

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
)
SENTER PETROLEUM, INC.)
)
For Temporary Authority to)
(1) Extend Permit No. 3807-P to)
Include the Transportation of)
Specific Commodities (Petroleum)
Products) From the Port Allen)
Chevron Terminal to the Lihue)
Energy Service Center, on the)
Island of Kauai, Pursuant to its)
Contract with Chevron U.S.A., Inc.,)
And (2) Enter into Additional)
Contracts to Provide Petroleum)
Transport Services Without Filing)
Additional Applications.)
_____)

DOCKET NO. 02-0148

OFFICE OF CONSUMER ADVOCACY
DEPT. OF COMMERCE AND
CONSUMER AFFAIRS
STATE OF HAWAII

2002 JUN 27 P 3:44

RECEIVED

DECISION AND ORDER NO. 19434

Filed June 27, 2002
At 9:30 o'clock A.M.

Karen Higashi
Chief Clerk of the Commission

ATTEST: A True Copy
KAREN HIGASHI
Chief Clerk, Public Utilities
Commission, State of Hawaii.

K. Higashi

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DECISION AND ORDER

I.

By application filed on June 6, 2002, SENTER PETROLEUM, INC. (Applicant), seeks approval: (1) for temporary authority to extend its contract carrier services under Permit No. 3807-P to include the transportation of specific commodities (petroleum products) from the Port Allen Chevron Terminal to the Lihue Energy Service Center (LESC)¹; and (2) to enter into additional future contracts for the provision of petroleum transport services without filing additional applications with the commission.

¹Applicant's request for the temporary extension of Permit No. 3807-P is made pursuant to Hawaii Revised Statutes (HRS) § 271-16 (Supp. 2001).

Copies of the application were served on the Hawaii Transportation Association which consists of carriers that may be affected by the proposed service, and on the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs (Consumer Advocate). On June 10, 2002, the Consumer Advocate informed the commission that it will not participate in this docket.

II.

A.

Applicant is currently authorized as a contract carrier of property by motor vehicle in the specific commodities classification on the island of Kauai. Decision and Order No. 8303, filed on March 22, 1985, in Docket No. 5128, as amended by Decision and Order No. 8309, filed on April 3, 1985, in the same docket, granted Applicant's request for authority to deliver tires, batteries, accessories and oil products to six retail Chevron U.S.A., Inc., (Chevron) dealerships. Decision and Order No. 8309 allowed Applicant to make limited deliveries of bulk gasoline or fuel service, as a back-up service to Chevron's in-house hauling. Decision and Order No. 8691, filed on March 25, 1986, in Docket No. 5485, granted Applicant the authority to haul bulk petroleum products to replace Chevron's in-house delivery services to six other locations.

On May 29, 2002, Chevron awarded Applicant a contract for the delivery of diesel fuel from the Port Allen Chevron Terminal to the LESC.²

B.

For a grant of temporary operating authority pursuant to HRS § 271-16, an applicant must satisfy two conditions. First, an applicant must establish that there is "an immediate and urgent need" for the proposed temporary service. Second, an applicant must also demonstrate "[an] absence of carrier service capable of meeting the need between points or in the territory where the temporary service will be instituted." See In re Robert's Tours & Transportation, Inc., Decision and Order No. 15274, Docket No. 96-0437 (December 23, 1996). In addition, pursuant to HRS § 271-16, the commission may, at its discretion, grant temporary authority for service by a common or contract carrier, without hearings or other proceedings.

We find that Applicant meets the criteria for temporary authority set forth in HRS § 271-16. First, there is an immediate and urgent need for Applicant's petroleum transport services. Applicant represents that Chevron does not have the equipment to transport diesel fuel to the LESC storage tanks and time is of the essence to prevent any delay of the provision of electric power from the LESC.³ Chevron's first fuel delivery to

²See Application at p.7.

³Id.

meet the LESC's fuel demand is in June 2002. Additionally, given Chevron's history of working with Applicant for over 16 years,⁴ and its evaluation of Applicant as the winning bidder for the contract, we find that no other carrier, other than Applicant, is capable of meeting Chevron's need to transport diesel fuel to the LESC within the expected time line. We, thus, conclude that Applicant's application should be granted without hearings or other proceedings in this docket.

Pursuant to HRS § 271-16, the commission may grant temporary authority to an applicant for no more than 120 days. We conclude, therefore, that Applicant has satisfied the requirements for a grant of temporary authority pursuant to HRS § 271-16 and should be granted temporary authority for a period of 120 days.

C.

Applicant also requests the authority to enter into additional contracts in the future to provide the transportation of petroleum products without filing additional applications with the commission. We find that this request should be reviewed in a separate application for permanent authority, and thus, conclude that this request should be denied, without prejudice.

⁴See Application, letter from Chevron dated June 4, 2002.

III.

THE COMMISSION ORDERS:

1. Applicant is granted a temporary permit to operate as a contract carrier in the specific commodities (petroleum products) classification on the island of Kauai, limited to transporting petroleum products for Chevron U.S.A. Inc., from the Port Allen Chevron Terminal to the Lihue Energy Service Center. The temporary authority shall be valid for no more than 120 days from the date of this decision and order, in accordance with HRS § 271-16. The temporary authority may, however, be terminated for good cause including, but not limited to, Applicant's failure to comply with the motor carrier law or the commission's rules or orders.

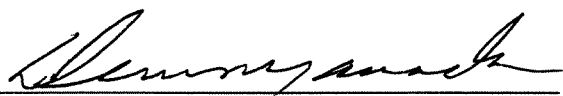
2. Applicant's request to enter into additional contracts to transport petroleum products, without filing additional applications with the commission, is denied, without prejudice.

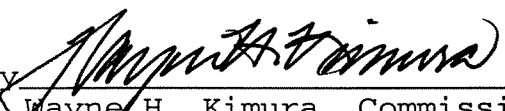
3. Applicant shall comply with all of the commission's requirements for contract carriers by motor vehicle, including, but not limited to, filing a certified, legible copy of its executed contract with Chevron U.S.A., Inc.; filing the appropriate insurance documents; registering and marking the appropriate motor vehicles; and complying with the safety requirements of the Motor Vehicle Safety Office, Department of Transportation, State of Hawaii.

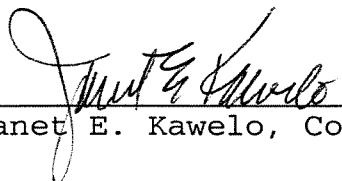
4. Applicant shall comply with the foregoing requirements within 15 days after service of this decision and order. Failure to comply within the time specified constitutes cause for this commission to void this decision and order.

DONE at Honolulu, Hawaii this 27th day of June, 2002.

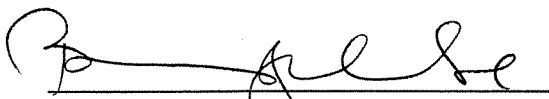
PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Dennis R. Yamada, Chairman

By 
Wayne H. Kimura, Commissioner

By 
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:


Benedyne S. Stone
Commission Counsel

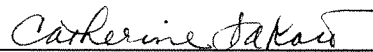
02-0148.eh

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Decision and Order No. 19434 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
P. O. Box 541
Honolulu, HI 96809

SENER PETROLEUM, INC.
3011 Aukele Street
Lihue, HI 96766



Catherine Sakato

DATED: June 27, 2002