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ORIGINAL

Decision No. 69900

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of GIACOMAZZI BROS. TRANSPORTATION
CO., for authority to deviate from
the provisions of MRT No. 2 on
certain transportation of Waste
Line.

Application No. 47770
(Filed July 23, 1965)

F. L. Caldwell, for applicant.
Dennis Day and Keith Brown, for Spreckels Sugar Company;
and J. C. Kaspar, A. D. Poe and H. F. Kollmyer, for
California Trucking Association, interested parties.
R. J. Carberry and J. C. Matson, for the Commission
staff.

O P I N I O N

Applicant, Giacomazzi Bros. Transportation Co., seeks authority as a highway permit carrier to assess less than the applicable rates in Minimum Rate Tariff No. 2 for the transportation of waste lime for the Spreckels Sugar Company from that company's plant at Spreckels to its plant in the vicinity of Mendota.

This matter was heard and submitted before Examiner Mallory at San Francisco on September 30, 1965. Copies of the application and notices of hearing were served in accordance with the Commission's procedural rules. Evidence in support of the application was submitted by applicant's traffic supervisor and by the assistant traffic manager of the sugar company for whom the transportation is to be performed. No one appeared in opposition to the relief sought. California Trucking Association (CTA) and the Commission staff assisted in the development of the record.

According to applicant's traffic supervisor the transportation of waste lime is an efficient operation which profitably can be performed at the sought rate. Applicant has hauled waste lime from Spreckels to Mendota for the past three years. The transportation service is performed with equipment units consisting of a tractor and two flat-rack trailers equipped with specially constructed boxes. The waste lime is loaded from a stock pile with bulk loading equipment furnished by the shipper. At destination the trailer bodies are tilted by equipment furnished by the shipper to permit the waste lime to flow by gravity into a pit. Loading and unloading times are less than those provided in Minimum Rate Tariff No. 2 before demurrage charges must be assessed. The witness stated that applicant's experience and the shipper's cooperation assure the efficient use of applicant's equipment, resulting in substantial economies for the operations to be performed under the sought authority.

The witness testified to the development of the cost information contained in the application. These data were developed from applicant's records, and reflect, to the extent possible, specific costs applicable to the transportation under consideration. The data developed by applicant indicate that the proposed rate will exceed the estimated costs of operation and will provide a reasonable profit to the carrier, as represented by an estimated operating ratio of 90.7 percent.

The assistant traffic manager of Spreckels Sugar Company testified that waste lime is the end product of lime-rock used in the manufacture of sugar, and that sugar factories are the only producers of the commodity. The waste lime had no commercial usage other than fertilizer until Spreckels developed a new type

of lime kiln at its Mendota factory equipped to reuse the waste lime. The movement from Spreckels to Mendota is an interplant movement. Because of its low value and limited usage, apparently there are no other movements of waste lime in California. The waste lime is transported during the two seasonal "campaigns" in which sugar is manufactured at Mendota. The fall campaign covers a period of approximately five months, beginning after July 1 of each year. The spring campaign covers a three-month period ending in May.

CTA urged that, if the application is granted, it be subject to an expiration date, inasmuch as the record indicated that known changes in certain elements of costs will occur within the next nine months. CTA suggested July 1, 1966, in order that there would be no change in rates during any sugar manufacturing campaign. Applicant and Spreckels did not object to this proposal.

Based upon the evidence in this proceeding, the Commission finds that the sought less-than-minimum rate and related provisions will be reasonable, and concludes that the authority should be granted subject to an expiration date of July 1, 1966.

O R D E R

IT IS ORDERED that:

1. Giacomazzi Bros. Transportation Co. is authorized to transport waste lime for the Spreckels Sugar Company from that company's plant at Spreckels to its plant near Mendota at a rate less than the established minimum rate, but not less than the rate set forth below:

- (a) The applicable rate shall be 21½ cents per 100 pounds, minimum weight 45,000 pounds per unit of equipment consisting of a tractor and two flat-rack trailers equipped with specially constructed boxes.
- (b) When the total time involved in loading and unloading on any single trip exceeds two hours, the accessorial charge set forth in Item No. 145 of Minimum Rate Tariff No. 2 shall be assessed for the total time in excess of two hours.
- (c) The surcharges applicable to transportation involving the Central Coastal Territory shall not be applicable.
- (d) In all other respects, the provisions of Minimum Rate Tariff No.2 shall be applicable.

2. The authority granted herein shall expire July 1, 1966, unless sooner cancelled, modified or extended by further order of the Commission.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 21st day of NOVEMBER, 1965.

Frederick B. Holdoff
President

George J. Grover
Augustus

William M. Stevens
Commissioners