

**ORIGINAL**

Decision No. 51438

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Investigation into )  
the rates, rules, regulations, charges, )  
allowances and practices of all common )  
carriers, highway carriers and city car- )  
riers relating to the transportation of )  
general commodities (commodities for )  
which rates are provided in Minimum Rate )  
Tariff No. 2).

Case No. 5432  
Petition No. 50

Frank J. Krantz, for Pillsbury Mills, Inc.,  
petitioner.  
J. C. Kaspar and R. D. Boynton, for California  
Trucking Associations, Inc., interested party.

SUPPLEMENTAL OPINION

Pillsbury Mills, Inc., petitioner herein, is engaged in the manufacture and sale of flour, grain products and related items. Its products include prepared dry cake mixes composed principally of flour, sugar, shortening, leavening and flavorings combined in proportions which vary according to the type of mix. By its petition filed February 19, 1955, the company seeks modification of provisions in Minimum Rate Tariff No. 2 governing the transportation of its cake mixes. The sought modification would result in rate reductions.

Minimum Rate Tariff No. 2 names class rates which apply for the transportation of prepared edible flours, including cake mixes. Lower commodity rates are provided for such flours which have non-flour ingredients not in excess of 75 per cent of the

total.<sup>1</sup> The modification which petitioner seeks herein is extension of the commodity rates to apply to prepared edible flours containing non-flour ingredients not exceeding 80 per cent of the total.

Public hearing on the petition was held before Examiner C. S. Abernathy at Los Angeles on March 21, 1955.

Petitioner's western traffic manager testified that within the past three years his company has put on the market an angel food cake mix which is a prepared edible flour containing approximately 78 per cent non-flour ingredients. He said that the class rates which apply for the transportation of this mix are about 30 per cent more than the commodity rates which apply for the transportation of the other of his company's cake mixes. The latter mixes, he said, are subject to the commodity rates for prepared edible flours of more than 40 but not more than 75 per cent non-flour ingredients.

Petitioner's witness presented data to show that the transportation characteristics of the angel food cake mix are substantially the same as those of the other mixes and justify the application of the same basis of rates as that which applies to the other mixes. In the margin below are set forth comparative figures which he submitted to show the weights and volumes of the shipping

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The tariff names two scales of commodity rates: one for prepared edible flours of more than 40 but not more than 75 per cent non-flour ingredients and a lower scale which applies to prepared edible flours of 40 per cent, or less than 40 per cent, non-flour ingredients. The first-named scale applies also to the following articles:

Cereals, not otherwise specified (cracked, ground, granulated, hulled or rolled cereals, partially prepared for human consumption, but requiring cooking).

Cereals, cooked (prepared cereals ready for human consumption without further cooking), flaked, or shredded, or granulated, or puffed, or in hollow forms.

containers of the angel food mix and of a spice cake mix, the weight and density of the latter being represented as typical of other of petitioner's cake mixes.<sup>2</sup> He said that the volume of his company's shipments of the angel food mix within California amounted to 3,300,000 pounds during the 12-month period which ended with January, 1955. Assertedly, the volume of shipments of this mix and of other cake mixes as well is increasing each year. The witness declared that prepared cake mixes are not a luxury and that they are accepted as a required item in the home preparation of foods.

Discussing other transportation characteristics of the angel food mix, the traffic manager indicated that in the matter of susceptibility of the mix to loss or damage while in transit experience has shown only a small ratio of loss or damage to the volume transported. He said that his company's records for 1954 show that a total of 118 cases of the mix were damaged by motor carriers; that of this amount 102 cases were damaged by water; and that only 16 cases were damaged by other causes. With respect to the relative values of the several cake mixes, he testified that the value of the angel food mix is about 50 per cent more than that of petitioner's other mixes. While recognizing the higher value as a factor which would tend to substantiate higher rates for the angel food mix, the witness asserted that it should not be controlling in view of the other factors shown. As further justification of his

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	Weight, in pounds, per case of		Volume, in cubic inches, per case of	
	<u>12 packages</u>	<u>24 packages</u>	<u>12 packages</u>	<u>24 packages</u>
Angel food cake mix	14½	29½	883	1,702
Spice cake mix	14½	29	720	1,472

company's proposals herein, he pointed out that the sought modification of the minimum rate provisions correspond to revisions which various rail carriers in California made effective in their own tariff publications in September, 1954.

Petitioner's proposal was supported by General Mills, Inc., likewise a manufacturer of various prepared edible flours, including one similar to that involved herein. By letter, which was read into the record without objection, the company states that the density of prepared edible flours with approximately 80 per cent non-flour ingredients is the same as that of other prepared edible flours of between 40 and 75 per cent non-flour ingredients and is more than four times that of various cooked cereals which are being transported at the commodity rates in issue herein. It states also that the rail carriers, in addition to making adjustments in their intrastate tariff provisions corresponding to that which petitioner proposes be made in Minimum Rate Tariff No. 2, have made similar adjustments in their tariff provisions for interstate movements between California, Oregon, Washington, Idaho, Utah and other states in Pacific Southcoast Territory.

A representative of the California Trucking Associations, Inc., participated in the development of the record and submitted a statement of the Association's position in the matter. He agreed with petitioner's witness that the transportation characteristics of the angel food mix are substantially the same as those of other of petitioner's cake mixes, and he said that the Association does not oppose the granting of the petition. However, he took exception to adjusting the rates involved on what he termed a piecemeal basis. He said that the rates have not been reviewed in their over-all aspects since they were established in 1939. He asserted that it is

timely for such a review to be made by the Commission to the end that all adjustments be effected as are proper in the circumstances.<sup>3</sup>

No other appearances than that of the California Trucking Associations, Inc., were entered. The customary notice of hearing appeared in the Commission's calendar and was sent by the Commission's secretary to parties believed to be interested in the matter.

It appears from the showing herein that from a transportation standpoint petitioner's angel food cake mix is of such similarity to other cake mixes which are subject to the commodity rates for prepared edible flours containing more than 40 but not more than 75 per cent non-flour ingredients that the angel food mix reasonably may be made subject to the commodity rates also. It also appears that the transportation characteristics of the angel food mix are superior to those of various cooked cereals which are subject to the commodity rates in question. For these reasons it is concluded, and the Commission so finds, that the modification of Minimum Rate Tariff No. 2 which petitioner seeks has been shown to be justified. The petition will be granted.

No action appears necessary at this time on the recommendation advanced by the representative of the California Trucking Associations, Inc., that the commodity rates involved herein be reviewed in their entirety. If adjustment of the rates in specific respects is deemed desirable by the Association's representative, he should arrange to bring the matter to the Commission's attention by an appropriate filing and be prepared to submit evidence in support of his proposals at such hearing as may be scheduled.

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<sup>3</sup> It appears that the Association representative is of the opinion that such a review would disclose the need for rate increases in addition to rate reductions of the nature herein sought.

O R D E R

Based on the evidence of record and on the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED:

1. That Minimum Rate Tariff No. 2 (Appendix "D" of Decision No. 31606, as amended) be and it is hereby further amended by incorporating therein, to become effective June 15, 1955, Second Revised Page 51-F cancels First Revised Page 51-F, which revised page is attached hereto and by this reference is made a part hereof.

2. That tariff publications authorized to be made by common carriers as a result of the order herein may be made effective on not less than five days' notice to the Commission and to the public if filed not later than sixty days after the effectiveness of the tariff changes herein involved.

3. That in all other respects said Decision No. 31606, as amended, shall remain in full force and effect.

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

Dated at San Francisco, California, this 10<sup>th</sup> day of May, 1955.

[Signature]  
President  
[Signature]  
[Signature]  
[Signature]  
Commissioners

Item No.	SECTION NO. 3 COMMODITY RATES (Continued)
<p>*655-B Cancels 655-A</p>	<p>(Applies in connection with rates making specific reference hereto.)</p> <p>GRAIN, GRAIN PRODUCTS AND RELATED ARTICLES, viz.:</p> <p>Food Preparations, (not included in Items Nos. 652 to 653, inclusive), viz.:</p> <p>Cereals, cooked (Prepared cereals ready for human consumption but without further cooking), viz.:</p> <p>Bran; Bran and Wheat combined, flaked; or Bran or Bran and Wheat combined with dried fruit, flaked or shredded,</p> <p>Corn, roasted, Flaked or shredded, not otherwise specified: Compressed, in flakes, or in forms not flat, Not compressed, in flakes, or in forms not flat, Flaked Wheat and Ground Flaxseed, combined, Granulated, Hollow Forms, (food preparations made of flour and cut from tubes), Oats, flaked and toasted, Puffed, Rice, rolled and toasted,</p> <p>Cereals, not otherwise specified, (cracked, ground, granulated, hulled or rolled cereals, partially prepared for human consumption, but requiring cooking).</p> <p>o Flour, prepared, edible, manufactured from one or more articles shown under head of "Grain" in Item No. 652, or Rice Flour, Bean Flour, or Potato Flour, with more than 40% but not more than 80% of other ingredient or ingredients, (including dry or powdered yeast not in excess of 5% in an inner container).</p>
	<p>o Reduction ) * Change ) Decision No. 51438</p>
<p>EFFECTIVE JUNE 15, 1955</p>	
<p>Issued by the Public Utilities Commission of the State of California, San Francisco, California.</p>	
<p>Correction No. 657</p>	