

Decision No. 90074 MAR 13 1979

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of )

SHASTA-SISKIYOU TRANSPORT for a )  
certificate of public convenience )  
and necessity authorizing opera- )  
tions as a petroleum irregular )  
route common carrier. )

Application No. 58529  
(Filed December 18, 1978)

O P I N I O N

Shasta-Siskiyou Transport, a California corporation, currently operates as a petroleum contract carrier under a permit issued to it by the Commission in File T-87,432. Said permit authorizes the transportation of petroleum or petroleum products in tank trucks or tank trailers between all points in the State of California. Applicant does not hold any other type of California intrastate 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 which, if granted, would authorize it to operate as a petroleum irregular route carrier, as defined in Section 214 of the Code, between all points and places in the State of California. The application states that no coextensive interstate authority is sought or involved.

According to the application, the proposed transportation will be performed daily, and the time in transit within the area sought to be served will be both same-day and over-night, depending upon the time of day when requests for applicant's services are received. Rates to be assessed for the proposed transportation will be generally on the same level as those currently set forth in the Commission's Minimum Rate Tariff 6-B. Accordingly, applicant will become a participant in the rate tariffs published by the Pacific Coast Tariff Bureau, as its tariff agent, for the transportation of petroleum or petroleum products, in bulk.

Applicant's latest balance sheet dated June 30, 1978, and attached to its application as Exhibit "B", indicates a net worth (including retained earnings from its operations) of \$955,843. In addition, its statement of income for the fiscal year ended June 30, 1978 shows that applicant had a net operating profit of \$63,740 after income taxes. Based on these documented figures, it would appear that applicant has the financial ability to perform the proposed transportation service as a certificated carrier.

Exhibit "C" of the application shows that applicant possesses a substantial fleet of tank truck and tank trailer equipment. These tank vehicles are specifically designed and built for the transportation of bulk petroleum and petroleum products. Should additional units of equipment be required to conduct the proposed service, applicant states that it is willing and able to provide them.

In justification for the certificate authority sought herein, applicant alleges that:

- (a) It has been engaged in the transportation of bulk petroleum and petroleum products as a for-hire motor carrier in California for 11 years;
- (b) Its transportation business has steadily grown and, thus, the number of customers it serves is expected to increase significantly;
- (c) The anticipated petroleum requirements of the shipping and receiving public will necessitate and justify the conversion of applicant's present contract authority to one of common carrier status;
- (d) The equipment, terminal facilities and trucking operations which are necessary to conduct the proposed service will be substantially the same as those currently being utilized by applicant under its present authority; and

- (e) Obtaining the petroleum irregular route carrier authority sought herein will enable it to maintain its established transportation service while allowing for the orderly future expansion of its trucking business.

Pursuant to Rule 21(f) of the Commission's Rules of Practice and Procedure, a printed notice containing a brief summary of the subject application was mailed by applicant's counsel on December 27, 1978 to the principal common carriers of bulk petroleum products in this State with whom applicant's proposed service is likely to compete. Public notice of the filing of the application herein appeared in the Commission's Daily Calendar of December 20, 1978. No protest to the application has been received. A public hearing is not necessary.

After consideration, the Commission finds that:

1. Applicant is currently conducting for-hire petroleum trucking operations under a statewide petroleum contract carrier permit issued by this Commission in File T-87,432.
2. Applicant currently operates 10 tank truck units and 10 tank trailer units of equipment which it intends to dedicate to the transportation of petroleum and petroleum products in bulk as proposed herein.
3. Based upon the evidence presented herein, applicant has clearly demonstrated its financial as well as operational ability to perform the proposed transportation service.
4. Public convenience and necessity require that applicant be authorized to engage in operations as a petroleum irregular route carrier in intrastate commerce as specifically proposed in the application.

On the basis of the foregoing findings, the Commission concludes that the subject application should be granted as set forth in the ensuing order. The Commission further concludes that,

in view of the fact that applicant is engaged in other enterprises which involve the purchase, sale and distribution of petroleum and petroleum products, as evidenced by Exhibit "C" of its application, as well as by its existing petroleum contract carrier permit, the certificate to be granted herein should include the necessary "alter ego" restrictions.

Shasta-Siskiyou Transport 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 Shasta-Siskiyou Transport, 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 operations 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 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 in File T-87,432.

Dated at San Francisco, California, this 13<sup>th</sup> day of MARCH, 1979.

John E. Bryson  
President  
Vernon L. Stanger  
Robert D. Hinkle  
W. Louis T. Schmidt  
Samuel J. Lewis  
Commissioners

Shasta-Siskiyou Transport, by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to operate 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 and places in the State of California, subject to the following restrictions:

- RESTRICTIONS:
1. 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.
  2. Whenever Shasta-Siskiyou Transport engages other carriers for the transportation of the property of Shasta-Siskiyou Transport; or Shasta Trinity Oil Company; or SST Oil, Inc.; or affiliates, subsidiaries or divisions thereof; or customers or suppliers of said corporations or companies; Shasta-Siskiyou Transport shall not pay such other carriers any rates or charges which are less than the rates and charges published in its tariffs on file with this Commission.

(END OF APPENDIX A)

Issued by California Public Utilities Commission.

Decision 90074 <sup>1</sup>, Application 58529.