

ORIGINALDecision No. 48313

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of DIRECT DELIVERY SYSTEM, LTD.
for authority to assess less than
minimum rates.

Application No. 30240
6th Supplemental

In the Matter of the Application
of DIRECT DELIVERY SYSTEM, LTD.
for authority to assess less than
minimum rates.

Application No. 30460
6th Supplemental

SUPPLEMENTAL OPINION AND ORDER

Applicant has been authorized heretofore to assess lesser rates than the established minimum in connection with transportation of soda ash and diatomaceous earth which it performs for The Great Lakes Carbon Corporation. The soda ash is transported from Westend to Walteria and the diatomaceous earth is transported from a quarry near Lemroc to Walteria.

The most recent rate authority which was held by applicant with respect to this transportation expired with January 31, 1953. Extension of the authority, with minor modifications, was denied on the grounds that the cost evidence which applicant submitted in support of its proposals was not shown to be wholly representative of the costs of the service currently performed. ⁽¹⁾ By its 5th supplemental applications, filed January 31, 1953, applicant has renewed

(1) Decision No. 48192, dated January 19, 1953, in Application No. 30240, 4th supplemental, and in Application No. 30460, 4th supplemental. This decision also authorized Direct Delivery System, Ltd. to deviate from the minimum rates for certain other transportation services for The Great Lakes Carbon Corporation which are not involved herein.

its requests for authority to deviate from the minimum rates and states that it will submit evidence in justification of the sought rates at such hearings as may be scheduled. Pending hearing and the Commission's decision with respect to these matters, applicant seeks by its 6th supplemental filings in these proceedings temporary reinstatement of the authority which expired with January 31, 1953, and which was granted by Decision No. 47869, dated October 28, 1952.

Although its authority to assess lesser rates than the minimum has expired, applicant has not increased its charges to the level of the minimum rates because of prohibitions against doing so imposed by the Office of Price Stabilization. Applicant now states that it is advised and believes that the authority of the Office of Price Stabilization may be revoked or suspended in the very near future. In this event it would be obliged to increase its charges to conform to the Commission's minimum rate provisions forthwith. Applicant asserts that the minimum rates are excessive for the services performed for The Great Lakes Carbon Corporation. In order to avoid the possibility of having to assess such rates pending disposition of its 5th supplemental applications, it seeks the temporary authority hereinabove indicated.

The applicable minimum rates and the rates which were authorized by Decision No. 47869, supra, are as follows:

Crude diatomaceous earth, in bulk, transported from a quarry approximately 9 miles southeast of the city of Lompoc

Minimum rate:

\$ 6.00 per ton, minimum weight 14,000 pounds

Authorized rates:

\$ 4.84 per ton, minimum weight 43,000 pounds
4.78 per ton, minimum weight 43,500 pounds
4.73 per ton, minimum weight 44,000 pounds
4.68 per ton, minimum weight 44,500 pounds
4.63 per ton, minimum weight 45,000 pounds
4.58 per ton, minimum weight 45,500 pounds

Soda ash, in bulk, transported from Westend to WALTERIA

Minimum rate:

\$.37 per 100 pounds plus 9 percent surcharge,
minimum weight 36,000 pounds

Authorized rates:

\$.33 per 100 pounds, minimum weight 41,000 pounds

NOTE:

The minimum rate shown for the transportation of diatomaceous earth is set forth in City Carriers' Tariff No. 6 - Highway Carriers' Tariff No. 7, Appendix "A" to Decision No. 32566, as amended, in Cases Nos. 4246 and 4434. The minimum rate shown for the transportation of soda ash is set forth in Highway Carriers' Tariff No. 2, Appendix "D" to Decision No. 31606, as amended, in Case No. 4246.

It will be noted that the rates which were authorized by Decision No. 47869 are substantially less than the minimum rates which would apply otherwise. It is clear from the record heretofore adduced in these proceedings that because of various favorable operating circumstances under which the transportation is performed lesser rates than the applicable minimum are reasonable. In view of applicant's requests to support its proposals with additional evidence, it appears that the rate authority granted by Decision No. 47869 with respect to the transportation herein involved may be

reinstated reasonably for a temporary period while the further evidence is being received and considered. Reinstatement of the authority appears preferable to requiring applicant to assess rates that have been shown to be higher than reasonable for the transportation in question. Under the circumstances it is concluded that the temporary authority sought by applicant by its 6th supplemental applications should be granted. The authority will be made effective five days after the date of the order herein.

Public hearing of the 6th supplemental applications in these proceedings does not appear necessary.

Good cause appearing,

IT IS HEREBY ORDERED that Direct Delivery System, Ltd. be and it is hereby authorized to transport soda ash and crude diatomaceous earth for The Great Lakes Carbon Corporation at rates less than the established minimum rates applicable to such transportation, which transportation is more specifically described in Appendix "A" attached hereto, but at rates not less than the rates set forth in Appendix "A".

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall expire with May 15, 1953, unless sooner changed, canceled or extended by order of the Commission.

This order shall become effective five days after the date hereof.

Dated at San Francisco, California, this 24th day of February, 1953.

R. J. [Signature]
President
Justus J. [Signature]
Harold P. [Signature]
[Signature]
[Signature]
Commissioners

APPENDIX "A" TO DECISION 48313

Rates to be observed as minimum by Direct Delivery System, Ltd. for transportation as described which it performs for The Great Lakes Carbon Corporation

	<u>Rate</u>
Soda ash, in bulk, transported from Westend to Waltheria, minimum weight 41,000 pounds	\$.33 per 100 pounds
Crude diatomaceous earth, in bulk, transported from a quarry approximately nine miles southeast of the city of Lompoc to Waltheria	
Minimum weight, 43,000 pounds	\$4.84 per ton
Minimum weight, 43,500 pounds	4.78 per ton
Minimum weight, 44,000 pounds	4.73 per ton
Minimum weight, 44,500 pounds	4.68 per ton
Minimum weight, 45,000 pounds	4.63 per ton
Minimum weight, 45,500 pounds	4.58 per ton

(End of appendix)