

Decision No. 74138

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 Minimum Rate)
 Tariff No. 2 under the provisions of)
 the Highway Carriers Act.)

Application No. 49945
 (Filed January 16, 1968)
 (Amended April 1, 1968)

Robert Lancefield, for applicant.
Richard Smith, A. D. Poe and H. F. Kollmyer,
 for California Trucking Association,
 interested party.
E. H. Burgess and R. W. Stich, for the
 Commission staff.

O P I N I O N

This application was heard and submitted April 17, 1968, before Examiner Thompson at San Francisco. Copies of the application and notice of hearing were served in accordance with the Commission's procedural rules. There are no protests.

Consolidated Freightways Corporation of Delaware, a corporation, seeks authority to charge less than the minimum rates for the transportation of petroleum coke, in bulk, from Torrance to Wilmington for Great Lakes Carbon Corporation. The proposed rates are 89.9 cents per ton for all tonnage handled on Labor Day, Thanksgiving Day, Christmas Day, New Year's Day, Memorial Day and the Fourth of July; and 64.5 cents per ton for all tonnage handled on other days.

Applicant and a predecessor company have held authority to transport petroleum coke at less than the minimum rates for Great Lakes Carbon Corporation since 1952. Its most recent authority, granted in Decision No. 72026, dated February 15, 1967, in Application No. 49075, and reissued pursuant to interim order in

Decision No. 73833, dated March 12, 1968, herein, provides a rate of 66.8 cents per ton for the first 220,000 tons and 63.4 cents per ton for each ton in excess of 220,000 tons.

During the twelve months ended September 30, 1967, applicant transported 510,530 tons in this movement. 26,539 straight time hours, 7,803 overtime hours, and 451,862 miles were involved. The average load per trip was 25.12 tons and the average mileage per round trip was 22.23 miles. Applicant presented a cost study based upon its 1966-1967 experience, including known cost increases applicant will incur in the period March 16, 1968 through March 15, 1969. The estimates set forth in the study are reasonable and show that the transportation at the proposed rates will be compensatory.

Applicant has made certain changes in the operation since September 30, 1967, in order to improve efficiency. It has replaced three of the five units used in this operation, each unit consisting of a tractor and two trailers, which enables applicant to transport in excess of one additional ton per load. It has also changed its dispatching procedures to effect a reduction of congestion of vehicles at the loading point. As a result of the equipment and operational changes applicant is presently transporting the same amount of products on four sets of equipment as was previously transported on five sets in the same amount of time.

The equipment is operated by two shifts of drivers and the times at which the drivers report for work and are released from duty are staggered. The vehicles are each operated approximately 16 hours per day, every day, with slight variance resulting from the customer's requirement for the product.

Had the proposed rates been in effect during the twelve months ended September 30, 1967, applicant would have received \$1,292 more than the revenue actually derived.

We find that the proposed rates are reasonable and conclude that the application should be granted.

O R D E R

IT IS ORDERED that:

1. Consolidated Freightways Corporation of Delaware, a corporation, is authorized to transport petroleum coke, in bulk, from Torrance to Wilmington for the Great Lakes Carbon Corporation at rates less than the established minimum rate, but not less than:

- (a) 89.9 cents per ton for all tonnage handled on Labor Day, Thanksgiving Day, Christmas Day, New Year's Day, Memorial Day and Fourth of July, and
- (b) 64.5 cents per ton for all tonnage handled on days other than the days specified in subparagraph (a), above.

2. The authority granted herein shall supersede the authority granted by Decision No. 73833 herein.

3. The authority granted herein shall expire May 31, 1969, unless sooner canceled, modified or extended by 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 MAY, 1968.

[Signature]
President
[Signature]
[Signature]
[Signature]
Commissioners