

ORIGINALDecision No. 63920

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of FRED V. YOUNG, doing business
as FERRO BROTHERS TRUCKING COM-
PANY, for authority to depart
from the rates, rules and regula-
tions of Minimum Rate Tariff
No. 2, under the provisions of
the Highway Carriers Act on
Transportation for FRESNO CONSUM-
ERS ICE CO.

Application No. 44335
Filed April 9, 1962
Amended April 30, 1962

Francis X. Vieira, for applicant.
R. D. Toll, J. X. Quintrall and A. D. Poe,
for California Trucking Associations, Inc.
Henry P. Frank and E. M. Jennings, for the
Commission staff.

O P I N I O N

Public hearing in this application was held before Examiner J. E. Thompson, at San Francisco, on May 24, 1962, on which date the matter was submitted.

Applicant is a highway contract carrier engaged principally in the transportation of agricultural products. He seeks authority to transport ice in shipments of 42,000 pounds for Fresno Consumers Ice Co., from Stockton and Fresno to a field station of California Packing Corporation located 6 miles from Merced, at one cent per 100 pounds less than the established minimum rates.

California Packing Corporation, hereinafter called Cal Pack, maintains a field station at Fancher Ranch on Yosemite Highway about 6 miles east of Merced. For approximately two months each year, usually commencing on or about July 10, Cal Pack collects fruit at that station, hydro-cools it and ships it. Fresno Consumers Ice Co.

has been selling ice to Cal Pack for the hydro-cooling process and applicant has transported the ice for Fresno Consumers Ice Co. since Cal Pack adopted the process for cooling fruit. Last year, before the season, the ice company told applicant that Cal Pack was investigating the cost of installing a plant which would pre-cool the fruit by mechanical refrigeration. Applicant maintained detailed records concerning the revenues and expenses of the 1961 operation in order to determine the cost of providing the service. A summary of that data was presented in evidence.

The 1961 season lasted 50 working days extending from July 19 to September 8, during which time applicant transported 6,615 tons of ice in 315 loads. During the 1960 season applicant transported 8,000 tons of ice. The amount of ice to be transported depends upon the volume of the crop. Applicant expects that the crop in 1962 will be greater than that in 1961. In the operation applicant used five tractors and eight 40-foot, insulated, van-type semitrailers. The interiors of the trailers were modified so that 140 blocks of ice, each weighing 300 pounds, could be loaded and blocked into place without delay. During the season the equipment was not used in any other service except the one involved herein.

For the 1961 season applicant received for the transportation gross revenues of \$24,208. The full cost of providing the service, including overhead expenses, was \$16,034.51.

Applicant forecasts increases in certain expenses for the 1962 season; they include increases in the wages and fringe benefits of drivers and mechanics and an increase in tire expense. Applicant has estimated the results of operation for the 1962 season based upon application of the forecast expenses and the sought rates to the

traffic transported in 1961. The estimated results are \$24,208 gross revenues, \$16,503 expenses, a net of \$7,705, and an operating ratio of 68.2 per cent. Applicant has also estimated the cost per mile of providing the service, which estimate shows that under the proposed rates the transportation from Stockton as well as from Fresno will be profitable.

Evidence was presented which shows that unless the sought relief is granted this profitable traffic may not be enjoyed by applicant. We find that the proposed rates are reasonable.

O R D E R

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

IT IS ORDERED that:

1. Fred V. Young is authorized to transport shipments of ice for Fresno Consumers Ice Co. from Stockton and from Fresno to the field station of California Packing Corporation at Fancher Ranch located on Yosemite Highway six miles easterly from Merced at the following rates:

Commodity: Ice. Minimum weight 42,000 pounds.

	<u>Rate in Cents</u> <u>Per 100 Lbs.</u>
From Stockton	20
From Fresno	18

2. The authority granted herein shall expire April 1, 1963 unless sooner modified, extended or canceled by order of the Commission.

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

Dated at San Francisco, California, this 10th day of JULY, 1962.

George G. Trover
President

John P. Mitchell

Samuel L. Fox

Fredrick B. Hallock

Commissioners

Commissioner Everett C. McKeage, being necessarily absent, did not participate in the disposition of this proceeding.