

ORIGINALDecision No. 63031

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SIERRA DISTRIBUTING, LTD., a corpo-)
 ration, for authority to charge and)
 assess less than minimum rates. }

Application No. 43723

Berol, Loughran & Geernaert, by Edward M. Berol
 and Marshall G. Berol, and Harold F. Culy
 for Sierra Distributing, Ltd., applicant.
Gary Sherrard, Arlo D. Poe and James X. Quintrall,
 for California Trucking Associations, Ltd.,
 interested party.
John R. Laurie and A. R. Day, for the Commission
 staff.

O P I N I O N

By the above-entitled application, filed September 5, 1961, and amended November 9, 1961, 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 prepared edible flour from Sacramento to the Los Angeles Territory and vicinity for the Procter and Gamble Distributing Company.

Public hearing on the application was held before Examiner William E. Turpen at San Francisco on November 13, 1961. Evidence was presented by representatives of applicant and of Procter and Gamble. Members of the Commission's staff assisted in developing the record.

Prepared edible flour presently takes a rating of Class B subject to a minimum weight of 40,000 pounds. For transportation from Sacramento to Los Angeles, this results in a minimum rate of 64 cents per 100 pounds.

Applicant seeks authority to apply a rating of Class E on shipments of flour made to Procter and Gamble plants or warehouses, subject to the conditions that the shipper shall tender not less than 94,000 pounds per day, five days a week, southbound, and shall tender 96,000 pounds of freight at the minimum rates for the return trip to Sacramento. The minimum Class E rate applicable from Sacramento to the Los Angeles Territory is 48 cents per 100 pounds. Applicant also seeks authority to apply a Class D rating on shipments of flour to other consignees in the Los Angeles Territory, subject to a minimum weight of 45,000 pounds. This would result in a rate of 53 cents per 100 pounds.

Applicant's president testified that the Sacramento plant of Procter and Gamble commenced producing edible prepared flour at the beginning of this year and that since that time applicant has transported all the flour between the points here involved. He said that on the northbound trip the commodities transported consist of soap, shortening, and cleaning, scouring and washing compounds. The witness also said that 70 percent of his company's revenues are derived from transportation performed for Procter and Gamble. He presented a study made over the previous six months of the interplant operation between Sacramento and Long Beach. This study showed that the round-trip operation per unit would produce revenues of \$378.21, with expenses for the round trip of \$340.48, for a net profit of \$37.73 and an operating ratio of 90 percent.

The record is clear that the interplant round-trip operation can be performed profitably under applicant's proposed Class E rating on flour. In the circumstances, the Commission finds that applicant's proposal with respect to the interplant movement is reasonable. That portion of the application will be granted.

Because the conditions under which the service is performed may change at any time, the authority will be limited to a one-year period.

With respect to the sought Class D rating on shipments to consignees other than Procter and Gamble plants or warehouses, applicant offered little or no evidence as to the particular conditions involved with or the costs and revenues to be derived from this transportation. Such a showing justifying the proposed rate is indispensable to a finding by the Commission that the proposed rate is reasonable. Applicant has made no such showing. That portion of the application will be denied.

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:

1. That Sierra Distributing, Ltd., be and it is hereby authorized to transport flour, prepared, edible, for Procter and Gamble Distributing Company, from Sacramento at rates and charges no lower in volume or effect than, and subject to the conditions, set forth in Appendix "A" attached hereto and by this reference made a part hereof.

2. That the authority hereinabove granted shall expire one year after the effective date of this order unless sooner canceled, changed, or extended by the order of the Commission.

3. That in all other respects, Application No. 43723
be and it is hereby denied.

The effective date of this order shall be twenty days
after the date hereof.

Dated at San Francisco, California, this 9th
day of JANUARY, 1967.

W. H. [Signature]
President
[Signature]
[Signature]
George E. Crover
Fredrick B. Hollopp
Commissioners

APPENDIX "A" TO DECISION NO. ~~6263A~~

The authority herein granted applies only in connection with flour, prepared, edible, as described in Item No. 339 Series of Minimum Rate Tariff No. 2, transported by Sierra Distributing, Ltd. (hereinafter called "the carrier") for The Procter and Gamble Distributing Company (hereinafter called "Procter and Gamble") from Sacramento, on the one hand, to La Habra, Northridge, and points located in the Los Angeles Territory as described in Item 270-3 Series, Minimum Rate Tariff No. 2, on the other hand, subject to the following rates, rules, and regulations:

1. RATE: Class E, Minimum Rate Tariff No. 2.
2. MINIMUM WEIGHT: 94,000 pounds per shipment, subject to a tender to the carrier of not less than such amount southbound, each day for not less than five days per week, excepting holidays, and not less than 50 weeks per year (hereinafter called "shipping day"). The rate authorized herein is subject to the condition that Procter and Gamble tender to the carrier all shipments of flour, prepared, edible, which it ships from Sacramento to the points authorized herein. If, on any shipping day, Procter and Gamble is unable to tender to carrier 94,000 pounds of flour, prepared, edible, Procter and Gamble may include in such shipment soap and compounds, cleaning, scouring, and washing, in an amount sufficient so that the entire shipment will comprise not less than 94,000 pounds. Such consist of soap and compounds, cleaning, scouring, and washing, shall be subject to rates and charges applicable under the provisions of Minimum Rate Tariff No. 2. Procter and Gamble shall tender to the carrier not less than 96,000 pounds of commodities from Long Beach to Sacramento on each shipping day, as defined herein.
3. SPLIT DELIVERY SHIPMENTS: No component part of a split delivery shipment shall be less than 10,000 pounds. Split delivery shipments shall be subject to the charges as provided in Paragraph 2, Item 170 Series, Minimum Rate Tariff No. 2.
4. APPLICATION OF RATE: Applies only on shipments destined to Procter and Gamble plants or warehouses.

END OF APPENDIX "A"