

Decision No. 89226 AUG 8 1978

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of Sheldon Oil Company for a )  
certificate of public convenience )  
and necessity authorizing opera- )  
tions as a petroleum irregular )  
route common carrier. )

Application No. 58046  
(Filed May 4, 1978)

O P I N I O N

Sheldon Oil Company, a California corporation, presently operates as a petroleum contract carrier under a permit issued by the Commission under File No. T-30621. The permit authorizes the transportation of petroleum products in tank trucks and tank trailers between all points in the State of California. Applicant holds no other type of operating authority.

Pursuant to Sections 1063 and 1064 of the Public Utilities Code, the applicant has applied in this proceeding for a certificate of public convenience and necessity as a petroleum irregular route carrier, as defined in Section 214 of the Code, between all points and places in the State of California.

Applicant indicates it has experienced a steady growth in the number of shippers it serves, together with a sustained increase in the frequency and regularity of its service. The applicant has determined that it should seek a more appropriate authority for its present operations and one that will permit orderly growth in the future.

The applicant possesses a substantial fleet of equipment suited for the proposed operations. If additional equipment is required, the applicant has ample financial resources to provide the same.

The applicant's latest balance sheet, dated December 31, 1977, filed as Exhibit C to the application, indicates a net worth of \$2,178,216 and the operating statement for the seven months ending December 31, 1977 shows an operating profit of \$147,026.

Rates to be assessed for the proposed transportation service generally will be on the same level as those set forth in the Commission's Minimum Rate Tariff 6-B. The applicant will become a party to the tariffs issued by Western Motor Tariff Bureau, Inc., Agent.

A copy of the application was served on the California Trucking Association and notice of filing appeared in the Commission's Daily Calendar of May 5, 1978. No protests to the application have been received. A public hearing is not necessary.

The Commission finds that the public convenience and necessity require that the applicant be authorized to engage in operations in intrastate commerce as a petroleum irregular route carrier and that the applicant has the necessary experience, facilities and financial ability to initiate and maintain the proposed service.

The Commission concludes that the application should be granted as set forth in the ensuing order. The Commission further concludes that, in view of the buying and selling of petroleum products engaged in by the applicant, as enunciated by Subparagraph D of Paragraph II of its Articles of Incorporation on file with this Commission, the certificate should include an appropriate alter ego restriction.

Sheldon Oil Company is placed on notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as consideration for the grant of such rights. Aside from their purely permissive aspect, such rights extend to the holder a full or partial monopoly of a class of business. This monopoly feature may be cancelled at any time by the State which is not in any respect limited as to the number of rights which may be given.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Sheldon Oil Company, a California corporation, authorizing it to operate as a petroleum irregular route carrier, as defined in Section 214 of the Public Utilities Code, between all points in the State of California as set forth in Appendix A of this decision.

2. In providing service pursuant to the authority granted by this order, applicant shall comply with the following service regulations. Failure to do so may result in cancellation of the authority.

- (a) Within thirty days after the effective date of this order, applicant shall file a written acceptance of the certificate granted. Applicant is placed on notice that if it accepts the certificate it will be required, among other things, to comply with the safety rules administered by the California Highway Patrol and the insurance requirements of the Commission's General Order No. 100-Series.
- (b) Within one hundred twenty days after the effective date of this order, applicant shall establish the authorized service and file tariffs, in triplicate, in the Commission's office.
- (c) The tariff filings shall be made effective not earlier than thirty days after the effective date of this order on not less than thirty days' notice to the Commission and the public, and the effective date of the tariff filings shall be concurrent with the establishment of the authorized service.
- (d) The tariff filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 80-Series.
- (e) Applicant shall maintain its accounting records on a calendar year basis in conformance with the applicable Uniform System of Accounts or Chart of Accounts as prescribed or adopted by this Commission and shall file with the Commission, on or before April 30 of each year, an annual report of its operation in such form, content, and number of copies as the Commission, from time to time, shall prescribe.

- (f) Applicant shall comply with the requirements of the Commission's General Order No. 84-Series for the transportation of collect on delivery shipments. If applicant elects not to transport collect on delivery shipments, it shall make the appropriate tariff filings as required by the General Order.

This order shall become effective when the applicant, in addition to all other requirements set forth in the foregoing order, has divested itself of the petroleum contract carrier permit issued to it under File No. T-30,621.

Dated at San Francisco, California, this 8th day of AUGUST, 1978.

Robert B. Berman  
President

Thomas L. Stegeman  
Robert D. Corral

Commissioners

Commissioner William Symons, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Claire T. Dodrick, being necessarily absent, did not participate in the disposition of this proceeding.

Sheldon Oil Company, by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to conduct operations as a petroleum irregular route carrier, as defined in Section 214 of the Public Utilities Code, for the transportation of petroleum and petroleum products in bulk, in tank trucks or tank trailers, between all points in the State of California, subject to the following restrictions:

RESTRICTIONS: Transportation of waste material under this certificate is subject to obtaining and maintaining a valid registration certificate as a hauler of liquid waste from the State Water Resources Control Board.

Whenever Sheldon Oil Company engages other carriers for the transportation of the property of Sheldon Oil Company or affiliates, subsidiaries, or divisions thereof, or customers or suppliers of said corporation, Sheldon Oil Company shall not pay such other carriers rates and charges less than the rates and charges in Sheldon Oil Company's tariffs on file with the Commission.

(END OF APPENDIX A)

Issued by California Public Utilities Commission.

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