

ORIGINALDecision No. 75545

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of WILLS TRUCKING SERVICE, INC.,
a corporation, for authority to
depart from minimum rates in
connection with the transportation
of cottonseed from Huron and
Cantua to the plant of Kingsburg
Cotton Oil Co. of California at
Kingsburg, California.

Application No. 50897
(Filed February 18, 1969)

Frank Loughran, for applicant.
Arthur Maruna, H. F. Kollmyer and A. D. Poe, for
California Trucking Association, interested
party.
J. C. Matson, for the Commission staff.

O P I N I O N

This application was heard before Examiner O'Leary at San Francisco, on March 24, 1969, and was submitted. Notice of the filing of the application and of hearing was made in accordance with the Commission's procedural rules. There were no protests.

Applicant Wills Trucking Service, Inc., a corporation, (Wills) operates as a highway permit carrier. For the past nine years Wills has transported cottonseed in bulk for Kingsburg Cotton Oil Co. of California from a point on the Huron Ranch located adjacent to State Highway 198 approximately 4 miles north and 2 miles west of the town of Huron and from a point located on the Cantua Ranch adjacent to State Highway 33 and approximately 1/2 mile south of the town of Three Rocks to the plant of Kingsburg Cotton Oil Co. located in Kingsburg, California. It here seeks authority to charge less than minimum rates for this transportation. The proposed rates are 10.5¢

per 100 lbs. from the Huron Ranch and 11¢ per 100 lbs. from the Cantua Ranch. The proposed rates would be subject to minimum weights of 40,000 pounds and would be available for application to movements occurring during the months of February through July.

Prior to the present season transportation of cottonseed was not subject to minimum rate regulation. Minimum rates for this transportation have recently been established by the Commission in its Minimum Rate Tariff No. 14-A. Over the years that applicant has transported cottonseed between the points here involved for the Kingsburg Cotton Oil Co. of California, rates have been negotiated annually.

There are large volumes of cottonseed available for transportation from the stockpile located at the specified points on each of these ranches. It is estimated that during the current season approximately 11,500 tons of cottonseed will be moved from the Huron Ranch and approximately 5,500 tons from the Cantua Ranch. The transportation from each of the ranches is continuous from commencement until the stockpile at that ranch is exhausted. Each stockpile is worked separately. Wills locates an employee at the ranch from which seed is being moved who has the obligation of loading and unloading the Wills equipment. It also locates, at the ranch where the activity is taking place, a pusher tractor and a loading device which is operated by this employee. When the stockpile at that ranch is exhausted the employee and equipment are moved to the second ranch and remain there until the seed has been completely removed. The large tonnage to be moved from these ranches and the fact that Wills is the only carrier employed for its movement permit economical dispatch and facilitate loading and unloading. The cottonseed moves in side-dump trailers which

have been specially constructed so as to permit rapid discharge at destination. These conditions are more favorable than those generally associated with the movement of bulk cottonseed and this appears to make it possible to handle the product between these origins and the Kingsburg plant at costs below those normal to the movement of the commodity.

The involved traffic is an important component of Wills' business. Kingsburg Cotton Oil Co. of California is aware of the favorable conditions that exist for this transportation and Wills is concerned that unless appropriate rates can be established to reflect these conditions, the shipper will use equipment of its own to perform the service.

Applicant engaged a firm of certified public accountants experienced in transportation cost analysis to prepare a study of the cost to Wills of transporting cottonseed in bulk between the involved origins and destination (Exhibit 3). The study is based upon costs which will be effective during the year 1969. The net revenues produced by the proposed rates on 48,000 pounds exceed the estimated costs of performing transportation between the involved points. The operating ratios developed by the cost witness range from 84% at the Huron Ranch to 93% at the Cantua Ranch.

Based on the evidence adduced the Commission finds that:

1. The proposed rates will be compensatory.
2. The proposed rates are reasonable and justified.

The Commission concludes that the sought authority should be granted as set forth in the ensuing order. Since the conditions under which the service is performed may change at any time the authority will be made to expire at the end of this hauling season, unless sooner canceled, changed or extended by order of the Commission.

O R D E R

IT IS ORDERED that:

1. Wills Trucking Service, Inc., a corporation, is hereby authorized to charge and collect rates less than applicable minimum rates but not less than the rates set forth in Appendix A attached hereto and hereby made a part hereof, for the transportation of cottonseed in bulk for Kingsburg Cotton Oil Co. of California from the locations set forth in Appendix A to the processing plant of Kingsburg Cotton Oil Co. of California at Kingsburg, California.

2. The authority herein granted shall expire on July 31, 1969, unless sooner canceled, modified or extended by order of the Commission.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 8th day of APRIL, 1969.

William Synoux
President

August

John P. Morrissey

J. P. Morrissey

[Signature]
Commissioners

APPENDIX A

Carrier: WILLIS TRUCKING SERVICE, INC.

Schedule of Minimum Rates for Transportation of
Cottonseed in Bulk from Indicated Origin Points
To Plant of Kingsburg Cotton Oil Co. of
California at Kingsburg, California

Rates set forth below are subject to a minimum weight of 48,000 pounds per shipment and apply only to transportation of cottonseed in bulk from points named below to the plant of Kingsburg Cotton Oil Co. of California at Kingsburg, California:

<u>From</u>	<u>Rates in Cents Per 100 Pounds</u>
1. <u>Huron Ranch</u> A point located on the Huron Ranch adjacent to State Highway 198 approximately 4 miles north and 2 miles west of the town of Huron	10.5
2. <u>Cantua Ranch</u> A point located on the Cantua Ranch adjacent to State Highway 33 and approximately 1/2 mile south of the town of Three Rocks	11.0

End of Appendix A