

**ORIGINAL**Decision No. 60025

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
Sierra Distributing, Ltd., a California  
Corporation, for authorization to  
transport Trisodium Phosphate for  
Procter & Gamble Co., in California at  
rate below Minimum Rate Tariff Number 2.

Application No. 41830

Harold F. Culy, for Sierra Distributing, Ltd.,  
applicant.

Edward Albrecht for Procter & Gamble  
Mfg. Co., R. D. Toll, A. D. Poe and  
J. X. Quintrall for California  
Trucking Associations, Inc., inter-  
ested parties.

John B. Nance and John R. Laurie, for the  
Commission staff.

O P I N I O N

By the above-entitled application, filed January 6, 1960, Sierra Distributing, Ltd., a highway contract carrier, seeks authority under Section 3666 of the Public Utilities Code to charge less than the minimum rates named in Minimum Rate Tariff No. 2 for the transportation of chlorinated trisodium phosphate from Richmond to Sacramento for the Procter & Gamble Company.

Public hearing on the application was held before Examiner William E. Turpen at Sacramento on March 17, 1960. Evidence was presented by representatives of the applicant and of Procter & Gamble Company. Representatives of the California Trucking Associations, Inc., and of the Commission staff assisted in developing the record.

At present chlorinated trisodium phosphate takes a rating of 5th Class subject to a minimum weight of 36,000 pounds. For transportation between Richmond and Sacramento this results in a

minimum rate of 30 cents per 100 pounds.<sup>1</sup> Applicant seeks authority to assess the Class E rate, subject to a minimum weight of 45,000 pounds, which would amount to 20½ cents per 100 pounds.

The record shows that the movement of the commodity involved herein from Richmond to the Procter & Gamble plant in Sacramento commenced in November, 1959, that it is expected to amount to 2,000 tons during 1960, that loading and unloading is done by mechanical means by the shipper and that the commodity is transported in bulk in aluminum bins of 3,500 pounds capacity each. Applicant's operations manager testified that from six to fourteen of applicant's trucks per day are used by Procter & Gamble for shipments to the Bay Area, some of these going to Richmond, and that most of these trucks return empty to Sacramento.

A traffic manager of Procter & Gamble introduced an exhibit which showed that the revenue per shipment under applicant's proposed rate would be greater than the revenue per shipment of several other commodities when shipped in the quantity of the minimum weight applicable to such shipments. He also stated that there was available a rate of 20 cents per 100 pounds on sodium phosphate from Newark to Sacramento. On cross-examination, however, it was developed that this latter rate is a rail rate subject to a minimum weight of 100,000 pounds and that the commodity moves entirely by rail.

Applicant has based its showing mainly on the concept that the transportation will be performed with trucks that would otherwise be returning to Sacramento empty, thus involving only a small cost

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Supplement No. 47 of Minimum Rate Tariff No. 2 provides for a surcharge of \$2.00 per shipment in this instance. As this surcharge would also be applicable under applicant's proposal, it will be disregarded in most of the discussion in this opinion.

to perform the service. Section 3666 of the Public Utilities Code requires that in authorizing a rate less than the minimum the Commission shall find that the proposed rate is reasonable. A showing that the proposed rate will exceed the cost of providing the service is indispensable to such a finding. Applicant presented no evidence in regard to the cost of performing the service. The rate sought here would represent a reduction from the minimum rate of over 30 percent. However, applicant has not shown that the sought rate will exceed the cost of providing the service. In regard to the comparison with other rates, the record does not show that the transportation characteristics of the compared commodities are related in any manner to the movement here involved.

Upon consideration of all the facts of record, the Commission is of the opinion, and hereby finds, that the less-than-minimum rate sought herein has not been shown to be reasonable. The application will be denied without prejudice.

O R D E R

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

IT IS ORDERED that Application No. 41830 be and it is hereby denied without prejudice.

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

Dated at San Francisco, California, this 3rd day of May, 1960.

Gerrit W. Page  
President  
John Mitchell  
William D. ...  
...  
Theodore ...  
Commissioners