to the Commission and to the public.

3. Jack Burtch Company is authorized to depart from the provisions of Section 461.5 of the Public Utilities Code in establishing and maintaining the rates authorized herein. Schedules containing the rates published under this authority shall make reference to this order.

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The effective date of this order is the date hereof.

Dated at San Francisco, California, this 19<sup>th</sup> day of JULY, 1977.

I dissent.  
William J. Jones Jr.

Robert B. Smith  
President

Vernon L. Sturgeon

Richard D. Gravelle

Commissioners

I concur in part  
and dissent only to  
the effective date

Vernon L. Sturgeon

Commissioner CLAIRE T. DEDRICK

Present but not participating.

## APPENDIX A

CARRIER: Jack Burtch Company

COMMODITY: Residual Fuel Oil in Tank Truck Equipment

<u>From</u>	<u>To</u>	<u>Rate In Cents per barrel</u>	<u>Minimum Number of barrels per Load</u>	<u>Minimum Number of barrels per 30 Day Period</u>
Bakersfield Extended Area	North Midway Field	43.6	170	45,000
Kern River	North Midway Field	49.6	170	45,000
Anchor Field	North Midway Field	34.0	170	10,000
Anchor Field	South Midway Field	19.8	170	5,000

## Conditions:

1. Carrier shall be available on a twenty-four-hour-day, seven-day-per-week basis.

2. Loading and unloading facilities shall be available on a seven-day-per-week basis.

3. Bottom dump loading shall be performed at origins and pump unloading shall be performed at destinations.

4. One hour free time shall be allowed for loading and one hour free time shall be allowed for unloading. Loading or unloading time in excess of free time allowed shall be charged at the rate of \$3.95 for each fifteen minutes or fraction thereof.

5. Rates shall include bottom dump loading by carrier equipment at origins and pumping service by carrier equipment at destinations.

6. Transportation charges shall be billed at the end of seven days after commencement of service and each seven days thereafter and shall be payable within seven days after billing.

In all other respects, the rates and rules in Western Motor Tariff Bureau, Inc., Agent, Local and Joint Freight and Express Tariff No. 18, Cal. P.U.C. No. 24, shall apply.

(END OF APPENDIX A)