

Decision No. 75359

**ORIGINAL**

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 devi- )  
 ate from minimum rates pursuant to )  
 Section 3666 of the Public Utilities )  
 Code for the transportation of flour, )  
 in bulk, for specified shippers. )

Application No. 50848  
(Filed January 27, 1969)

OPINION AND ORDER

Flour Transport, Inc., a corporation, is a highway contract carrier engaged in the transportation of flour, in bulk, between points in Los Angeles, Orange, Riverside and San Bernardino Counties. By Decision No. 73882, dated March 19, 1968, in Application No. 49999, it was authorized to charge less than the minimum rates named in Minimum Rate Tariffs Nos. 2 and 5 for the transportation of various types of flour, in bulk, between points in the aforementioned counties for specified shippers. The current authority is scheduled to expire April 18, 1969.

Applicant seeks to modify and extend, for an additional one-year period, the authority currently in effect. The modifications proposed to be made in the existing authority involve: (1) the establishment of a \$5.00 per truckload charge for weighing service, in lieu of the present charge of \$15.00 per rail car; and (2) the addition of Oroweat Baking Co. to the present list of participating shippers.

Applicant states that the present charge for weighing service is based upon costs contemplating the utilization of rail cars of 100,000 to 120,000 pounds capacity; whereas, the rail cars now in use range up to 160,000 pounds. It is proposed to revise the current charge to reflect costs to the extent that the larger rail cars may be utilized. Applicant explains that the resulting revenues from this proposed amendment will not be significant. The addition of Oroweat Baking Co. to the list of shippers is based upon said firm's installation of a bulk flour receiving system and the subsequent shipping of bulk flour.

Applicant avers that the weight rates named in Minimum Rate Tariffs Nos 2 and 5 and the hourly rates set forth in the letter tariff were not designed for the specialized transportation service involved. It is stated that the shippers desire and require rates expressed in cents per 100 pounds along with reasonably predictable accessorial charges which will permit them to make firm bids to bakeries for periods of approximately six months.

It is contended that the proposed rates are necessary to prevent substantial diversion of this traffic to proprietary transportation. Applicant explains that shortly after commencing operations in 1962 the transportation of one large shipper was lost to proprietary hauling and another account was similarly lost in 1965. Unless the requested relief is continued, other shippers have assertedly indicated that they would consider proprietary operations. Applicant urges that it be granted continued authority to compete for this traffic at reasonable rates.

Revenue and expense data submitted by applicant indicate that the transportation involved has been profitable and 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 the California Trucking Association on January 27, 1969. The application was listed on the Commission's Daily Calendar of January 31, 1969. No objection to the granting of the application has been received.

In the circumstances, the Commission finds that:

1. Applicant's results of operations under its existing minimum rate authority have been profitable and the transportation service involved may reasonably be expected to continue to be profitable during the forthcoming year.
2. The proposed rates and charges are reasonable.

We conclude that the application should be granted. A public hearing is not necessary.

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, Orange, Riverside and San Bernardino Counties for the shippers named in Appendix A, attached hereto and by this reference made a part hereof, at rates less than the established minimum rates but not less than those set forth, and subject to the conditions specified, in said Appendix A.

A. 50848 Mjo

2. The authority granted herein shall, on and after April 18, 1969, supersede the authority granted by Decision No. 73882, and shall expire with April 18, 1970.

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

Dated at San Francisco, California, this 25<sup>th</sup> day of FEBRUARY, 1969.

William J. ...  
President

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Commissioners

APPENDIX A

Page 1 of 3

APPLICATION OF RATES

By: Flour Transport, Inc.

For: Barbara Ann Baking Co.	Oroweat Baking Co.
California Milling Corporation	Montana Flour Mills Company
Capitol Milling Company	Nebraska Consolidated Mills
Centennial Mills Incorporated	The Peavey Company
Colorado Milling & Elevator Co.	The Pillsbury Company
Fisher Flouring Mills Co.	Quaker Oats Company
General Mills, Inc.	Russell Miller Milling Co.
Iglehart Operations	Salt Lake Flouring Mills
The Ismert-Hincke Milling Co.	Sheridan Flouring Mills
Kansas Milling Company	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. 7, 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

## APPENDIX A

Page 2 of 3

- B. Rates lower than minimum rates otherwise prescribed but not less than the following rates applicable between points in Los Angeles, Orange, Riverside and San Bernardino Counties. Rates subject to Notes 1 through 9 and Note 11. Mileages to be computed in accordance with the Commission's Distance Table No. 7, 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
35	40	15.0	13.0
40	45	16.0	14.0
45	50	17.0	15.0
50	60	19.0	17.0
60	70	20.0	18.0

- Note 1 - Loading Time: An additional charge of \$2.00 shall be assessed for each 15 minute period or fraction thereof after the first 30 minutes of free time, except on rail car service. Free time is not to commence before scheduled arrival time at the loading hopper or actual arrival time, whichever is later.
- Note 2 - Rail Car Service: Add 3.5 cents per 100 pounds for rail car service. Add an additional .5 cents (total 4.0 cents) if Flour Transport, Inc. furnishes electrical power at designated team track. Add an additional \$35.00 per calendar day, per unit, for rail service from team tracks located in San Bernardino and Riverside Counties. At team tracks in Los Angeles and Orange Counties add an additional 2.5 cents per 100 pounds if rail car is not entirely unloaded in one calendar day.
- Note 3 - Weighing Service: Add \$5.00 per truckload 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.

APPENDIX A

Page 3 of 3

- 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 and Holiday Delivery: Add 3.0 cents per 100 pounds when Sunday or Holiday delivery is specified. Holidays shall be determined by Local Teamsters Contract, Local 848.
- 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)