

ORIGINAL

Decision No. 67899

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
ACME TRANSPORTATION, INC., a corpora-)
tion, for authority to depart from)
minimum rates, rules and regulations) Application No. 46980
applicable in connection with certain) (Filed September 15, 1964)
transportation to be performed for)
COLLIER CARBON AND CHEMICAL CORPORA-)
TION.)

OPINION AND ORDER

Acme Transportation, Inc., a corporation, operates in California under various authorities issued by this Commission. By this application it seeks authority as a radial highway common carrier under Section 3666 of the Public Utilities Code to transport petroleum coke, in bulk, at rates lower than those established as minimum. The proposed transportation would be performed for Collier Carbon and Chemical Corporation(a) from the Union Oil Company refinery located at Oleum, California, to Collier Carbon and Chemical Corporation ("Collier") located at Collier, California, a point three miles southeast of Rodeo on State Highway No. 4 and (b) from the Union Oil Company refinery located at Oleum to the shipper's facility located at Rodeo, California.

The minimum rates established in Minimum Rate Tariff No. 2 for this transportation are (1) 15 cents per 100 pounds from Oleum to Collier and (2) 14 cents per 100 pounds from Oleum to Rodeo. The rates are subject to a minimum weight of 40,000 pounds and a surcharge of \$5.50 per shipment. Applicant's proposal is to transport the petroleum coke in hopper bottoms and rear end

dump trucks with gravity loading and unloading. The rates proposed are 28 cents per short ton minimum 26 tons per shipment from Oleum to Collier and 17.5 cents per short ton minimum 12 tons per shipment from Oleum to Rodeo.

It is alleged that Collier moves approximately 150,000 tons of petroleum coke a year between Oleum and Collier and approximately 65,000 tons of petroleum coke a year between Oleum and Rodeo. According to the application, all of this tonnage has been moving for many years in proprietary equipment. Applicant states that it is now Collier's desire to discontinue using proprietary equipment and use for-hire carriers provided rates lower than the aforesaid minimum rates and suitable for the aforesaid transportation can be established. Applicant also states that the currently applicable minimum rates were established for a kind of transportation which the prescribed rates were predicated upon costs involved in the movement of commodities in equipment other than dump truck equipment and in equipment loaded and unloaded by the carrier. It further states that the transportation involved in this application concerns a kind of service for which minimum rates have been established by the Commission in its dump truck tariff and that the dump-truck tariff does not include rates for movement of petroleum coke. Applicant alleges that the rates required to be charged by Minimum Rate Tariff No. 2 for the involved transportation are higher than justified by the cost of handling such traffic and that the shipper, having performed this transportation itself for a number of years, is fully aware of the transportation cost and has advised applicant that if the rates here proposed are made available to it, it will discontinue proprietary operations and use the service of applicant for this transportation.

Applicant has appended to the application a study of its cost of handling the traffic herein involved, including projection of revenue, costs and operating results under the proposed rates. The study indicates that the transportation will be profitable.

The certificate of service shows that a copy of the application was mailed to California Trucking Association on September 15, 1964. The Association has informed the Commission by letter dated September 17, 1964, that it has investigated the allegations of the applicant that expedited ex parte action is necessary to dissuade the snipper from concluding certain pending contractual commitments which would preclude use of for-hire carriage over the period of such commitments. While it has no objection to the ex parte handling of this matter, the Association requests that the authority be limited by providing an expiration date of July 1, 1965, so that any necessary review can consider wage increases effective thereon.

In the circumstances, it appears, and the Commission finds, that the sought rates are reasonable for the transportation involved herein. The application will be granted. Because the conditions surrounding this transportation may change, the authority will be made to expire with June 30, 1965, unless sooner canceled, modified or extended by order of the Commission. A public hearing is not necessary.

IT IS ORDERED that:

1. Acme Transportation, Inc., a corporation, is authorized to charge and collect rates less than the applicable minimum rates but not less than the rates set forth in Appendix A attached hereto and by this reference made a part hereof for the transportation of petroleum coke for Collier Carbon and Chemical Corporation from Cleum to Collier and Rodeo.

2. The authority granted herein shall expire with
June 30, 1965.

This order shall become effective on the date hereof.

Dated at San Francisco, California, this 22nd day
of September, 1964.

Frederick B. Holdhoff
President
Est. E. [unclear]
Wesley [unclear]
George [unclear]
William M. [unclear]
Commissioners

APPENDIX A

ACME TRANSPORTATION, INC.

Schedule of Minimum Rates for the
Transportation of Petroleum Coke in Bulk for
Collier Carbon and Chemical Corporation
(Ton Means 2,000 Pounds)

I

POINTS

From: The Union Oil Company refinery
Oleum, California
To: Collier Carbon and Chemical Corporation
Collier, California

EQUIPMENT

Hopper bottoms, gravity loaded and unloaded.

PROPOSED RATE

28 cents per ton.
Minimum weight 26 tons per shipment.

II

POINTS

From: The Union Oil Company refinery
Oleum, California
To: Collier Carbon and Chemical Corporation facility
Rodeo, California

EQUIPMENT

Rear end dump trucks, gravity loaded and gravity unloaded.

PROPOSED RATE

17.5 cents per ton.
Minimum weight 12 tons per shipment.

END OF APPENDIX A