

Decision No. 55422

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of DIRECT DELIVERY SYSTEM, LTD.,) Application No. 33160
for authority to assess less) (Seventh Supplemental)
than minimum rates.)

SUPPLEMENTAL OPINION AND ORDER

Prior orders in this proceeding have authorized applicant, a highway contract carrier, to assess rates lower than the established minimum rates, under the provisions of Section 3666 of the Public Utilities Code, in connection with the transportation of crude diatomaceous earth from quarries of The Great Lakes Carbon Corporation, which are located approximately nine miles southeast and five and one-half miles southwest of Lompoc, to a processing plant of that company in that city. This authority is scheduled to expire August 31, 1957. Permission is sought to continue to deviate from the minimum rates. Applicant proposes, however, that the rate of 51.4 cents per ton in lots of 40,000 pounds or more it is now authorized to observe for the transportation of diatomaceous earth be increased to 51.5 cents per ton.

The supplemental application shows that, except for increased operating costs, the conditions surrounding the transportation in question which justified deviation from the minimum rates still obtain; that the proposed increase in the rate will offset the higher operating costs; and that operations under the sought rate may reasonably be expected to be profitable during the ensuing year. The Transportation Division staff has reviewed the cost study submitted with the supplemental application and recommends that it be granted.

In the circumstances, it appears, and the Commission finds, that the proposed rate is reasonable. This is a matter in which a public hearing is not necessary. The supplemental application will be granted. However, as the conditions surrounding the transportation

may change, the extension will be limited to one year unless sooner canceled, changed or extended by order of the Commission. In view of the expiration date of the present authority, the following order will be made effective August 31, 1957.

Therefore, good cause appearing,

IT IS HEREBY ORDERED:

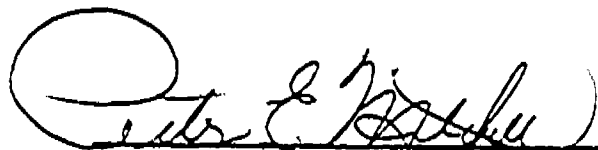
(1) That Direct Delivery System, Ltd., be and it is hereby authorized to transport diatomaceous earth for The Great Lakes Carbon Corporation from that company's quarries located approximately nine miles southeast and five and one-half miles southwest of the City of Lompoc to a processing plant of that company in that city at a rate not less than 51.5 cents per ton, minimum weight 40,000 pounds;

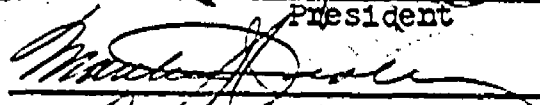
(2) That the authority herein granted shall expire August 31, 1958 unless sooner changed or extended by order of the Commission; and


(3) That any transportation performed by applicant, or by any of the "alter ego" affiliates so designated in Decision No. 51619, dated June 28, 1955, in Application No. 35927, as a common carrier of the same commodity between the same points as that for which rate authority is hereby granted shall be cause for revocation of the authority herein granted.

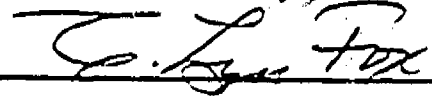
This order shall become effective August 31, 1957.

Dated at San Francisco, California, this 20th day of August, 1957.



President






Commissioners