

**ORIGINAL**

Decision No. 70545

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of: )  
 )  
 FLOUR TRANSPORT, INC., a California )  
 corporation, for authority to deviate )  
 from minimum rates pursuant to )  
 Sections 3666 and 4015 of the Public )  
 Utilities Code for the transportation )  
 of flour, in bulk, for specified )  
 shippers. )

Application No. 48216  
(Filed January 28, 1966)

OPINION AND ORDER

Flour Transport, Inc., a corporation, is a highway contract carrier and city carrier engaged in the transportation of flour, in bulk, between points in the Los Angeles metropolitan area. By Decision No. 68885 dated April 13, 1965, in Application No. 47304, it was authorized to charge rates less than the minimum rates named in Minimum Rate Tariff No. 5 for the transportation of various types of flour, in bulk, between points within the Los Angeles drayage area for specified shippers. Applicant was also authorized to charge rates less than those named in Minimum Rate Tariff No. 2 for similar transportation services which it performs between points within Los Angeles and Orange Counties.<sup>1</sup> Both of these authorities are scheduled to expire with April 18, 1966.

By this application, applicant seeks to modify, consolidate and extend for an additional one-year period the separate authorities currently in effect. Applicant desires to combine the two current authorities due to the similarity of transportation conditions and services involved and for the sake of convenience.

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<sup>1</sup> See Decision No. 68234 dated November 17, 1964, in Application No. 46825 as amended by Decision No. 68886 dated April 13, 1965, in Application No. 47331.

The modifications proposed to be made in the existing authorities involve: (1) the inclusion of two additional shippers; (2) the addition of specific rates for distances of 3 miles or less and over 3 but not over 5 miles; (3) the use of constructive mileages in the Commission's Distance Table No. 5 in lieu of actual mileages for movements within the Los Angeles drayage area; and (4) the establishment of rates within this drayage area for distances over 15 but not over 25 miles.

Applicant states that the two new shippers, Nebraska Consolidated Mills and The Peavey Company, would be placed at a serious competitive disadvantage should it be authorized to apply the sought rates only in connection with services it now performs for other shippers. The additional mileage rates for transportation within the drayage area encompass all possible distances therein and, distance considered, they are on the same basis as the current authorized rates for transportation between certain points in Los Angeles and Orange Counties.

Applicant utilizes a new "drop loading" process whereby 40,000 pounds of flour are dropped into its specialized equipment from overhead gravity bins within a period of three to five minutes. Unloading time averages about fifty minutes per load and transit times are held to a minimum due to the fact that freeways can be used to a great extent.

Applicant avers that the weight and hourly rates named in Minimum Rate Tariff No. 5 were not designed for the specialized service involved and that the shippers desire and require rates in cents per 100 pounds which will permit them to make firm bids to bakeries for periods of approximately six months.

Applicant asserts that the proposed rates are necessary to prevent substantial diversion of this traffic to proprietary transportation. Since commencing such operations in 1962, applicant alleges that it has lost the traffic of two shippers to proprietary hauling and that other shippers have indicated they would consider proprietary operations unless the rate relief sought herein is granted.

Revenue and expense data submitted by applicant indicate that the transportation involved has been profitable and reasonably may be expected to be profitable during the ensuing year.

The certificate of service shows that a copy of the verified application was mailed to California Trucking Association on January 27, 1966. The application was listed on the Commission's Daily Calendar of February 1, 1966. No objection to the granting of the application has been received.

In the circumstances, it appears, and the Commission finds, that the proposed rates are reasonable and consistent with the public interest. A public hearing is not necessary. The Commission concludes that the application should be granted.

In view of the impending expiration date of the current authority, the order which follows will be made effective April 18, 1966.

IT IS ORDERED that:

1. Flour Transport, Inc., is hereby authorized to transport:

Grain or Rice Flour, in bulk,  
Grain or Rice Flour, in bulk, including  
chemical or other ingredients not to  
exceed four percent, and  
Semolina or Semolina and Grain Flour,  
in bulk,

between points in Los Angeles and Orange Counties, for the milling companies named in Appendix A attached hereto and by this reference.

A. 48216 - hh

made a part hereof, at rates less than the established minimum rates but not less than those set forth in, and subject to the conditions specified in, said Appendix A.

2. The authority granted herein shall, on and after April 18, 1966, supersede the authorities granted by Decision No. 68885 and Decision No. 68234, as amended by Decision No. 68886, and shall expire with April 18, 1967.

The effective date of this order shall be April 18, 1966.

Dated at San Francisco, California, this 5<sup>th</sup> day of April, 1966.

Frederick B. Hallock  
President  
George T. Grover  
Augusta  
William G. Burnett  
Commissioners

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

APPENDIX A TO DECISION NO. 70545APPLICATION OF RATES

By: Flour Transport, Inc.

For: Barbara Ann Baking Co.  
 California Milling Corporation  
 Capitol Milling Company  
 Centennial Mills Incorporated  
 Colorado Milling & Elevator Co.  
 Fisher Flouring Mills Co.  
 General Mills, Inc.  
 Iglehart Operations  
 The Ismert-Hincke Milling Co.  
 Kansas Milling Company

Nebraska Consolidated Mills  
 New Era Milling Company  
 The Peavey Company  
 The Pillsbury Company  
 Quaker Oats Company  
 Russell Miller Milling Co.  
 Salt Lake Flouring Mills  
 Sheridan Flouring Mills  
 Terminal Flour Mills

Commodity:

Grain or Rice Flour, in bulk. Grain or Rice Flour, in bulk, chemical or other ingredients not to exceed four percent. Semolina or Semolina and Grain Flour, in bulk.

Authorized Rates (in cents per hundred pounds):

- A. Rates lower than minimum rates otherwise prescribed but not less than the following rates applicable between points and places within the Los Angeles Drayage Area (as defined in Minimum Rate Tariff No. 5). Rates subject to Notes 1 through 10. Mileages to be computed in accordance with the Commission's Distance Table No. 5, supplements thereto or successive issues thereof.

<u>MILES</u>		<u>RATES</u>	
<u>Over</u>	<u>But Not Over</u>	<u>Minimum Weight 30,000 Pounds</u>	<u>Minimum Weight 40,000 Pounds</u>
0	3	10.5	8.5
3	5	11.0	9.0
5	10	11.5	9.5
10	15	12.0	10.0
15	20	12.5	10.5
20	25	13.0	11.0

- B. Rates lower than minimum rates otherwise prescribed but not less than the following rates applicable between points in Los Angeles and Orange Counties, California. Rates subject to Notes 1 through 9 and Note 11. Mileages to be computed in accordance with the Commission's Distance Table No. 5, supplements thereto or successive issues thereof.

<u>MILES</u>		<u>RATES</u>	
<u>Over</u>	<u>But Not Over</u>	<u>Minimum Weight 30,000 Pounds</u>	<u>Minimum Weight 40,000 Pounds</u>
0	3	10.5	8.5
3	5	11.0	9.0
5	10	11.5	9.5
10	15	12.0	10.0
15	20	12.5	10.5
20	25	13.0	11.0
25	30	13.5	11.5
30	35	14.0	12.0

- Note 1 - Loading Time: An additional charge of \$3.00 shall be assessed for each 45 minute period or fraction thereof after the first 45 minutes of free time.
- Note 2 - Rail Car Service: Add 1.5 cents per 100 pounds for rail car service. Add an additional .5 cents (total 2.0 cents) if Flour Transport, Inc. furnishes electrical power at designated team track.
- Note 3 - Weighing Service: Add \$15.00 per car for weighing service provided in connection with unloading of rail cars.
- Note 4 - Rate Computation: When charges accruing on a shipment based on actual weight exceed the charges computed on a rate based on a greater minimum, the latter shall apply.
- Note 5 - Demurrage: If delivery cannot be accomplished and the trailer is put out of service without driver in attendance, a charge of \$1.50 per hour will be assessed after the first two hours. If a driver is in attendance, a charge of \$14.00 per hour will be assessed.
- Note 6 - Returns: If flour is delivered to consignee, refused, returned to mill or car for unloading, a charge of one and one-half times normal applicable rate will be made.
- Note 7 - Sunday Delivery: Add 3.0 cents per 100 pounds when Sunday delivery is specified.
- Note 8 - Special Setup: Add 3.0 cents per 100 pounds when delivery is made to a bakery not equipped for truck delivery (220 three-phase power and reasonable access).
- Note 9 - Shipping Notice: Add 2.0 cents per 100 pounds when shipment must be made with less than twelve hours notice if driver call back is required.
- Note 10- In all other respects, the provisions of Minimum Rate Tariff No. 5 are applicable.
- Note 11- In all other respects, the provisions of Minimum Rate Tariff No. 2 are applicable.

(End of Appendix A)