

ORIGINALDecision No. 66906

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 ELLIS TRANSPORTATION CO., INC., a)
 California corporation, for author-)
 ity to charge less than minimum)
 rates pursuant to Section 3666 of)
 the Public Utilities Code, for the)
 transportation of iron ore for)
 Riverside Cement Company.)

Application No. 45894
 Filed October 23, 1963

Phil Jacobson, for applicant.
Fred P. Hughes and Carl S. Blaubach,
for the Commission staff.

O P I N I O N

Public hearing in this matter was held in Los Angeles on January 14, 1964, before Examiner Mooney, at which time the matter was submitted. The granting of the application was not opposed. The Commission staff assisted in the development of the record.

Ellis Transportation Co., Inc., a California corporation, is authorized to operate in California as a highway contract carrier, a petroleum contract carrier and a petroleum irregular route carrier. By this application, it seeks authority under Section 3666 of the Public Utilities Code, as a highway contract carrier, to assess less than the established minimum rates for the transportation of iron ore from the Iron Age Mine located 27.3 miles due east of Twentynine Palms to the plant of the Riverside Cement Company, a division of the American Cement Corporation, at Oro Grande. The transportation is to be performed for the account of the Riverside Cement Company.

Applicant proposes a rate of \$4.15 per ton, minimum weight 40,000 pounds, subject to a minimum tonnage of 750 tons per

calendar month, for the movement of the iron ore in transfer and hopper dump truck equipment.

Evidence was introduced at the hearing on behalf of applicant through a transportation consultant, its comptroller and assistant to operations manager and the traffic manager of the Riverside Cement Company.

The transportation consultant testified that the distance between origin and destination via the route shown in Distance Table No. 4 is 185 constructive miles. He stated that a road between Yucca Valley and Lucerne not shown in Distance Table No. 4 was improved approximately five years ago and now provides a more direct route from origin to destination. He further testified that the direct route is 120 actual miles and is ideal for truck movements.

The comptroller and assistant to operations manager for applicant testified regarding applicant's study of costs of performing the service. The costs were developed for both transfer dump truck equipment and hopper bottom dump truck equipment for a minimum tonnage of 750 tons per month and also for an anticipated average tonnage of 2,000 tons per month. The study shows that the service can be performed at a profit under the proposed rate. The comptroller further testified that the movement commenced three months ago; that the cement company is now performing the transportation with a dump truck and trailer leased from applicant and has transported 5,443.2 tons of iron ore during the three-month period; and that if the sought rate is authorized, the cement company will terminate the lease and engage applicant to perform the service.

The traffic manager for the Riverside Cement Company testified that the Iron Age Mine is a new source for the iron ore used in the manufacture of cement and that previously the iron ore was

obtained from another source. He stated that if the sought authority is granted, the Riverside Cement Company will execute a contract with applicant for the transportation of a minimum of 750 tons of iron ore per month and that if the sought authority is not granted, the Riverside Cement Company will perform the transportation with proprietary equipment.

Based upon the evidence, we find that the proposed rate and governing rules are reasonable and conclude that the application should be granted. Because the conditions under which the transportation is to be performed may change, the authority which will be granted will be limited to a period of one year unless sooner canceled, modified or extended by order of the Commission.

O R D E R

IT IS ORDERED that:

1. Ellis Transportation Co., Inc., a California corporation, is authorized to charge and collect a rate less than the applicable minimum rate but not less than the rate set forth in Appendix A, attached hereto and by this reference made a part hereof, for the transportation of iron ore for the Riverside Cement Company, a division of the American Cement Corporation, from the Iron Age Mine located 27.3 miles due east of Twentynine Palms to the plant of the Riverside Cement Company at Oro Grande.

2. The authority granted herein shall expire March 31, 1965, unless sooner canceled, modified or extended by order of the Commission.

The effective date of this order shall be April 1, 1964.

Dated at Los Angeles, California, this 3rd

day of MARCH, 1964.

 President
George G. Grover

George G. Grover

Fredrick B. Haliloff

Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A

ELLIS TRANSPORTATION CO., Inc.

Schedule of Minimum Rates for the
Transportation of iron ore for the
Riverside Cement Company, a division
of the American Cement Corporation

Section 1

Item 10 - Application of Rate - General

The minimum rates, rules and regulations set forth in Minimum Rate Tariff No. 2 are applicable to the transportation of iron ore, except as specifically provided in Section 2.

Section 2

Item 20 - The rate in this section applies to the transportation of iron ore in bulk in dump truck equipment from the Iron Age Mine, located 27.3 miles due east of Twentynine Palms, to the plant of the Riverside Cement Company at Oro Grande.

Item 30 - Minimum Weight

The rate in this section is subject to a minimum weight of 20 tons per shipment. The minimum weight shall be transported in one unit of equipment at one time.

Item 40 - Minimum Tonnage per Calendar Month

The rate in this section is subject to a minimum tonnage of 750 tons per calendar month.

Item 50 - Loading

The rate in this section applies only when carrier's equipment is loaded by the consignor.

Item 60 - Commodity Rate

\$4.15 per ton.