

**ORIGINAL**

Decision No. 74657

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 and sugar, in bulk.

Application No. 49976  
(Filed January 26, 1968;  
Amended June 27, 1968)

Russell & Schureman by Carl H. Fritze, for applicant.  
H. F. Kollmyer, A. D. Poe and J. C. Kaspar for  
California Trucking Association, interested party.  
Geo. L. Hunt, for the Commission staff.

O P I N I O N

This application was heard June 25, 1968, before Examiner Thompson at Los Angeles. At the hearing applicant was granted leave to file an amendment to its application and the matter was submitted July 12, 1968, fifteen days after filing and service of the amendment.

Flour Transport, Inc. is a highway contract carrier and a city carrier engaged mainly in the transportation of flour between points in southern California. It here seeks authority to charge monthly vehicle unit rates for the transportation of flour and sugar, in bulk, in pneumatic trailers for The Pillsbury Company between points within a radius of 250 air miles from a base of operations in Los Angeles. The monthly vehicle unit rates in Minimum Rate Tariff No. 15 do not apply to transportation performed in pneumatic hopper equipment (Decision No. 73822, dated March 5, 1968, in Case No. 7783, Pet. No. 9). The minimum rates for general application to the transportation of flour and sugar in pneumatic hopper trailers are stated in cents per 100 pounds.

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By interim opinion and order in Decision No. 73918, dated March 26, 1968, herein applicant was granted authority to charge the rates proposed in its application pending public hearing. That authority is scheduled to expire September 30, 1968.

There are no protests to the application. California Trucking Association and the Commission staff participated at the hearing by cross-examining petitioner's witnesses.

The manner in which operations in the transportation of flour are conducted is described in Decision No. 73918 and need not be repeated. Applicant presented exhibits setting forth data respecting transportation of flour performed for Pillsbury for the months of April and May 1968 under the rates authorized in Decision No. 73918. 6,518,730 pounds of flour in bulk were transported during the two months for which the applicant collected \$5,213.39. The cost to applicant of performing such transportation was shown to be \$4,946.72.

Pillsbury has notified applicant that it is constructing facilities to receive sugar in bulk and that around the first of 1969 will have such facilities and an expanded plant in operation which will require a substantial volume of sugar. Pillsbury presently receives approximately seven truckloads of sugar per month which now moves in bags in the proprietary fleet of the Pillsbury Company. It will utilize applicant's services if the transportation can be performed as a part of the flour operation at monthly vehicle unit rates.

Applicant desires to perform such service. It was asserted that the bulk sugar will have origin near Santa Maria and that the southbound sugar hauls can be coordinated with northbound flour hauls to bakeries at Ventura and other points on the route to Santa Maria. The latter traffic is not now enjoyed by applicant. Based upon projections of revenues and expenses, applicant anticipates that the combined

sugar and flour hauling will generate revenues of approximately \$15. per hour as against approximately \$12. per hour generated under the rates authorized in Decision No. 73918 for flour only.

The same trailer equipment can be used for hauling sugar as well as flour; only a small modification in the rotary valve (costing approximately \$50) is necessary to convert the pneumatic hopper trailers presently hauling flour in bulk so as to accommodate both flour and sugar.

We find that the rates proposed in Application No. 49976, as amended, are compensatory and are reasonable.

We conclude that the application should be granted and that the authority to charge the proposed rates should be scheduled to expire October 1, 1969.

O R D E R

IT IS ORDERED that:

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

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; and

Sugar, in bulk.

for The Pillsbury Company between points specified in Appendix A, attached hereto, and by this reference made a part hereof, at rates different than the established minimum rates but not less than those set forth, and subject to the conditions prescribed, in said Appendix A.

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2. The authority granted herein shall expire October 1, 1969 unless sooner canceled, modified, or extended by order of the Commission.

The effective date of this order shall be October 1, 1968.

Dated at San Francisco, California, this 11<sup>th</sup> day of SEPTEMBER, 1968.

William J. Lyons, Jr.  
President

D. E. Gresham

William A. Bennett

Augusta

J. P. Morrissey  
Commissioners

APPENDIX A  
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FLOUR TRANSPORT, INC.

Schedule of Minimum Monthly Vehicle  
Unit Rates for Transportation of  
Flour and Sugar for The Pillsbury  
Company.

Territory:

Radius of 250 air miles from the base of operations designated  
in the written agreement.

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. Sugar in bulk.

Authorized Rates: (subject to Notes 1-6)

Monthly vehicle unit rates lower than minimum rates otherwise  
prescribed in Minimum Rate Tariffs 2, 5 and 15.

Equipment:

Type of Carrier's Motor Power Equipment:

Three Axle Gas Tractor

Type of Trailer or Semi-Trailer Equipment:

Pneumatic trailer, over 28 feet lineal loading space

Base Monthly Vehicle Unit Rates:

Base rates in dollars per unit of carrier's equipment per  
calendar month.

Base monthly vehicle unit rate, \$1,775.

Mileage rate, 20 cents (in cents per mile).

Note 1 - Maintenance: Flour Transport, Inc. shall maintain trailers in  
clean and sanitary condition suitable for the hauling of  
bulk edible flour.

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FLOUR TRANSPORT, INC.

- Note 2 - Rail Car Service: When Flour Transport, Inc. furnishes power to unload rail cars at rail team tracks an additional charge of 1/2 cent per 100 pounds will be assessed. When Flour Transport, Inc.'s portable unloading equipment is utilized for unloading rail cars an additional charge of 1/2 cent per 100 pounds will be assessed.
- Note 3 - Base monthly vehicle unit rates authorized by this order shall be applicable on a calendar month basis.
- Note 4 - Said charges authorized by this order for the base monthly vehicle unit rates, or the per mile rate, shall be increased effective concurrently with increases authorized in Minimum Rate Tariff No. 15 as follows: The mileage rate shall be increased to the same rate applicable to a three-axle gas tractor pulling a carrier-owned van trailer or semi-trailer, over 28 feet in length. The base monthly vehicle unit rate shall increase by the same percentage as that applicable to a three-axle gas tractor pulling a shipper-owned trailer, 28 feet and over.
- Note 5 - In all other respects the provisions of rates and charges of Minimum Rate Tariff No. 15 shall apply.
- Note 6 - In the event service pursuant to this order is not commenced at the beginning of any calendar month, carrier is authorized to pro-rate charges on a calendar month basis for the portion of the first month and enter into an agreement accordingly.