

ORIGINAL

Decision No. 42601

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
JAMES GRIFALL AND CHARLES GRIFALL, )  
copartners, doing business as )  
GRIFALL BROS. TRUCKING COMPANY, for )  
authority to charge less than mini- )  
mum rates under the provisions of )  
the Highway Carriers' Act. )

Application No. 30760

Appearance

Marvin Handler, for Applicant.

O P I N I O N

James Grifall and Charles Grifall, copartners, doing business as Grifall Bros. Trucking Company, transport calcined dolomite from Natividad to Los Angeles for the Permanente Metals Corporation.<sup>1</sup> They seek authority to assess, for this transportation, rates less than those established as minimum.

Public hearing was had at San Francisco on November 28, 1949, before Examiner Lake.

According to the testimony of witnesses, calcined dolomite is, in this instance, used by the Filtrol Corporation at Los Angeles as a neutralizing agent for certain acid wastes prior to sewage disposal. The movement of this product is continuous and comprises 1,500 tons per month. Because of the lack of storage facilities at destination, the consignee requires a steady flow of the material at the rate of 50 tons per day.

The commodity is transported in bulk in especially designed truck equipment which permits loading through the top and unloading by gravity underneath. Three motor truck trains of this equipment consisting of tractor, semitrailer and full trailer are used.

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<sup>1</sup>Natividad is situated approximately 7 miles northeast of Salinas.

The loading and unloading of the equipment unit are accomplished in approximately 15 and 10 minutes, respectively.<sup>2</sup> The equipment is loaded to the full legal carrying capacity of 46,000 pounds. The operation is scheduled so that only two trains are required to be in constant use. The third train is used about once a week to maintain the 50 ton daily average and to replace the regularly operated equipment when repairs thereon are necessary. The time required to make a round trip from Natividad to Los Angeles is between 17 and 18 hours.

The applicable minimum rate is 35.6 cents per 100 pounds.<sup>3</sup> Applicants propose and herein ask for authority to assess a rate of 33.4 cents per 100 pounds.

The sought rate was developed upon the basis of cost figures set forth in an exhibit introduced by a consulting engineer. It is estimated that the proposed rate will produce an operating ratio of 94 before income taxes. According to the consulting engineer, the carrier has not engaged in this transportation long enough to permit development of actual costs based wholly upon its operations and that, therefore, it had been necessary to construct many of these items upon estimates and upon analysis of the records of a number of carriers operating like equipment under similar conditions. He was of the

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<sup>2</sup>Facilities for these operations are available to the carrier 24 hours per day.

<sup>3</sup>The applicable minimum rate is provided in Highway Carriers' Tariff No. 2 (Appendix "D" to Decision No. 31606, as amended, in Cases Nos. 4246 and 4808). Under the provisions of Item No. 210 series of this tariff, rates of common carriers in combination with rates set forth in the above-mentioned tariff may be used. The stated rate is constructed under this provision.

opinion that although the cost figures developed would approximate those incurred in this operation they were in at least one instance overstated.<sup>4</sup>

By affidavit in the application and testimony of its traffic representatives, the shipper asserted that unless the proposed rate was authorized it would resort to proprietary operations because "it will be more economical to handle the movement with its own equipment."

Special vehicle equipment is utilized which permits rapid loading and unloading and the movement of a substantial weight each trip. It appears that this is a specialized transportation service for which the applicable minimum rates are not particularly designed. The evidence is convincing that the proposed rate will be compensatory.

No one opposed the granting of the application.

Upon careful consideration of all the facts and circumstances of record, the Commission finds as a fact that the rate proposed will be reasonable. The application will be granted. Because the conditions under which this authority is granted may change at any time, the authority will be limited to a period of one year.

#### O R D E R

The above-entitled application having been heard and submitted, full consideration of the matters and things involved having been had, and based upon the conclusions and findings in the preceding opinion,

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<sup>4</sup> Three hundred dollars per month was allocated in the costs of overhead for managerial supervision. The witness stated that the type of operation here in issue required only a minimum of supervision and the amount allocated therefor was excessive.

IT IS HEREBY ORDERED that James Grifall and Charles Grifall, copartners, doing business as Grifall Bros. Trucking Company, be and they are hereby authorized to transport calcined dolomite for the Permanente Metals Corporation from Natividad to Los Angeles at a rate of not less than 33.4 cents per 100 pounds.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall expire January 1, 1951.

This order shall become effective twenty (20) days after the date hereof.

Dated at San Francisco, California, this 13<sup>th</sup> day of December, 1949.

R. J. [Signature]  
Justus J. Calver  
Joseph H. [Signature]  
Harold P. Kild  
Kenneth [Signature]  
Commissioners