

Decision No. 61061

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )	
DUNN BROS., INC., a corporation, for )	
an order authorizing departure from )	
the rates, rules and regulations of )	Application No. 42782
Minimum Rate Tariff No. 2 under the )	
provisions of Section 3666 of the )	
Public Utilities Code. )	

OPINION AND ORDER

By this application, filed October 24, 1960, Dunn Bros., Inc., a highway contract carrier, seeks authority to depart from the requirements of the Commission's minimum rate orders in connection with the transportation and stringing of the pipe on the California portion of a large gas line to be constructed from Alberta, Canada, to a point near Pittsburg, California.

According to the application, applicant was the successful subcontractor in bidding for the transportation and stringing of the pipe on the California portion of the line, among other parts. The California portion of the line will be approximately 291 miles in length or 1,536,380 feet. The pipe will be 36 inches in diameter and, when ready for distribution from points of origin to the trench, will weigh 206.4 pounds per foot. The pipe for the northern portion of the California line will be transported by applicant from Burney, and the pipe for the right-of-way south of Battle Creek will be transported by applicant from Napa. The pipe will be jointed and will be tendered to applicant in lengths of 80 feet, thus making each segment of a weight exceeding 16,000 pounds. Two segments will be transported to a load under present planning. Possibly an additional length will be transported if circumstances will permit. Much of the transportation will occur on private right-of-way, but as to that

A. 42782 - ac

which will be performed over public highways applicant states that it has received assurance of the granting of over-length permits. All of the loads will be in weights of not less than 30,000 pounds.

The minimum rates for transportation of this kind are set forth in Minimum Rate Tariff No. 2. The rates vary with the weight of the shipment and the length of the haul, among other factors. The minimum rates include the services of one man (driver or helper) for loading or unloading of the carrier's equipment; and additional charges are provided whenever the loading or unloading operation exceeds 12 minutes per ton. Applicant's successful bid was for the transportation of all of the pipe on the basis of 80 cents per foot, regardless of the length of the individual hauls, with an allowance to be deducted therefrom of 5 cents per foot when loading operations are accomplished by the shipper. It is in fact contemplated that all or virtually all of the loading operations will be so performed; and it is expected that the unloading will be performed by mechanical means in but a small fraction of the time which would be represented by 12 minutes per ton.

The application contains a table developing the revenues and average rate per foot of pipe which applicant estimates would result from assessment of the minimum rates and charges to the transportation in question. This table shows the average length of haul for each of various segments of the pipe line, the miles of pipe in each segment, the footage of such pipe, the total weight in pounds of the pipe, the minimum rate per 100 pounds, the charges resulting from the application of the minimum rate, and the resulting average rate per foot of pipe.

As thus developed, the total charges which would result from application of the minimum rate tariff would be \$1,145,731.02, representing an average rate per foot of pipe of 74.568 cents. Based upon the number of feet of pipe as stated in the application, applicant's charges at the proposed rate of 80 cents per foot would be

A. 42782 - ac

\$1,299,104. If the loading deduction of 5 cents per foot were applicable to all of the pipe, applicant's charges at the rate of 75 cents per foot would be \$1,152,285.

California Trucking Associations, Inc., by letter dated October 26, 1960, requested that this application be set for public hearing; however, by letter dated October 28 it withdrew the request "provided the Commission's order requires such record-keeping and collection procedures by applicant as will result in the total charges collected being not less than would otherwise prevail if regular minimum rate tariff provisions had been utilized." Applicant's attorney has since stated that the applicant is agreeable to such record-keeping and collection processes as will ensure that the total compensation received will not be less than that which would be otherwise applicable under the minimum rate tariff provisions, due allowance being made for the deduction of 5 cents per foot for pipe loaded by the shipper.

From the facts and circumstances recited in the application, it appears that what applicant seeks herein is not authority to assess less than the minimum rates as such, but rather authority to observe units of measurement different from those in which the minimum rates are stated. Whereas the minimum rates are stated in cents per 100 pounds, and vary with the length of each haul and other factors, the proposed rates are stated in cents per foot regardless of the lengths of the various hauls or other factors. Applicant states that the latter method is standard in the pipe-line stringing industry, and is consistent with the established practice of the contractor with respect to other aspects of the job.

In the circumstances, it appears, and the Commission finds, that the proposed rates and charges, subject to the qualifications and conditions hereinafter specified, will be reasonable. To this extent the application will be granted. A public hearing is not

necessary. The order will be made effective on the date hereof, inasmuch as it is anticipated that applicant's services will be required on or about November 21, 1960. No expiration date of the authority will be specified, inasmuch as the authority applies only to a specific project, the completion date of which is uncertain.

Therefore, good cause appearing,

IT IS ORDERED that:

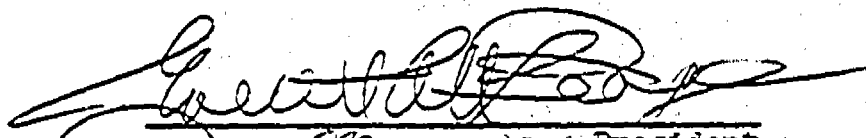
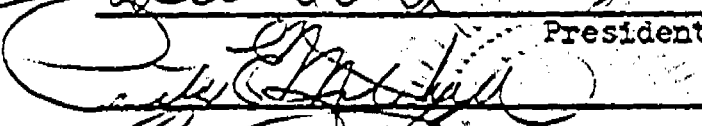

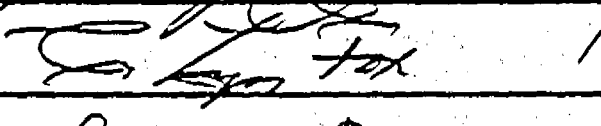
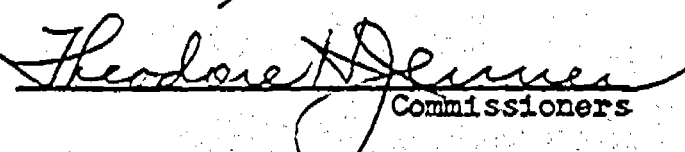
1. Dunn Bros., Inc., as a highway contract carrier, is authorized to depart from the requirements of Minimum Rate Tariff No. 2 to the extent of transporting the pipe as described in this application at a rate of 80 cents per foot, with an allowance to be deducted therefrom of 5 cents per foot when loading operations are accomplished by the prime contractor, subject to the qualifications and conditions hereinafter provided.
2. In lieu of the shipping documents which otherwise would be required, applicant shall prepare, and shall retain and preserve at a location within the State of California, subject to the Commission's inspection, for a period of not less than three years from the date of issuance, a current record containing all of the facts and information necessary from which may be readily determined the transportation and accessorial charges which would result from strict application of the minimum rates contained in Minimum Rate Tariff No. 2, including, but not limited to, the point of origin and the point of destination of each load, and the constructive mileage from point of origin to point of destination of each load.
3. Upon completion of the transportation and stringing service within the State of California involved in this application, applicant shall determine the total transportation and accessorial service charges which would have resulted from strict application of the minimum rates and charges, and shall inform the Commission in writing of the total amount so determined and of the amount assessed

or collected under the rate authorized conditionally in the first ordering paragraph hereof. The written information to the Commission shall be filed with the Commission not later than 45 days after the completion of said transportation and stringing service, and shall make reference to this decision and order.

4. In the event the total amount which would have accrued under the provisions of the minimum rate tariff, less five cents per foot of pipe when loading operations are accomplished by the prime contractor, is determined to be greater than the total amount otherwise applicable under the rate conditionally authorized in the first ordering paragraph hereof, applicant forthwith shall assess and collect such amount as is necessary to result in payment to the applicant in accordance with the former basis; and shall inform the Commission promptly in writing when it has done so.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 15<sup>th</sup> day of November, 1960.

  
\_\_\_\_\_  
President  
  
\_\_\_\_\_  
  
\_\_\_\_\_  
  
\_\_\_\_\_  
  
\_\_\_\_\_  
Commissioners