

ORIGINAL

Decision No. 58489

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of HARRY MCKENZIE TRUCKING CO., a corporation, for an order authorizing departure from the rates, rules and regulations of Minimum Rate Tariff No. 2, pursuant to the provisions of Section 3666 of the Public Utilities Code for the transportation of brandy. Application No. 41059

OPINION AND ORDER

Applicant holds radial highway common, highway contract and city carrier permits. It is also authorized to operate as a certified highway common carrier of specified commodities between certain points not involved herein. Prior orders have authorized it to transport brandy for Fromm & Sichel, Inc., at less than the established minimum rates between certain points. This authority is scheduled to expire June 17, 1959.

By this application, authority is sought to continue to deviate from the minimum rates for a further one-year period, but to increase the authorized rates from 11.235 and 14.445 cents to 12 and 15 cents, respectively. Authority is also sought to transport brandy at a less-than-minimum rate of 13 cents per 100 pounds, minimum weight 40,000 pounds, between Lac Jac and Tarpey.

According to the application, the profit from the operations herein involved has been satisfactory to applicant. Applicant states that, except for increased labor costs, the general conditions concerning the transportation characteristics have remained virtually unchanged since the current authority was granted. Applicant alleges

<sup>1</sup>The current authority, which was granted in Application No. 38541, is as follows:

From or to Lac Jac to or from	Minimum Weight 40,000 Pound Rate (In Cents per 100 Pounds)
Biola	14.445
Fowler	11.235
Monmouth	11.235

that the sought increase in rates will offset the increased labor costs. The application states that Tarpey will be added as a storage point for brandy by Fromm and Sichel, Inc., in August or September of 1959. Applicant further states that the operation between Lac Jac and Tarpey will be integrated with its existing operations.

The Transportation Division staff has reviewed the verified application and has recommended that it be granted.

In the circumstances, it appears, and the Commission finds, that the proposed rates are reasonable. This is a matter in which a public hearing is not necessary. The application will be granted.

The special rate authority herein sought and granted is not applicable to common carrier services. Section 3542 of the Public Utilities Code forbids carriers to operate both as a common carrier and as a highway contract carrier of the same commodities between the same points. Applicant's radial highway common carrier permit contains a limitation precluding the dual operations between points which the current deviation is applicable. A similar limitation will be placed upon applicant's radial highway common carrier permit in connection with the additional authority herein involved.

Therefore, good cause appearing,

IT IS ORDERED:

(1) That Harry McKenzie Trucking Co., a corporation, operating as a highway contract carrier is hereby authorized to transport brandy, in barrels, between Lac Jac, on the one hand, and Biola, Fowler, Monmouth and Tarpey, on the other hand, for Fromm & Sichel Inc., at rates less than the established minimum rates, but not less than the following, subject to a minimum weight of 40,000 pounds:

<u>Between Lac Jac and</u>	<u>Rate (In cents per 100 pounds)</u>
Biola	15
Tarpey	13
Fowler	12
Monmouth	12

(2) That the permit which Harry McKenzie Trucking Co. holds to operate as a radial highway common carrier is hereby further limited to exclude the transportation of brandy, in barrels, between Lac Jac and Tarpey.

(3) That the authority granted herein shall expire one year after the effective date of this order unless sooner canceled, changed or further extended by order of the Commission.

This order shall become effective June 17, 1959.

Dated at San Francisco, California, this 22nd day of May, 1959.

John Fox  
President  
Walter B. ...  
...  
Headline ...  
...  
Commissioners