

ORIGINAL

Decision No. 68531

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SOUTHERN PACIFIC COMPANY for authority to cancel Local and Joint Commodity Tariff No. 2-B and to publish in lieu thereof Local and Joint Commodity Tariff No. 2-C containing increased rates on shipments of milk and cream and related articles.

Application No. 46597

SUPPLEMENTAL OPINION AND ORDER.

By Decision No. 68459, dated January 12, 1965, Southern Pacific Company was authorized to cancel Local and Joint Commodity Tariff No. 2-B and to publish in lieu thereof certain increased rates on shipments of milk and cream and related articles. It was directed, concurrently with the establishment of said increased rates, to establish rates for the transportation of milk and cream, including sour cream, to Oakland \$1.65 per 100 pounds differentially lower than the rates for such transportation to San Francisco.

The aforementioned directive was based in part upon the finding that the out-of-pocket cost to Southern Pacific Company of transporting shipments from Oakland to San Francisco is \$1.65 per 100 pounds. At page 3 of the decision is the finding:

"All milk and cream traffic with the exception of shipments from Palo Alto is handled via Oakland, from which station it is moved in substitute truck service to San Francisco."

The evidence shows that shipments of milk and cream from Palo Alto to San Francisco move directly without handling via Oakland. It is readily apparent that the out-of-pocket cost to applicant of transporting milk and cream from Palo Alto to Oakland is not \$1.65 per 100 pounds differentially lower than to San Francisco.

We conclude that applicant should not be required to establish rates on milk and cream from Palo Alto to Oakland \$1.65 per 100 pounds differentially lower than those to San Francisco; therefore,

IT IS ORDERED that:

Ordering Paragraph No. 2 of Decision No. 68459 which states:

"2. Concurrently with the establishment of the rates authorized above, Southern Pacific Company shall establish rates for the transportation of milk and cream, including sour cream, to Oakland \$1.65 differentially lower than the rates for such transportation to San Francisco."

is deleted and the following is substituted therefor:

"2. Concurrently with the establishment of the rates authorized above, Southern Pacific Company shall establish rates for the transportation of milk and cream, including sour cream, to Oakland, except from Palo Alto, \$1.65 per one hundred pounds differentially lower than the rates for such transportation to San Francisco."

In all other respects said Decision No. 68459 shall remain in full force and effect.

The effective date of this order shall be February 1, 1965.

Dated at San Francisco, California, this 22nd day of JANUARY, 1965.

Fredrick B. Haller
President
George T. Grover

Commissioners

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