

Decision No. 66627

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SAN FRANCISCO WAREHOUSE CO., a cor-)
poration, for authorization to trans-) Application No. 46004
port rice for C. E. GROSJEAN RICE) (Filed December 4, 1963)
MILLING CO. within San Francisco at)
rate below minimum rate prescribed)
by City Carriers' Tariff No. 1-A.)

OPINION AND ORDER

San Francisco Warehouse Co. operates, among other things, as a city carrier.¹ By Decision No. 64758, dated January 8, 1963, in Application No. 45010, it was authorized as a city carrier to charge a rate less than the established minimum rate for the transportation of rice, in sacks, from the plant of C. E. Grosjean Rice Milling Co. in San Francisco to piers on the San Francisco waterfront. The authority is scheduled to expire January 27, 1964. By this application, authority is sought to continue to charge a rate less than the minimum rate otherwise applicable. Applicant proposes to charge 10½ cents per 100 pounds rather than 10 cents as currently authorized, and to make the rate applicable to rice "in sacks or cases" instead of "in sacks" as now specified.²

1

The corporation operates as a public utility warehouseman, a highway common carrier, a radial highway common carrier, a highway contract carrier and a city carrier.

2

No authority for the increase is required, inasmuch as applicant performs the transportation as a city carrier for which only minimum rates have been established. Authority to continue the use of the sought rate beyond January 27, 1964, is required however, inasmuch as the rate is below the minimum rate otherwise applicable.

Applicant states that the conditions under which it performs the transportation herein involved are generally the same as those prevailing at the time prior authorization was granted. Applicant asserts that it has experienced increases in costs of doing business, but that said increased costs have been counteracted by increased efficiency. As explained by applicant, the conditions under which it transports rice are unusual and enable it to realize unusual economies in operations. The shipper furnishes its own pallets and tenders shipments to applicant palletized by employees of the shipper. At destination at the pier applicant unloads the loaded pallets from applicant's truck, but is not required to take the sacks or cases of rice off the pallets. Insofar as the operations performed by applicant are concerned, the transportation characteristics of the pallet loads are identical whether the rice is in sacks or in cases. The shipper may load thirty 100-pound sacks or sixty 50-pound cases on the pallet.

A cost study attached to the application indicates that the service in question can be conducted at a reasonable profit by the applicant under the proposed rate.

The verified application shows that a copy thereof was served on the Draymen's Association of San Francisco, Inc., on December 4, 1963, and that applicant has been authorized by the secretary of that association to state that the organization has no objection to the granting of the application.

In the circumstances, it appears, and the Commission finds, that the proposed rate is reasonable and consistent with the public interest. This is a matter in which a public hearing

A. 46004 - g1

is not necessary. The application will be granted. However, since the conditions surrounding the transportation may change, the extension will be limited to one year.

Good cause appearing,

IT IS ORDERED that:

1. San Francisco Warehouse Co., a corporation, operating as a city carrier, is hereby authorized to transport rice, in sacks or cases, for C. E. Grosjean Rice Milling Co. from the latter company's plant in San Francisco to piers on the San Francisco waterfront at a rate less than the established minimum rate, but not less than 10½ cents per 100 pounds, minimum weight 20,000 pounds, subject to the following conditions:

- (a) The rice shall be palletized by the shipper on the shipper's pallets and loaded onto applicant's vehicles by the shipper.
- (b) Applicant shall not be required to remove the rice from the pallets.
- (c) The weight on which charges are assessed shall not include the weight of the pallets.
- (d) The empty pallets shall be returned from the piers to the rice company's plant without charge.
- (e) The shipper shall tender to applicant for the transportation involved herein a minimum of 1,000 tons of rice per calendar year.

2. The authority herein granted shall, on and after January 27, 1964, supersede the authority granted by Decision No. 64758, and shall expire with January 27, 1965.

The effective date of this order shall be January 27, 1964.

Dated at San Francisco, California, this 14th day of January, 1964.

William W. Bennett
President

George T. Hoover

Fredrick B. Holshoff
Commissioners