

ORIGINAL

Decision No. 64454

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 ELOMQUIST TANK LINES, INC., a corpo-
 ration, for authority to charge rates
 for the transportation of asphalt
 from Martinez to Fremont less than
 those prescribed as minimum in
 Minimum Rate Tariff No. 6, Section
 3666.)

Application No. 44621
 Filed July 10, 1962

Handler, Baker & Mastoris, by Marvin Handler,
 for applicant.
Jack K. Miller, Arlo D. Poe and James Quintrall,
 for California Trucking Associations, Inc.,
 interested party.
John F. Specht, for the Commission staff.

O P I N I O N

Public hearing was held before Examiner J. E. Thompson,
 at San Francisco, on August 21, 1962, and the matter was then
 submitted.

Applicant is a petroleum contract carrier whose traffic
 originates at facilities of Shell Oil Company. Clements Construc-
 tion Company, a corporation, located in Fremont, California, pur-
 chases approximately 14,000 tons of liquid asphalt per year, all of
 which originates at the Shell plant at Martinez for delivery to hot
 plants at Fremont. Applicant proposes to transport such asphalt at
 a rate of \$2.25 per ton in truckload quantities with a minimum
 tender of three truck and trailer loads.

Clements controls the traffic. Under agreement between it
 and Shell the freight charges are prepaid by Shell and are made a
 part of the invoice presented for the purchase of the asphalt.
 Clements conducts proprietary trucking operations with dump trucks,
 tank trucks, and other motor vehicles used in the construction

business. It owns two units which are used to transport liquid asphalt. One of the units is in need of an overhaul so that Clements is operating only one unit pending determination of this application. Applicant has been transporting shipments which the equipment of Clements cannot handle.

If the authority sought is granted, Clements will retire the equipment needing overhaul and will operate the remaining unit only as long as it is economically feasible to do so.

Applicant has been transporting from three to six loads per day for Clements. It has 24 units of insulated tank equipment which it can use for this traffic. Some of the units which have been used have capacities of 27 tons; the typical unit, however, has a capacity of $24\frac{1}{2}$ tons.

Applicant showed that the full cost per trip amounts to \$48.76 and that the revenue which will be derived from hauling $24\frac{1}{2}$ tons at the proposed rate is \$55.13.

Clements showed that the cost to it of transporting an average load of 23.1 tons in its unit presently in operation is \$2.142 per ton. The chief executive officer of the company testified that if the authority sought herein is denied, it will add such equipment as may be necessary to haul the bulk of the traffic.

The proposed rate of \$2.25 per ton would be applicable only on a tender of three truck and trailer loads. Assertedly that is the number of round trips that may be made with one unit during a normal business day. The cost estimate, particularly with respect to labor expenses, reflects the full use of a unit of carrier's equipment for the day. The weight used to determine the operating results for this transportation was $24\frac{1}{2}$ tons. The evidence shows, and we find, that the rate of \$2.25 per ton for the transportation of three truck and trailer loads, minimum weight $24\frac{1}{2}$ tons each, is compensatory.

After full consideration of all of the facts we find that the rate of \$2.25 per ton, minimum weight 73½ tons, is reasonable for the transportation by applicant of liquid asphalt from Shell Oil Company, Martinez, to Clements Construction Company, Fremont, and that the application should be granted.

ORDER

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

IT IS ORDERED that:

1. Blomquist Tank Lines, Inc., a corporation, is authorized to charge, demand and collect rates and charges lower than the minimum rates otherwise applicable but no lower in volume or effect than \$2.25 per ton, minimum weight 73½ tons, for the transportation of liquid asphalt in bulk in tank vehicles from Shell Oil Company, Martinez, to Clements Construction Company, Fremont.

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

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

Dated at San Francisco, California, this 23rd day of October, 1962.

George T. Grover
President
[Signature]
[Signature]
[Signature]
Fredrick B. Hallock
Commissioners