

Decision No. 67539

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Consolidated Freightways)
Corporation of Delaware, a corporation,))
for authority to depart from the rates,))
rules and regulations of City Carriers'))
Tariff No. 1-A under the provisions of))
the City Carriers' Act.))

Application No. 46670
(Filed May 27, 1964)
(Amended June 18, 1964)

OPINION AND ORDER

Consolidated Freightways Corporation of Delaware, a corporation, operates, among other things, as a city carrier.¹ By this application, as amended, it seeks authority to transport malt barley from the plant of Bauer-Schweitzer Malting Co., Inc., in San Francisco to various breweries in San Francisco at a rate of 11½ cents per 100 pounds, minimum weight legal capacity of trailer used.

Applicant states that it and its predecessor, Farnsworth & Ruggles, have transported malt barley to the various San Francisco breweries from the plant site of Bauer-Schweitzer Malting Co., Inc., for over twenty years. This transportation has been performed in four specially designed and constructed top loading bottom dump trailers, which are dedicated to the transportation in question and are not used in any other service.

Applicant further states that all property transported in dump truck equipment was exempt from the minimum rates named in City Carriers' Tariff No. 1-A prior to October 12, 1963. On that date the tariff was amended pursuant to Decisions Nos. 65834 and 65841 dated August 6, 1963, so that those commodities, including malt

¹The corporation also operates as a radial highway common carrier, highway contract carrier, highway common carrier and petroleum irregular route carrier.

barley, for which rates are not provided in Minimum Rate Tariff No. 7 are no longer exempt from City Carriers' Tariff No. 1-A when transported in dump truck equipment.²

Applicant alleges that it had assessed a rate of 14½ cents per 100 pounds based on the net weight of the shipment prior to October 12, 1963. Because it was not aware of the effect of Decisions Nos. 65834 and 65841, supra, it continued to charge this rate from October 12, 1963, until April 1, 1964, at which time it began assessing the minimum rate of 24 cents per 100 pounds set forth in City Carriers' Tariff No. 1-A for the transportation involved. Applicant further alleges that it has billed and collected the undercharges that accrued during the period October 12, 1963, to and including March 31, 1964.

Applicant asserts that this operation is quite profitable as loading and unloading are performed by gravity and low labor costs are incurred. It is further asserted that any rate in excess of 11½ cents per 100 pounds results in charges that are unreasonable, unjust and contrary to the public interest and will only result in the diversion of presently profitable traffic to proprietary transportation.

Attached to the application as Exhibit C is a study of the cost to applicant of providing the service for the first quarter of 1964 and the revenue that would have accrued under the proposed rate. Applicant avers that this study justified the proposed rate as a reasonable rate for the traffic herein involved.

The certificates of service show that copies of the application and amendment thereto were mailed to California Trucking Association and San Francisco Draymen's Association, Inc., on May 26, 1964, and June 17, 1964, respectively. No objection to the granting of the application, as amended, has been received.

² Order Setting Hearing dated April 10, 1962, in Case No. 5441.

In the circumstances, it appears, and the Commission finds, that the proposed rate is reasonable and consistent with the public interest. A public hearing is not necessary. The application, as amended, will be granted. However, as the conditions under which the service is performed may change at any time, the authority will be made to expire at the end of one year.

IT IS ORDERED that:

1. Consolidated Freightways Corporation of Delaware, a corporation, is authorized to transport malt barley from the plant site of Bauer-Schweitzer Malting Co., Inc., in San Francisco to breweries in San Francisco at a rate less than the established minimum rate but not less than 11½ cents per 100 pounds, minimum weight legal capacity of trailer used.

2. The authority granted herein shall expire with August 3, 1965.

This order shall become effective twenty days after the date hereof.

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

Frederick B. Hallock
President
John C. K... ..
George T. Crover
William M.

Commissioners

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