

ORIGINAL

Decision No. 76810

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation into the rates, rules, regulations, charges, allowances and practices of all common carriers, highway carriers and city carriers relating to the transportation of sand, rock, gravel and related items (commodities for which rates are provided in Minimum Rate Tariffs Nos. 7 and 17).

Case No. 5437

-) Petition for Modification No. 167 (Filed August 22, 1968)
-) Petition for Modification No. 172 (Filed November 21, 1968)
-) Petition for Modification No. 178 (Filed January 14, 1969; amended July 11, 1969.)

Decision No. 75349 -- Order Setting Hearing Dated February 25, 1969

- Howard B. Wiener and R. A. Lubich, for Associated Rock Products, petitioner in Petition No. 167;
- Jesse D. Miller, for Mountain Rock Co., petitioner in Petition No. 172; protestant in Petitions Nos. 167 and 178;
- H. Randall Stoke, John E. Kehoe and Scott Wilcott, for Consolidated Rock Products Co., petitioner in Petition No. 178 and protestant in Petitions Nos. 167 and 172;
- H. F. Kollmyer, W. A. Dillon, A. D. Poe and J. C. Kaspar, for California Trucking Association, interested party;
- E. O. Blackman, for California Dump Truck Owners Association and Associated Owner-Operators, Inc., interested party;
- Harry C. Phelan, Jr., for California Asphalt Pavement Association, interested party;
- C. Fred Imhof, for Industrial Asphalt, Inc., interested party;
- Donald E. Maroney, for Holliday Rock Company, interested party;
- Robert W. Stich, Leonard Diamond, and J. M. Jenkins, for the Transportation Division of the Commission's staff.

O P I N I O N

These matters deal with San Bernardino County Production Areas 36-H and 36-L (referred to herein as Production Areas H and L, respectively) and the zone rates which are prescribed in Minimum Rate Tariff 17 as minimum rates for the transportation of rock sand, gravel and related commodities from said production areas by for-hire highway carriers operating dump truck equipment.

Production Areas H and L are located along part of the western boundary of San Bernardino County within the San Antonio alluvial cone which extends southward from the San Gabriel Mountains into the Pomona Valley in the vicinity of the City of Claremont and the City of Montclair. They are designated as production areas because they embrace areas where rock, sand, gravel and related commodities are processed or produced commercially.

Production Area H is about 1.6 square miles in extent. It is about one-half to three-quarters of a mile wide in an east/west direction and about two and one-half miles long in a north/south direction. Production Area L is slightly smaller, being about 1.3 square miles in extent, about one-half to three-quarters of a mile wide in an east/west direction and about two miles long in a north/south direction. The northern boundary of Production Area H overlaps the southern boundary of Production Area L by about one-tenth mile.

Production Area H includes the rock products producing facilities of Consolidated Rock Products Co. (Consolidated) and of Holliday Rock Company (Holliday). The facilities of Consolidated are located in the central part of the area; those of Holliday are located near the southern boundary of Production Area L.

C. 5437, Pets. 167, 172, 178,
OSH D. 75349 - SW/HW *

Production Area L includes the rock products producing facilities of Mountain Rock Co. (Mountain) and of Associated Rock Products (Associated). Mountain's facilities are located in the northern central portion of the area. Those of Associated are located to the south near the northern boundary of Production Area H.

Inasmuch as Production Area H is located to the south of Production Area L, it is somewhat closer than Production Area L to the populated centers and other locations in the Pomona Valley which comprise the principal areas where rock, sand, gravel and related products are marketed and consumed. Production Area H is likewise closer to other principal rock products marketing and consuming areas in the eastern portion of Los Angeles County and in western San Bernardino County. The shorter distances between Production Area H and said marketing and consuming areas are reflected in the minimum rates in Minimum Rate Tariff 17. Said rates are lower from Production Area H than from Production Area L to many of the delivery zones to which the rates apply.

By their Petitions for Modification Nos. 167 and 172 in this general proceeding, Case No. 5437, Associated and Mountain, respectively, seek to eliminate the differences between the rates which apply to their shipments from Production Area L and the rates which apply to the shipments of their competitors, Consolidated and Holliday, from Production Area H. Associated seeks to accomplish this result by the enlargement of Production Area H (and the reduction of Production Area L) so that Associated's

C. 5437, Pets. 167, 172, 178,
OSH D. 75349 - SW

rock products facility is included in Production Area H. Mountain proposes that Production Areas H and L be combined into one production area. For reasons which are hereinafter explained, the adoption of Associated's proposal would, in general, result in reductions in rates for Associated's shipments, and the adoption of Mountain's proposal would result in reductions in the rates both for Mountain's shipments and those for Associated. On the other hand, either proposal would result in increases in the majority of the rates which apply to the shipments of Consolidated and of Holliday.

By Petition No. 178, as amended, Consolidated also seeks revisions in the boundaries of Production Area H. However, the changes which Consolidated seeks would only eliminate an area where the production of rock products has been discontinued, and would add a small area which is part of Consolidated's production facilities. Assertedly, the changes would not require any changes in the zone rates which currently apply from Production Area H.

Decision No. 75349, the Order Setting Hearing in these matters, is intended to permit consideration of other revisions that may or should be made in the minimum rate provisions. A principal question to be so considered is whether any changes should be made in the rates for the transportation of asphaltic concrete from Production Area H in the event that increases are effected in the rates for the transportation of rock, sand and gravel from said production area.^{1/}

^{1/} Minimum zone rates have not been established for the transportation of asphaltic concrete from Production Area L, inasmuch as asphaltic concrete is not produced within the area.

C. 5437, Pets. 167, 172, 178,
OSH D. 75349 - SW

Public hearings on the petitions and on the Order Setting Hearing were held before Examiner Abernathy at Los Angeles on May 22, 23, June 16, 23, 24, July 14, 17, and October 1 and 2, 1969. Evidence was presented by a consultant for Associated, by a salesman for Mountain, by an administrative officer and by a district manager for Consolidated, by a vice-president for Holliday, by the general manager for the California Dump Truck Owners Association, and by engineers and by a rate expert of the Commission's staff. The matters involved were taken under submission with the receipt of briefs on November 3, 1969.

As grounds for their proposals in Petitions Nos. 167 and 172, Associated and Mountain allege that the zone rates which apply at present for the transportation of rock products from Production Area L are unjust, unlawful and discriminatory and place said petitioners in an unfair competitive position in relation to the shippers of rock products from Production Area H. They assert that in some instances the rates from Production Area L are as much as 25 percent higher than those from Production Area H. They attribute the rate differences to a change in transportation conditions in Production Area H with the result that the rates no longer properly reflect the costs which are incurred by for-hire carriers in transporting rock products from said production area.

The consultant for Associated submitted and explained an exhibit whereby he compared the zone rates which apply from Production Area L with those which apply from Production Area H. According to this exhibit there are 367 delivery zones to which zone rates apply from both production areas. The rates to 318 of

C. 5437 Pets. 167, 172, 178,
 OSH D. 75349 - SW

these zones are lower from Production Area H than from L. In 47 instances the rates are lower from Production Area L, and in two instances they are the same from both production areas. The extent of the rate advantages of Production Area H over L, or vice-versa, is shown in the following table:

Table No. 1

Comparison of Rate Advantages of Production Area H over Production Area L, or of Production Area L over Production Area H

<u>Rate Advantage (in cents per ton)</u>	<u>H over L (No. of Zones)</u>	<u>L over H (No. of Zones)</u>
1	5	1
2	2	16
3	1	7
4	6	2
5	15	-
6	50	1
7	4	8
8	25	2
9	71	-
10	138	3
11	-	4
12	-	1
13	-	2
18	<u>1</u>	<u>-</u>
	318	47

The consultant stated that the majority of the zones where the rate advantage of Production Area H is the greatest is also Associated's principal marketing area. He declared that in these circumstances Associated cannot compete effectively with the producers in Production Area H, and that its ability to continue its operations hinges on an equalization of the rates which it pays with those which its competitors in Production Area H pay.

C. 5437, Pets. 167, 172, 178,
OSH D. 75349 - SW

The consultant also submitted aerial photographs of the area in which both Associated and Holliday are operating. He pointed out that the plant of Holliday, in Production Area H, is only about one-half mile, by air, from Associated's plant in Production Area L. He said, furthermore, that Holliday excavates raw materials for its operations in the same immediate vicinity where Associated excavates its raw materials. He considered these circumstances as supporting his contentions that the rates for the transportation of Associated's shipments should be the same as those for Holliday's shipments.

Evidence which the witness for Mountain presented is similar in purport to that of the consultant for Associated. Comparisons were submitted by the witness to show differences between the rates from Production Areas H and L to selected delivery zones. He also submitted a sketch to show the relationships, from a distance standpoint, of the rock products producers in the two production areas to the principal streets of access to said areas. Although Mountain stressed, as did Associated, that the higher rates from Production Area L are prejudicial to its operations, it opposed any enlargement of Production Area H which would include the facilities of Associated but not those of Mountain. It pointed out that the enlargement of Production Area H as sought by Associated would in fact worsen the competitive position of Mountain because only Mountain would then be subject to the higher rates which apply from Production Area L. Mountain urged that any corrective action which the Commission may take should be such as to permit all of the producers in the present Production Areas H and L to compete under the same rates.

C. 5437, Pets. 167, 172, 178,
OSH D. 75349 - SW/EW *

The granting of either Petition 167 or 172 was opposed both by Holliday and by Consolidated because of the increases which would become applicable in the rates for Holliday's and Consolidated's shipments.

The increases would result from the change which would be made in the cost base upon which the rates are calculated. The zone rates from Production Area H, from Production Area L, and from the other production areas for which zone rates are prescribed in Minimum Rate Tariff 17, are developed on a composite of the time and distance costs applicable to the transportation of rock products from the rock products plants within the production area involved. That the rates from Production Area L are higher than those from Production Area H is a result of the fact that Production Area L is farther, both in terms of distance and time, from the principal delivery zones served than is Production Area H; hence the costs of transporting rock products from Production Area L are higher than those from Production Area H. Consequently, the combining of a portion of, or all of, Production Area L with Production Area H would result in composite transportation costs (and rates) from the total combined area which are higher than those which currently apply from Production Area H.^{2/}

^{2/} Conversely, the composite costs from the combined area would be less than those which currently apply from Production Area L. Hence, the combining of a portion of, or all of, Production Area L with Production Area H would result in a reduction in rates for the portion of Production Area L that is combined with Production Area H.

C. 5437, Pets. 167, 172, 178,
OSH D. 75349 - SW/EW *

The administrative officer for Consolidated, who presented testimony concerning the effect that the increases in rates would have upon his company's operations, stated that said increases would cause Consolidated to turn from for-hire carriage to transportation facilities of its own for the movement of shipments of rock, sand and gravel from its plant in Production Area H. He said that Consolidated has the capability of performing its own transportation from Production Area H if it is impelled to do so.

In other respects Consolidated presented evidence to show that, notwithstanding the allegations of Associated otherwise, there have been no changes in the transportation conditions applicable to the shipment of rock products from Production Area H of sufficient import since the establishment of Minimum Rate Tariff 17 to warrant a finding that the zone rates which apply from Production Area H are unjust, unlawful and unduly discriminatory in relation to the rates which apply from Production Area L. Consolidated's showing in this regard deals with the operations of the Hanawalt Rock Company which formerly operated a rock products plant in the southern part of Production Area H. A plant manager for Consolidated, who assertedly was familiar with the operations of Hanawalt, testified that Hanawalt virtually terminated its production of rock products in 1959. Consolidated argues that, as a consequence, little if any weight was given to Hanawalt's operations in the subsequent development of the zone rates from Production Area H. Hence, when Hanawalt ceased its operations entirely in about 1968, there was no significant change in the factors affecting the zone rates from the area.

C. 5437, Pets. 167, 172, 178,
OSH D. 75349 - SW/EN *

The Commission engineers who appeared as witnesses in these matters submitted evidence concerning the distance and time factors upon which the present rates from Production Areas H and L were calculated. In Table No. 2, below, are set forth, as examples of said distance and time factors, the one-way distances and the round-trip vehicle running times between the production area centroids, on the one hand, and the intersection of Central Avenue and the San Bernardino Freeway in the City of Montclair, on the other hand, such intersection being a principal gateway from Production Areas H and L to many of the delivery zones in the Pomona Valley.^{3/} Table No. 3 sets forth similar examples of distance and time factors that were developed as the distance and time factors which would apply with the granting of Petitions Nos. 167 or 172. Table No. 4 shows, for comparative purposes, the round-trip vehicle running times between the individual rock products plants (other than asphaltic concrete) in Production Areas H and L and the intersection of Central Avenue and the San Bernardino Freeway.

Table No. 2

Examples of Distance and Time Data Upon Which
Present Rates in Minimum Rate Tariff 17 Were Calculated

<u>Between Intersection of Central Avenue and San Bernardino Freeway</u>	<u>One-Way Miles</u>	<u>Minutes per Round Trip</u>
<u>And</u>		
Centroid, Production Area H	1.5	8
Centroid, Production Area L	3.7	20

^{3/} The term "centroid" is used herein to designate the point within a production area from which distances and vehicle running times are computed for cost and rate making purposes.

C. 5437, Pets. 167, 172, 178,
 OSH D. 75349 - SW/EW *

Table No. 3

Examples of Distance and Time Data Upon Which
 Rates in Minimum Rate Tariff 17 Would be
 Calculated Upon Granting of Petition No. 167 or 172

<u>Between Intersection of</u> Central Avenue and San Bernardino Freeway	<u>One-Way</u> <u>Miles</u>	<u>Minutes per</u> <u>Round Trip</u>
<u>And</u> Centroid, Production Area H (Assuming Petition No. 167 is granted)	2.3	11
Centroid, Production Area L (Assuming Petition No. 167 is granted)	4.0	21
Centroid, Production Areas H and L Combined (Assuming Petition No. 172 is granted)	2.9	15

Table No. 4

One-Way Distances and Round-Trip Vehicle Running
 Times Between Individual Rock Products Plants
 in Production Areas H and L and Central Avenue/
 San Bernardino Freeway Intersection

<u>Between Scale of</u>	<u>One-Way</u> <u>Miles</u>	<u>Minutes per</u> <u>Round Trip</u>
Mountain	4.0	21
Associated	3.3	17
Holliday	2.3	12
Consolidated	1.5	7

The Commission rate witness submitted and explained an exhibit in which he traced the development of Production Areas H and L; presented information concerning other production areas in the southern California dump truck zone rate system; outlined the

C. 5437, Pets. 167, 172, 178,
OSH D. 75349 - SW

probable effect of the granting of the petitions in these matters, and set forth his own recommendations concerning the action to be taken on the petitions. He said that it has been a long established practice of the Commission to provide common rates for the transportation of rock products from the plants of competing producers which are located in close proximity to one another. This result is accomplished by the designation of the areas which include the several plants as production areas and the establishment of rates from each production area as though the shipments from the several plants originated at one point of production.^{4/} He said that at present there are 41 rock products production areas and 40 asphaltic concrete production areas within the territory that is subject to the rates in Minimum Rate Tariff No. 17. At least 12 of these rock products production areas and 8 of these asphaltic concrete production areas contain more than one rock products plant or asphaltic concrete plant.^{5/}

The rate witness recommended that neither Petition No. 167 nor 172 be granted. He pointed out that the one change in transportation conditions in Production Area H on which both petitions rely is the cessation of operations of the Hanawalt Rock Company, and he argued that acceptance by the Commission of

^{4/} Decision No. 28625, 39 CRC 617, describes "point of production" as the geographic center of a group of plants located within an area having a radius of about two miles.

^{5/} As may be inferred from the fact that the total number of production areas exceeds those which contain multiple plants, many of the areas designated as production areas contain only one rock products plant or asphaltic concrete plant.

this cessation of operations as justification for a change in rates would mean, in the ultimate, that the Commission should adjust the rate structure for multiple plant production areas every time (1) a plant goes into production; (2) a plant goes out of production; or (3) there is a substantial variation in the quantity of production among the several producers. He further argued that Hanawalt's cessation of operations was not prejudicial to Associated's and Mountain's marketing of their products. On the contrary, he said, Hanawalt's action should redound to Associated's and Mountain's benefit, inasmuch as it resulted in a reduction of the number of producers of rock products in the Pomona Valley area. With respect to asphaltic concrete, which is produced by Holliday in addition to its production of rock, sand and gravel, and which is also produced by Industrial Asphalt, Inc., at a facility adjacent to that of Consolidated, he recommended that no change be made in the zone rates for the transportation of that commodity, because, he said, there have not been any significant events which would justify any changes.

Although the rate witness opposed the adoption of the revisions of Production Area H which are sought by Petitions Nos. 167 and 172, he proposed that Production Area H be redescribed (1) to eliminate therefrom the area where it overlaps with Production Area L; (2) to eliminate therefrom the area which included the former facilities of the Hanawalt Rock Company, and (3) to include a small area along the western boundary which is part of the properties of Consolidated. The elimination of the overlap

C. 5437, Pets. 167, 172, 178,
OSH D. 75349 - SW/gf *

with Production Area L he regarded as a technical change to correct a boundary error. The other changes he regarded as adjustments to bring Production Area H into conformity with present conditions.

The granting of either Petition No. 167 or No. 172 was also opposed by the California Dump Truck Owners Association (CDTOA) and by the Associated Independent Owner Operators, who appeared as representatives of the for-hire dump truck carriers engaged in the transportation of rock products from Production Areas H and L. The manager of the CDTOA asserted that the granting of either petition would react against the carriers in two ways. He said that, on the one hand, it would reduce the rates for various hauls from Associated (Petition No. 167) or from Associated and Mountain (Petition No. 172) to amounts less than the carriers' costs of performing the transportation involved. On the other hand, it would result in a material reduction of traffic which the for-hire dump truck carriers now enjoy. Based on experience in a comparable situation heretofore, he predicted that Consolidated would transport many of its own shipments in order to avoid paying the increased rates which would apply from Production Area H. Also, the higher rates which would become applicable from Production Area L would adversely affect Mountain's competitive position with a consequent lessening of Mountain's need for the services of for-hire carriers for the transportation of its shipments.

C. 5437, Pets. 167, 172, 178,
OSH D. 75349 - SW

The California Trucking Association (CTA) urged that Petition No. 172 be granted. It declared that the juxtaposition of Production Areas H and L, the relatively small size of the areas, and the circumstances in which rock products are transported from the two areas all justify the combining of the areas into one, and the placing of the rock products plants therein on the same footing from a rate standpoint. The CTA further urged that with the changes in rates for the transportation of rock, sand and gravel, which would result from the granting of Petition No. 172, the rates for asphaltic concrete be either changed to conform to the new time and distance factors from the combined area or new time and distance factors for asphaltic concrete be developed from present Production Area H and the asphaltic concrete rates be revised accordingly.

The California Asphalt Pavement Association and Industrial Asphalt, Inc., both opposed any change in the rates which apply at present for the transportation of asphaltic concrete from Production Area H. Their position in this regard is that changes in the rates for asphaltic concrete were neither proposed by any of the petitioners nor recommended by the representatives of the Commission's Transportation Division; that no evidence was submitted which would justify such changes, and that hence there is no basis upon which any may be made.

Discussion, Findings, Conclusions

The attacks in these matters of Associated and Mountain upon the differentials by which the rates for the transportation of rock products from Production Area L exceed those from Production Area H give rise to the following questions:

- a. Are the rates which apply from said production areas reasonably related to the circumstances in which rock products are transported from the separate rock plants within said areas?
- b. Is the separation of the plants of Associated and Mountain into Production Area L, on the one hand, and of Consolidated and Holliday into Production Area H, on the other hand, a reasonable separation and productive of reasonable and nondiscriminatory minimum rates?

The first question is one that primarily deals with the manner in which the rates from the plants within Production Areas H and L were, and should be, calculated.

The method which was followed in the early development of zone rates for the transportation of rock products in southern California is touched upon in Decision No. 28625 when it states that the rates are based upon the length of haul from "point of production", the "point of production" being the geographical center of the rock products plants which are grouped within a production area. This method of rate development for group points is one which has been followed for many years. When applied in connection with distance rates, it results in rates which reflect the average distance or approximate average distance from the separate points within the group to a destination point.

The present rates from Production Areas H and L were developed in essentially the same manner. In the case of Production Area H, a point in the immediate vicinity of Consolidated's plant, which plant is near the center of the area, was used as the "point of production" or centroid. The record shows that in the location of the centroid for Production Area H an objective of the Commission engineer, who had developed data for that purpose, had been to give weight to the tonnage transported by for-hire carriers from each of the three rock plants in the area at the time -- Consolidated, Hanawalt and Holliday. His actual procedure, however, was roughly to equate Hanawalt's operations with those of Holliday, thus leaving Consolidated as the approximate centroid for the area.

In assailing the present rates from Production Area H as being unduly discriminatory in relation to those from Production Area L, the point which Associated and Mountain stress is that inasmuch as Hanawalt has ceased operations within Production Area H, the centroid for the area should be relocated, and that the continuation of rates which are computed on the distance and vehicle running times from the present centroid location constitutes undue preference toward the rock products producers in Production Area H over those from Production Area L.

However, according to evidence which was presented by one of the Commission engineers, the cessation of Hanawalt's operations has had virtually no effect upon the location of the centroid for Production Area H. He submitted data to show that, on the basis of Consolidated's and Holliday's operations only,

the centroid's location in connection with shipments moving through one of the principal points of egress from the production area (a point designated on the traverse network as Node 10482) would be only two-tenths of a mile from the present centroid, and that the round-trip time factor would be unchanged.

That the centroid location which the Commission engineer developed in relation to Consolidated's and Holliday's operations is virtually the same as that previously developed for Hanawalt, Consolidated and Holliday is attributable to the fact that the engineer weighted the applicable distance and time factors according to the tonnage of rock products which the for-hire carriers transport for Consolidated and Holliday, respectively. Consolidated is the predominant shipper of rock products within Production Area H. The proximity of the engineer's centroid location to Consolidated's plant reflects that fact.

In the establishment of a rate for several shippers who are located within a group, a purpose of the rate is to place all shippers within the group on a basis of competitive equality. This purpose is achieved by prescribing a rate per shipment which, as the rate for the group, approximates the arithmetic average of the rates per shipment that would otherwise apply from the several shipping points involved to a specified point of destination.

The centroid which was developed by the Commission engineer is not a suitable basis for the development of rates from Production Area H in conformity with the foregoing objective.

C. 5437, Pets. 167, 172, 178,
OSH D. 75349 - SW

The weighting process followed by the engineer gives predominant effect to circumstances pertaining to Consolidated, and hence results in something other than an arithmetic average of the rates per shipment which would apply, if separately calculated, to Holliday's and Consolidated's shipments, respectively.

The approximate location of a centroid which would permit the development of rates from Production Area H corresponding to the arithmetic average of the rates which would separately apply from Consolidated and Holliday is that which is numbered 10486 in the diagram attached hereto as Appendix A. The distances in one-way miles and round-trip minutes from said centroid and the points of departure from the boundary of Production Area H are shown in Table No. 5 below:

Table No. 5

Distances in One-Way Miles and Round-Trip
Minutes from Production Area H Centroid
(if relocated to average between Consolidated
and Holliday plants) and Points of Departure
from Production Area H

<u>From Production Area Point No. 10486</u>	<u>Distance</u>	
	<u>One-Way Miles</u>	<u>Round-Trip Minutes</u>
To Point No. 10482	1.1	7
" " " 10483	1.1	7
" " " 10484	1.1	7
" " " 10485	1.3	7

C. 5437, Pets. 167, 172, 178,
OSH D. 75349 - SW/HW *

In comparison the corresponding distances upon which the present rates in Minimum Rate Tariff 17 from Production Area H are computed are as follows:

Table No. 6

Distances in One-Way Miles and Round-Trip Minutes from Production Area H Centroid Upon Which Present Rates in Minimum Rate Tariff 17 from Production Area H Are Calculated

<u>From Production Area Point No. 10486</u>	<u>Distance</u>	
	<u>One-Way Miles</u>	<u>Round-Trip Minutes</u>
To Point No. 10482	.7	5
" " " 10483	.9	7
" " " 10484	1.4	10
" " " 10485	2.0	12

Adjustment of the rates in Minimum Rate Tariff 17 to conform to the centroid location for which distances and times are shown in Table No. 5, above, would result both in increases and in decreases in the rates for the transportation of rock, sand and gravel from Production Area H. In general, the rates to the south of the production area would be increased about two cents per ton or less, and the rates to the north of the production area would be decreased about four cents a ton or less. For the most part, the other changes in the rates to points to the east and to the west would fall within this range, depending on the location of the points involved.

Although the extent that the rates in Minimum Rate Tariff 17 would be adjusted does not appear great, the adjustments should be made. The present rates from Production

Area H are not appropriate as group rates for transportation from a group comprised of Consolidated and Holliday. A part of the differences between the rates from Production Areas H and L which Associated and Mountain assail in their Petitions Nos. 167 and 172, respectively, are attributable to this fact. Adjustment of the rates to reflect the distance and time factors shown in Table No. 5 would correct the rates from Production Area H to conform to current transportation conditions, and would modify the differences accordingly.

In other respects it does not appear that the rates in Minimum Rate Tariff 17 should be adjusted in response to Petitions Nos. 167 and 172. As Table No. 4, above, shows, both Associated and Mountain are much more distant, particularly in terms of time, from many of the Pomona Valley delivery zones which lie in a southerly direction from Production Area H. It appears, moreover, that Consolidated's and Holliday's access to many of the delivery zones westerly from Production Area H is significantly better than that from Production Area L. Although Associated's and Holliday's plants are physically adjacent, the circumstances applicable to the transportation of rock products from each plant, when considered in conjunction with the circumstances otherwise applicable to Production Areas H and L, are sufficiently dissimilar to justify the inclusion of those plants in separate production areas. Moreover, the enlargement of Production Area H to include Associated's plant would leave Mountain as the remaining occupant of Production Area L, subject to the rates which would then apply therefrom. Under this

C. 5437, Pets. 167, 172, 178,
OSH D. 75349 - SW

proposal, Associated, Holliday and Mountain would have the benefit of common rates, but Mountain would not. This result would be unduly discriminatory against Mountain.

In seeking the enlargement of Production Area H in accordance with their respective proposals, Associated and Mountain both placed much reliance on the fact that the size of Production Area H, even though enlarged as sought, would not be greater than that of production areas which were adopted by Decision No. 28625, supra. However, size is but one factor which is considered in connection with an area which is being considered for group rates. Moreover, size is a relative measure. When the zones into which the deliveries are made are large, the originating group or production area may be larger reasonably than when the delivery zones are small.

Basically, what Associated and Mountain are both seeking to accomplish by having their plants included in Production Area H is to overcome the advantage which Holliday and Consolidated -- particularly the latter -- enjoy by their closer proximity to the principal rock products marketing areas in the Pomona Valley. However, a group or production area should not be enlarged to equalize a geographical advantage when the results are unreasonable or inconsistent with the maintenance of reasonable rates. In this instance the inclusion of Associated and Mountain in Production Area H would result in the establishment of rates from the enlarged area which, to destinations southerly from the enlarged area, would be about five cents a ton more than the costs for like transportation from Consolidated's plant. Moreover, the

rates to corresponding destinations would be about six cents a ton less than the costs of service from Mountain's plant and about three cents a ton less than costs of service from Associated's plant. We are persuaded, on the one hand, that in the circumstances Consolidated would be prompted to perform a substantial portion of its own transportation. On the other hand, the carriers hauling Associated's and Mountain's shipments would not recover these costs. We find that the differences between the costs and the rates are too great in this instance to be considered as reasonable. The petitions of Associated and of Mountain for inclusion of their plants in Production Area H should be denied.

Our discussion hereinabove has dealt with matters affecting the rates for the transportation of rock, sand and gravel from Production Areas H and L. We turn now to consideration of what, if any, changes should be made in the zone rates which apply for the transportation of asphaltic concrete.

In the establishment of the zone rates in Minimum Rate Tariff 17 for the transportation of asphaltic concrete, the same centroid which was used in the development of rates for rock, sand and gravel from Production Area H was used in the development of the asphaltic concrete rates. Inasmuch as we have determined hereinabove that the maintenance of reasonable and nondiscriminatory zone rates for the transportation of rock, sand and gravel from Production Area H requires a relocation of the centroid and conforming adjustments in the rates, it follows that if the centroid for rock, sand and gravel is to be continued as a basis

for rates for asphaltic concrete similar adjustments should likewise be made in the asphaltic concrete rates.

But even though the rates for asphaltic concrete were not to be calculated from the centroid for rock, sand and gravel, and were, instead, to be calculated from a separately determined centroid, it is evident that the asphaltic concrete rates should be adjusted. Inasmuch as the asphaltic concrete plants of Industrial Asphalt, Inc., and of Holliday are located in the immediate vicinity of Consolidated's and Holliday's rock, sand and gravel plants, the average distances from Industrial's and Holliday's asphaltic concrete plants obviously are different from those represented by the present centroid for Production Area H. In view of the proximity of the asphaltic plants to the rock, sand and gravel plants, we are of the opinion that for the purposes of prescribing reasonable and nondiscriminatory rates for asphaltic concrete, the average distances and round-trip times which have been adopted hereinabove as a basis for the projection of reasonable and nondiscriminatory zone rates for the transportation of rock, sand and gravel from Production Area H may be also used in the location of a centroid for the asphaltic concrete plants. We find that the centroid which we have adopted as reasonable in connection with rates for the transportation of rock, sand and gravel is also reasonable for asphaltic concrete. Conforming adjustments should be made in the asphaltic concrete rates.

There remains to be considered the revisions in the boundaries of Production Area H which were sought by Consolidated in Petition No. 178, as amended, and those which were recommended

by the rate expert of the Commission's staff. The proposed revisions are virtually the same with the exception that the rate expert recommended the elimination from Production Area H of the portion of the area which overlaps with Production Area L. This reduction of Production Area H was opposed by Associated on the grounds that the overlap had been in existence since 1952, when it was created with the establishment of Production Area L, and that the reason which the rate witness gave for eliminating the overlap, namely, to correct an error, is not sufficient to justify the change.

The area which is encompassed in a rate group ordinarily should not be greater than is required by the conditions on which the group is based. For reasons which have been discussed above, it appears that Associated is not properly includable in Production Area H. On the one hand, the rates which apply from Production Area L appear to be reasonably oriented with respect to shipments of rock products from Associated and Mountain.^{6/} On the other hand, the rates which are hereinafter prescribed from Production Area H are based on a centroid which we have found to be reasonably representative, from a group rate-making standpoint, of Consolidated and Holliday. In the circumstances the revision of Production Area H to exclude its overlap with Production Area L is reasonable, and should be accomplished.

^{6/} From a time and distance standpoint the centroid for Production Area L appears to be located about midway between Associated's and Mountain's plants. Appendix A shows the centroid (Point No. 10175) as being located 2 minutes and .2 mile south of 16th Street. A more correct location geographically, and one having the same relationship to the traverse network, would be 2 minutes and .2 mile north of 16th Street.

However, the proposals of the rate witness and of Consolidated to enlarge Production Area H along the present western boundary of the area should not be adopted. It appears that the territory which would be added is a part of Consolidated's holdings where Consolidated either is now excavating its raw materials or will so excavate in the future. However, it does not appear that shipments are tendered for transportation within said area. Hence, from a minimum rate standpoint it does not appear that the enlargement of the area would serve any useful purpose. If it develops that Consolidated establishes a shipping point within the territory involved at some time henceforth, the enlargement of Production Area H as here proposed or otherwise can be then considered further, together with any changes in the rates that may be necessary as a consequence of the enlargement.

Findings

The Commission finds that:

1. The zone rates in Minimum Rate Tariff 17 which apply for the transportation of rock, sand and gravel from Production Area H were developed on considerations which took into account the operations of Hanawalt, Consolidated and Holliday.
2. As a result of these considerations the centroid for Production Area H was located at a point near the plant of Consolidated.
3. Hanawalt has terminated its operations in Production Area H.

4. A centroid for Production Area H which is based on the operations of Consolidated and Holliday only would be at a different location than that of the present centroid of Production Area H.

5. Appendix A, attached hereto, sets forth the average round-trip vehicle running times and one-way distances (the tie-in times and distances) between the plants of Consolidated and Holliday, on the one hand, and the several points of departure from Production Area H, on the other hand.

6. Appendix A, attached hereto, reasonably sets forth, in terms of tie-in times and distances, the location of the centroid applicable in connection with the transportation of rock, sand and gravel from Production Area H in present circumstances.

7. The zone rates which apply at present for the transportation of rock, sand and gravel from Production Area H are materially different from those which would apply if computed from the centroid location shown in Appendix A.

8. The continuance of rates calculated from the present centroid location for Production Area H would unjustifiably advantage the producers of rock, sand and gravel in said production area, and would unjustifiably disadvantage the producers of rock, sand and gravel in Production Area L with respect to deliveries to the principal marketing areas served from said production areas.

9. Adjustment of the present zone rates for the transportation of rock, sand and gravel from Production Area H to conform to those which would apply if computed from the centroid location

shown in Appendix A would result in just, reasonable and nondiscriminatory minimum rates for said transportation.

10. Differences between the rates from Production Area H, adjusted in accordance with the above Paragraph 9, and the rates from Production Area L are due mainly to differences in underlying transportation conditions from the two areas.

11. The combining of Production Areas H and L, either in whole or in part, would result in rates which would be unreasonable and/or discriminatory for various of the hauls to which the rates would apply.

12. As a centroid for only the transportation of asphaltic concrete (and cold road oil mixture)^{7/} from Production Area H, the present centroid does not reasonably represent the round-trip vehicle running times and one-way distances which apply to said transportation.

13. A centroid for only the transportation of asphaltic concrete from the plants of Industrial and of Holliday in Production Area H would be situated at approximately the same location, in terms of time and distance, as that shown for centroid No. 10486 for rock, sand and gravel in Appendix A.

14. The adjustment of the zone rates for the transportation of asphaltic concrete from Production Area H by applying the formulae upon which the present asphaltic concrete rates are

^{7/} The rates in Minimum Rate Tariff 17 which apply for the transportation of asphaltic concrete also apply for the transportation of cold road oil mixture. All references herein to asphaltic concrete should be deemed to include cold road oil mixture.

calculated to time and distance factors from the centroid shown in Appendix A would result in reasonable and nondiscriminatory rates for the transportation of asphaltic concrete from Production Area E.

15. The revision of the boundaries of Production Area H as recommended by the Commission rate witness (with the exception of the enlargement of the area west of the Los Angeles County/San Bernardino County Line) would result in a production area which would be reasonable and nondiscriminatory in present circumstances.^{8/}

Conclusions

The Commission concludes that:

1. The zone rates in Minimum Rate Tariff 17 for the transportation of rock, sand and gravel (and other commodities named in Item No. 60 of said tariff) from San Bernardino County Production Area No. 36-H should be adjusted to conform to the rates which are found to be reasonable and nondiscriminatory in Finding No. 9 above.

^{8/} The revised boundaries for Production Area H which are herein found reasonable are as follows:

Beginning at the intersection of the Los Angeles County-San Bernardino County Line with Arrow Highway (8th Street); easterly along Arrow Highway (8th Street) to Central Avenue; northerly along Central Avenue and its prolongation to the westerly prolongation of 14th Street; westerly along the prolongation of 14th Street to the Los Angeles County-San Bernardino County Line; southerly along the Los Angeles County-San Bernardino County Line to the point of beginning.

C. 5437, Pets. 167, 172, 178,
OSH D. 75349 - SW/ENW * *

2. The zone rates in Minimum Rate Tariff 17 for the transportation of asphaltic concrete (and other commodities named in Item No. 65 of said tariff) from San Bernardino County Production Area No. 36-H should be adjusted to conform to the rates which are found to be reasonable and nondiscriminatory in Finding No. 14 above.

3. The description of San Bernardino County Production Area No. 36-H in Southern California Production Area and Delivery Zone Directory 1 should be revised to conform to the description of said area which is found reasonable and nondiscriminatory in Finding No. 15 above.

4. Petitions for Modification Nos. 167, 172 and 178 in Case No. 5437 should be denied.

5. The proceedings initiated by Order Setting Hearing Decision No. 75349, dated February 25, 1969, in Case No. 5437 should be terminated.

O R D E R

IT IS ORDERED that:

1. Minimum Rate Tariff 17 (Appendix B to Decision No. 69469, as amended) and Directory 1 (Appendix A to Decision No. 69469, as amended), are further amended by incorporating therein to become effective March 23, 1970, the revised pages attached hereto and listed in Appendix B, also attached hereto, which pages and appendix are made a part hereof.

C. 5437, Pets. 167, 172, 178,
OSH D. 75349 - SW

2. In all other respects Decision No. 69469, as amended, shall remain in full force and effect.

3. Petitions for Modification Nos. 167, 172 and 178 in Case No. 5437 are denied.

4. The proceedings which were initiated by the Order Setting Hearing, Decision No. 75349, dated February 25, 1969, are terminated.

This order shall become effective twenty-four days after the date hereof.

Dated at San Francisco, California,
this 17th day of FEBRUARY, 1970.

William J. ...
President

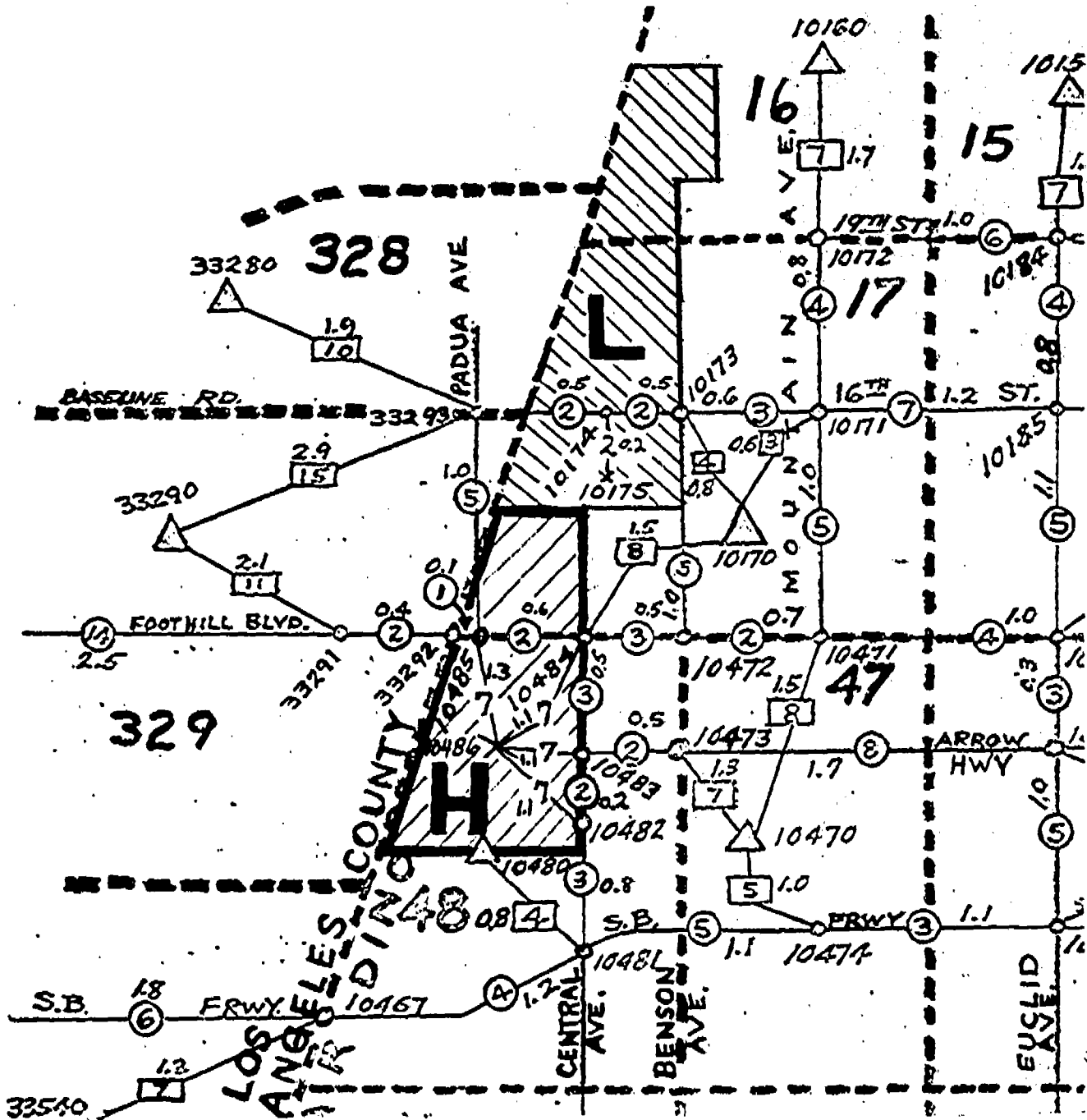
August

J. P. ...

...

...
Commissioners

APPENDIX A



**TRAVERSE NETWORK CHANGES IN TIE-IN SEGMENTS FROM
 SAN BERNARDINO COUNTY PRODUCTION AREA 36-H CENTROID NO. 10486**

Deletions:						One-Way Miles	Round-Trip Minutes
From Centroid No.	10486	to Point No.	10480			1.7	9
"	"	"	10486	"	"	.7	5
Additions:							
From Centroid No.	10486	to Point No.	10482			1.1	7
"	"	"	10486	"	"	1.1	7
"	"	"	10486	"	"	1.1	7
"	"	"	10486	"	"	1.3	7

(End)

APPENDIX B TO DECISION NO. ~~76810~~

LIST OF REVISED PAGES TO MINIMUM RATE TARIFF 17
AND DIRECTORY 1 AUTHORIZED BY SAID DECISION

MINIMUM RATE TARIFF 17:

THIRTY-SEVENTH REVISED PAGE 1-2

EIGHTH REVISED PAGE 1-2.1

SIXTH REVISED PAGE 1-2.2

EIGHTH REVISED PAGE 1-2.4

SEVENTH REVISED PAGE 7-H

SEVENTH REVISED PAGE 7-H-1

SIXTH REVISED PAGE 7-H-2

FIFTH REVISED PAGE 17-H

FIFTH REVISED PAGE 17-H-1

FIFTH REVISED PAGE 17-H-2

DIRECTORY 1:

THIRD REVISED PAGE 211

THIRD REVISED PAGE 212

(END OF APPENDIX B LIST)

SECTION 1--RULES (CONTINUED)

*TARIFF PAGES CHECK SHEET

ORIGINAL AND REVISED PAGES AS NAMED BELOW AND SUPPLEMENT 8 CONTAIN ALL CHANGES FROM THE ORIGINAL TARIFF IN EFFECT ON THE DATES SHOWN THEREON. DECISION NUMBERS AND DATES ARE NOT SHOWN OPPOSITE PAGE REVISIONS BELOW WHICH WERE IN EFFECT PRIOR TO APRIL 20, 1968. THE DECISION NUMBERS AND DATES WILL BE SHOWN ON FURTHER REVISIONS OF SUCH PAGES.

PAGE NUMBER	REVISION NUMBER	DECISION NUMBER	DATE	PAGE NUMBER	REVISION NUMBER	DECISION NUMBER	DATE
TITLE	4TH ORIGINAL	76369	11/4/69	1-20	ORIGINAL		
1	ORIGINAL			1-21	5TH	75249	1/28/69
1-1	6TH	76575	12/23/69	1-22	3RD	75249	1/28/69
1-2	*37TH			1-23	1ST	73653	1/23/68
1-2.1	*8TH			2	2ND		
1-2.2	*6TH			2-1	2ND	76331	10/28/69
1-2.3	3RD	75149	12/27/68	2-2	1ST	75317	2/11/69
1-2.4	*8TH			2-3	2ND	75317	2/11/69
1-3	5TH	75249	1/28/69	2-4	2ND	76331	10/28/69
1-3.1	5TH	75249	1/28/69	2-5	2ND	76331	10/28/69
1-4	3RD			2-6	2ND	76331	10/28/69
1-4.1	2ND	75249	1/28/69	2-7	2ND	76331	10/28/69
1-5	4TH	76369	11/4/69	2-8	2ND	76331	10/28/69
1-6	5TH	74755	10/1/68	2-9	2ND	76331	10/28/69
1-7	4TH	75249	1/28/69	2-10	2ND	76331	10/28/69
1-8	6TH	76369	11/4/69	2-11	1ST	75317	2/11/69
1-8.1	1ST	74999	11/26/68	3	ORIGINAL		
1-9	2ND			4	2ND		
1-10	1ST			4-A	6TH	76575	12/23/69
1-11	ORIGINAL			4-A-1	6TH	76575	12/23/69
1-12	ORIGINAL			4-A-2	6TH	76575	12/23/69
1-13	1ST	74755	10/1/68	4-B	6TH	76575	12/23/69
1-13.1	ORIGINAL	73999	4/16/68	4-B-1	6TH	76575	12/23/69
1-13.2	ORIGINAL	73999	4/16/68	4-B-2	6TH	76575	12/23/69
1-14	4TH	75249	1/28/69	4-CC	6TH	76575	12/23/69
1-14.1	ORIGINAL			4-CC-1	6TH	76575	12/23/69
1-15	4TH	75249	1/28/69	4-E	6TH	76575	12/23/69
1-15.1	1ST	75249	1/28/69	4-E-1	6TH	76575	12/23/69
1-16	4TH			4-E-2	6TH	76575	12/23/69
1-17	ORIGINAL			4-F	6TH	76575	12/23/69
1-18	ORIGINAL			4-F-1	6TH	76575	12/23/69
1-19	ORIGINAL			4-F-2	6TH	76575	12/23/69

* CHANGE

EFFECTIVE

CORRECTION 1377

ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA,
 SAN FRANCISCO, CALIFORNIA.

SECTION 1--RULES (CONTINUED)

*TARIFF PAGES CHECK SHEET

ORIGINAL AND REVISED PAGES AS NAMED BELOW AND SUPPLEMENT 8 CONTAIN ALL CHANGES FROM THE ORIGINAL TARIFF IN EFFECT ON THE DATES SHOWN THEREON. DECISION NUMBERS AND DATES ARE NOT SHOWN OPPOSITE PAGE REVISIONS BELOW WHICH WERE IN EFFECT PRIOR TO APRIL 20, 1968. THE DECISION NUMBERS AND DATES WILL BE SHOWN ON FURTHER REVISIONS OF SUCH PAGES.

PAGE NUMBER	REVISION NUMBER	DECISION NUMBER	DATE	PAGE NUMBER	REVISION NUMBER	DECISION NUMBER	DATE
4-F-3	6TH	76575	12/23/69	5-F	6TH	76575	12/23/69
4-C	6TH	76575	12/23/69	5-G	7TH	76575	12/23/69
4-C-1	6TH	76575	12/23/69	5-G-1	5TH	76575	12/23/69
4-C-2	6TH	76575	12/23/69	5-G-2	5TH	76575	12/23/69
4-C-3	6TH	76575	12/23/69	5-G-3	6TH	76575	12/23/69
4-I	6TH	76575	12/23/69	5-G-4	5TH	76575	12/23/69
4-II	6TH	76575	12/23/69	5-G-5	4TH	76575	12/23/69
4-II-1	5TH	76575	12/23/69	5-L	6TH	76575	12/23/69
4-JA	5TH	76575	12/23/69	5-L-1	6TH	76575	12/23/69
4-JJ	6TH	76575	12/23/69	5-M	6TH	76575	12/23/69
4-JJ-1	6TH	76575	12/23/69	5-M-1	6TH	76575	12/23/69
4-KK	1ST	76575	12/23/69	5-O	6TH	76575	12/23/69
4-KK-1	1ST	76575	12/23/69	5-P	6TH	76575	12/23/69
4-KK-2	1ST	76575	12/23/69	5-P-1	5TH	76575	12/23/69
4-L	6TH	76575	12/23/69	6	2nd		
4-L-1	6TH	76575	12/23/69	6-F	6TH	76575	12/23/69
4-L-2	6TH	76575	12/23/69	6-G	6TH	76575	12/23/69
4-M	6TH	76575	12/23/69	6-G-1	5TH	76575	12/23/69
4-M-1	6TH	76575	12/23/69	6-O	5TH	76575	12/23/69
4-M-2	6TH	76575	12/23/69	6-O-1	4TH	76575	12/23/69
4-M-3	6TH	76575	12/23/69	7	2ND		
5	2ND			7-A	6TH	76575	12/23/69
5-A	6TH	76575	12/23/69	7-A-1	5TH	76575	12/23/69
5-A-1	6TH	76575	12/23/69	7-B	6TH	76575	12/23/69
5-A-2	5TH	76575	12/23/69	7-B-1	5TH	76575	12/23/69
5-B	6TH	76575	12/23/69	7-D	6TH	76575	12/23/69
5-B-1	6TH	76575	12/23/69	7-D-1	5TH	76575	12/23/69
5-B-2	5TH	76575	12/23/69	7-E	6TH	76575	12/23/69
5-D	6TH	76575	12/23/69	7-E-1	5TH	76575	12/23/69
5-D-1	6TH	76575	12/23/69	7-H	*7TH		
5-D-2	5TH	76575	12/23/69	7-H-1	*7TH		
5-D-3	5TH	76575	12/23/69				

* CHANGE

EFFECTIVE

CORRECTION 1378

ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA,
 SAN FRANCISCO, CALIFORNIA.

SECTION 1--RULES (CONTINUED)

*TARIFF PAGES CHECK SHEET (CONTINUED)

ORIGINAL AND REVISED PAGES AS NAMED BELOW AND SUPPLEMENT 8 CONTAIN ALL CHANGES FROM THE ORIGINAL TARIFF IN EFFECT ON THE DATES SHOWN THEREON. DECISION NUMBERS AND DATES ARE NOT SHOWN OPPOSITE PAGE REVISIONS BELOW WHICH WERE IN EFFECT PRIOR TO APRIL 20, 1968. THE DECISION NUMBERS AND DATES WILL BE SHOWN ON FURTHER REVISIONS OF SUCH PAGES.

PAGE NUMBER	REVISION NUMBER	DECISION NUMBER	DATE	PAGE NUMBER	REVISION NUMBER	DECISION NUMBER	DATE
7-H-2	*6TH			12	1ST		
7-I	6TH	76575	12/23/69	12-P	5TH	76575	12/23/69
7-I-1	5TH	76575	12/23/69	12-P-1	5TH	76575	12/23/69
7-L	6TH	76575	12/23/69	12-P-2	4TH	76575	12/23/69
7-L-1	6TH	76575	12/23/69	12-Q	5TH	76575	12/23/69
7-L-2	5TH	76575	12/23/69	12-Q-1	4TH	76575	12/23/69
7-M	6TH	76575	12/23/69	12-Q-2	3RD	76575	12/23/69
7-M-1	6TH	76575	12/23/69	13	2ND		
7-M-2	5TH	76575	12/23/69	13-1	1ST		
8	ORIGINAL			13-2	1ST		
9	ORIGINAL			14	ORIGINAL		
10	2ND			14-A	4TH	75149	12/27/68
10-B	5TH	76575	12/23/69	14-A-1	4TH	75149	12/27/68
10-C	5TH	76575	12/23/69	14-A-2	4TH	75149	12/27/68
10-E	5TH	76575	12/23/69	14-B	4TH	75149	12/27/68
10-G	5TH	76575	12/23/69	14-B-1	4TH	75149	12/27/68
10-I	5TH	76575	12/23/69	14-B-2	4TH	75149	12/27/68
10-J	5TH	76575	12/23/69	14-C	4TH	75149	12/27/68
10-K	5TH	76575	12/23/69	14-C-1	4TH	75149	12/27/68
10-L	5TH	76575	12/23/69	14-C-2	4TH	75149	12/27/68
10-M	5TH	76575	12/23/69	14-CC	4TH	75149	12/27/68
10-N	4TH	76575	12/23/69	14-CC-1	3RD	75149	12/27/68
10-N-1	4TH	76575	12/23/69	14-D	4TH	75149	12/27/68
10-O	4TH	76575	12/23/69	14-DD	4TH	75149	12/27/68
10-O-1	4TH	76575	12/23/69	14-DD-1	4TH	75149	12/27/68
10-P	4TH	76575	12/23/69	14-E	4TH	75149	12/27/68
10-P-1	4TH	76575	12/23/69	14-E-1	4TH	75149	12/27/68
10-Q	2ND	76575	12/23/69	14-E-2	4TH	75149	12/27/68
10-Q-1	2ND	76575	12/23/69	14-E-3	4TH	75149	12/27/68
11	2ND						
11-1	2ND						
11-2	2ND						

* CHANGE

EFFECTIVE

CORRECTION 1379

ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA,
 SAN FRANCISCO, CALIFORNIA.

SECTION 1--RULES (CONTINUED)

*TARIFF PAGES CHECK SHEET (CONCLUDED)

ORIGINAL AND REVISED PAGES AS NAMED BELOW AND SUPPLEMENT 8 CONTAIN ALL CHANGES FROM THE ORIGINAL TARIFF IN EFFECT ON THE DATES SHOWN THEREON. DECISION NUMBERS AND DATES ARE NOT SHOWN OPPOSITE PAGE REVISIONS BELOW WHICH WERE IN EFFECT PRIOR TO APRIL 20, 1968. THE DECISION NUMBERS AND DATES WILL BE SHOWN ON FURTHER REVISIONS OF SUCH PAGES.

PAGE NUMBER	REVISION NUMBER	DECISION NUMBER	DATE	PAGE NUMBER	REVISION NUMBER	DECISION NUMBER	DATE
17-D	4TH	75149	12/27/68	21-EE-1	5TH	76575	12/23/69
17-D-1	3RD	75149	12/27/68	21-EE-2	5TH	76575	12/23/69
17-DD	4TH	75149	12/27/68	21-L	5TH	76575	12/23/69
17-DD-1	4TH	75149	12/27/68	21-L-1	5TH	76575	12/23/69
17-DD-2	4TH	75149	12/27/68	21-L-2	5TH	76575	12/23/69
17-E	4TH	75149	12/27/68	21-L-3	3RD	76575	12/23/69
17-E-1	3RD	75149	12/27/68	21-Q	5TH	76575	12/23/69
17-H	*5TH			21-Q-1	5TH	76575	12/23/69
17-H-1	*5TH			21-Q-2	5TH	76575	12/23/69
17-H-2	*5TH			21-QA	5TH	76575	12/23/69
18	ORIGINAL			21-QA-1	5TH	76575	12/23/69
19	ORIGINAL			21-QA-2	5TH	76575	12/23/69
20	ORIGINAL			21-OB	5TH	76575	12/23/69
20-B	3RD	75149	12/27/68	21-OB-1	5TH	76575	12/23/69
20-C	3RD	75149	12/27/68	21-OB-2	5TH	76575	12/23/69
20-E	3RD	75149	12/27/68	21-R	5TH	76575	12/23/69
20-G	3RD	75149	12/27/68	21-R-1	5TH	76575	12/23/69
20-I	3RD	75149	12/27/68	21-R-2	5TH	76575	12/23/69
20-J	3RD	75149	12/27/68	21-Z	5TH	76575	12/23/69
20-K	3RD	75149	12/27/68	21-Z-1	5TH	76575	12/23/69
20-L	3RD	75149	12/27/68	21-Z-2	5TH	76575	12/23/69
20-M	3RD	75149	12/27/68	22	2ND	75249	1/28/69
21	1ST	76135	9/3/69	22-1	3RD	75589	4/22/69
21-EE	5TH	76575	12/23/69	22-2	2ND	75249	1/28/69
				23	ORIGINAL	75249	1/28/69
				23-1	ORIGINAL	75249	1/28/69

* CHANGE

EFFECTIVE

CORRECTION 1380

ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA,
 SAN FRANCISCO, CALIFORNIA

CANCELS

MINIMUM RATE TARIFF 17

SIXTH REVISED PAGE 7-H

* SECTION 7 - ZONE RATES IN CENTS PER TON (CONTINUED)

COMMODITIES AS DESCRIBED IN ITEM 60

FROM SAN BERNARDINO COUNTY PRODUCTION AREA 36-H
TO THE DELIVERY ZONES SET FORTH BELOW

ZONE	RATE	ZONE	RATE	ZONE	RATE	ZONE	RATE	ZONE	RATE
19102	153	19345	124	19380	117	19430	126	30013	121
19103	161	19346	125	19381	111	19431	126	30014	131
19205	179	19347	119	19382	109	19432	130	30015	135
19206	174	19348	107	19383	107	19433	150	30016	145
19207	161	19349	98	19384	94	19434	143	30017	163
19208	164	19350	86	19385	97	19435	152	30018	153
19222	169	19351	76	19401	95	19436	137	30019	146
19309	133	19352	48	19402	92	19437	135	30020	141
19310	123	19353	44	19403	84	19438	138	30021	140
19319	119	19354	39	19404	66	19439	124	30022	138
19320	111	19355	53	19405	75	19440	133	30023	138
19321	102	19356	55	19406	81	19441	141	30024	140
19322	93	19357	59	19407	85	19442	140	30025	130
19323	88	19358	58	19408	86	19443	142	30026	162
19324	80	19359	59	19409	104	19444	152	30027	158
19325	72	19360	52	19410	98	19445	153	30028	149
19326	65	19361	57	19411	107	19446	163	30029	151
19327	59	19362	83	19412	103	19447	156	30030	155
19328	40	19363	87	19413	111	19448	145	30031	150
19329	39	19364	86	19414	130	19449	153	30032	148
19330	48	19365	91	19415	127	19450	147	30033	149
19331	55	19366	96	19416	136	19451	149	30034	155
19332	64	19367	107	19417	143	19452	142	30035	172
19333	72	19368	112	19418	147	30001	120	30036	164
19334	70	19369	118	19419	142	30002	116	30037	168
19335	87	19370	126	19420	138	30003	106	30038	169
19336	94	19371	133	19421	137	30004	115	30039	180
19337	114	19372	149	19422	123	30005	119	30040	172
19338	124	19373	162	19423	123	30006	128	30041	183
19339	131	19374	151	19424	133	30007	124	30042	166
19340	130	19375	145	19425	138	30008	113	30043	159
19341	149	19376	137	19426	131	30009	110	30044	158
19342	154	19377	132	19427	126	30010	127	30045	169
19343	140	19378	128	19428	131	30011	130	30046	162
19344	135	19379	131	19429	135	30012	130	30047	157

* CHANGE

EFFECTIVE

ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA,
CORRECTION 1381

SAN FRANCISCO, CALIFORNIA.

* SECTION 7 - ZONE RATES IN CENTS PER TON (CONTINUED)

COMMODITIES AS DESCRIBED IN ITEM 60

FROM SAN BERNARDINO COUNTY PRODUCTION AREA 36-H
 TO THE DELIVERY ZONES SET FORTH BELOW

ZONE	RATE	ZONE	RATE	ZONE	RATE	ZONE	RATE	ZONE	RATE
30048	161	30091	209	33024	110	33063	122	36034	137
30049	174	30092	202	33025	91	33064	122	36035	127
30050	165	30093	202	33026	91	36001	123	36036	118
30051	160	30094	210	33027	85	36002	131	36037	115
30052	172	30095	220	33028	81	36003	135	36038	106
30053	179	30096	208	33029	81	36004	124	36039	100
30054	169	30097	226	33030	94	36005	135	36040	87
30055	167	30098	233	33031	94	36006	131	36041	79
30056	175	30099	202	33032	97	36007	122	36042	67
30057	191	30100	212	33033	119	36008	114	36043	61
30058	181	30101	220	33034	108	36009	98	36044	56
30059	191	30102	231	33035	125	36010	94	36045	49
30060	200	30103	241	33036	136	36011	87	36046	41
30061	181	30116	238	33037	141	36012	75	36047	34
30062	174	30117	248	33038	150	36013	65	36048	32
30063	184	30118	250	33039	158	36014	56	36049	42
30064	171	33005	118	33040	146	36015	49	36050	45
30065	168	33006	111	33041	143	36016	46	36051	48
30066	177	33007	101	33042	147	36017	33	36052	50
30067	198	33008	100	33043	140	36018	42	36053	56
30068	188	33009	99	33044	127	36019	49	36054	62
30069	193	33010	71	33045	115	36020	57	36055	69
30070	192	33011	76	33046	115	36021	63	36056	75
30071	185	33012	81	33047	116	36022	69	36057	84
30072	183	33013	89	33048	104	36023	77	36058	93
30073	174	33014	102	33049	95	36024	85	36059	103
30074	182	33015	114	33050	110	36025	95	36060	110
30075	191	33016	117	33051	140	36026	106	36061	117
30076	186	33017	155	33052	149	36027	123	36062	127
30077	188	33018	146	33053	151	36028	131	36063	136
30078	195	33019	140	33054	152	36029	139	36064	141
30079	195	33020	123	33059	167	36030	146	36065	148
30080	193	33021	114	33060	159	36031	130	36072	129
30081	181	33022	102	33061	159	36032	131	36073	116
30080	198	33023	102	33062	158	36033	146	36074	119

* CHANGE

EFFECTIVE

ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA.
 CORRECTION 1382 SAN FRANCISCO, CALIFORNIA.

MINIMUM RATE TARIFF 17

* SECTION 7 - ZONE RATES IN CENTS PER TON (CONTINUED)

COMMODITIES AS DESCRIBED IN ITEM 60

FROM SAN BERNARDINO COUNTY PRODUCTION AREA 36-H
TO THE DELIVERY ZONES SET FORTH BELOW

ZONE	RATE
36075	97
36076	74
36077	67
36078	62
36079	62
36080	55
36081	47
36082	51
36083	57
36084	54
36085	61
36086	67
36087	70
36088	73
36089	69
36090	64
36091	63
36092	65

* CHANGE

EFFECTIVE

ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA.
CORRECTION 1383

SAN FRANCISCO, CALIFORNIA.

MINIMUM RATE TARIFF 17

* SECTION 17 - ZONE RATES IN CENTS PER TON (CONTINUED)

COMMODITIES AS DESCRIBED IN ITEM 65

FROM SAN BERNARDINO COUNTY PRODUCTION AREA 36-H
 TO THE DELIVERY ZONES SET FORTH BELOW

ZONE	RATE	ZONE	RATE	ZONE	RATE	ZONE	RATE	ZONE	RATE
19130	291	19263	355	19330	90	19365	167	19415	232
19174	278	19264	368	19331	103	19366	176	19416	248
19175	290	19265	382	19332	119	19367	196	19417	262
19176	282	19266	399	19333	133	19368	205	19418	268
19177	282	19285	405	19334	146	19369	216	19419	260
19178	286	19286	416	19335	162	19370	230	19420	253
19192	280	19301	310	19336	173	19371	244	19421	250
19193	293	19302	292	19337	210	19372	272	19422	226
19194	303	19303	281	19338	227	19373	296	19423	225
19205	325	19304	299	19339	240	19374	276	19424	244
19206	317	19305	291	19340	239	19375	264	19425	252
19207	294	19306	279	19341	272	19376	250	19426	240
19208	300	19307	270	19342	281	19377	242	19427	230
19209	319	19308	255	19343	255	19378	234	19428	241
19210	334	19309	244	19344	247	19379	240	19429	247
19219	340	19310	226	19345	227	19380	214	19430	231
19220	331	19311	244	19346	229	19381	203	19431	231
19221	315	19312	258	19347	218	19382	200	19432	237
19222	308	19313	274	19348	196	19383	197	19433	274
19223	314	19314	281	19349	181	19384	172	19434	262
19224	327	19315	286	19350	158	19385	179	19435	277
19225	355	19316	275	19351	141	19401	175	19436	251
19232	362	19317	282	19352	90	19402	170	19437	247
19233	337	19318	250	19353	83	19403	155	19438	252
19234	322	19319	219	19354	75	19404	123	19439	227
19235	310	19320	204	19355	100	19405	139	19440	244
19236	334	19321	188	19356	103	19406	150	19441	258
19237	354	19322	172	19357	111	19407	158	19442	256
19238	373	19323	164	19358	109	19408	159	19443	260
19244	381	19324	148	19359	111	19409	191	19444	278
19245	356	19325	135	19360	98	19410	181	19445	279
19246	346	19326	121	19361	106	19411	196	19446	297
19260	383	19327	110	19362	153	19412	189	19447	284
19261	368	19328	76	19363	161	19413	204	19448	265
19262	357	19329	74	19364	159	19414	237	19449	280

* CHANGE

EFFECTIVE

ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA,
 CORRECTION 1384

SAN FRANCISCO, CALIFORNIA.

MINIMUM RATE TARIFF 17

* SECTION 17 - ZONE RATES IN CENTS PER TON (CONTINUED)

COMMODITIES AS DESCRIBED IN ITEM 65

FROM SAN BERNARDINO COUNTY PRODUCTION AREA 36-H
 TO THE DELIVERY ZONES SET FORTH BELOW

ZONE	RATE	ZONE	RATE	ZONE	RATE	ZONE	RATE	ZONE	RATE
19450	268	30016	264	30051	293	30094	382	33023	189
19451	273	30017	296	30052	313	30095	399	33024	202
19452	259	30018	279	30053	326	30096	378	33025	167
19453	288	30019	268	30054	309	30097	411	33026	167
19454	278	30020	258	30055	305	30098	422	33027	157
19455	292	30021	257	30056	319	30099	368	33028	151
19456	300	30022	253	30057	347	30100	385	33029	149
19457	329	30023	253	30058	329	30101	400	33030	173
19458	309	30024	257	30059	348	30102	419	33031	173
19459	321	30025	237	30060	364	30103	437	33032	179
19460	302	30026	295	30061	330	30116	432	33033	219
19461	282	30027	288	30062	318	30117	449	33034	198
19462	298	30028	271	30063	334	30118	454	33035	230
19463	315	30029	276	30064	312	33001	348	33036	250
19464	332	30030	284	30065	306	33002	343	33037	258
19465	352	30031	274	30066	323	33003	325	33038	273
19466	365	30032	271	30067	360	33004	333	33039	288
19467	329	30033	272	30068	342	33005	217	33040	267
19468	326	30034	283	30069	352	33006	203	33041	261
19469	310	30035	313	30070	350	33007	186	33042	269
30001	220	30036	299	30071	337	33008	184	33043	256
30002	214	30037	305	30072	334	33009	183	33044	233
30003	194	30038	309	30073	318	33010	132	33045	212
30004	211	30039	328	30074	332	33011	141	33046	210
30005	219	30040	313	30075	347	33012	149	33047	213
30006	235	30041	333	30076	339	33013	165	33048	192
30007	227	30042	302	30077	343	33014	187	33049	174
30008	207	30043	291	30078	354	33015	209	33050	202
30009	202	30044	288	30079	354	33016	214	33051	256
30010	233	30045	308	30080	350	33017	283	33052	272
30011	237	30046	295	30081	329	33018	267	33053	276
30012	239	30047	286	30090	360	33019	256	33054	277
30013	223	30048	293	30091	380	33020	226	33055	362
30014	240	30049	316	30092	368	33021	210	33056	337
30015	248	30050	300	30093	367	33022	189	33057	335

* CHANGE

EFFECTIVE

ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA.
 CORRECTION 1385 SAN FRANCISCO, CALIFORNIA.

MINIMUM RATE TARIFF 17

* SECTION 17 - ZONE RATES IN CENTS PER TON (CONTINUED)

COMMODITIES AS DESCRIBED IN ITEM 65

FROM SAN BERNARDINO COUNTY PRODUCTION AREA 36-H
 TO THE DELIVERY ZONES SET FORTH BELOW

ZONE	RATE	ZONE	RATE	ZONE	RATE	ZONE	RATE	ZONE	RATE
33058	320	33093	361	36024	158	36059	190	36302	291
33059	304	33094	374	36025	175	36060	201	36303	313
33060	291	33095	386	36026	195	36061	214	36304	337
33061	290	33096	403	36027	225	36062	232	36305	364
33062	289	33097	381	36028	240	36063	248	36306	391
33063									
33064									
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* CHANGE

EFFECTIVE

ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA,
 CORRECTION 1386 SAN FRANCISCO, CALIFORNIA.

SECTION 5--SAN BERNARDINO COUNTY PRODUCTION AREAS AND
 DELIVERY ZONES (Continued)

SAN BERNARDINO COUNTY PRODUCTION AREAS	AREA
<p>Beginning at the intersection of Alabama Street and East 3rd Street; easterly along East 3rd Street to Church Street; southerly along Church Street and its prolongation to the south bank of Santa Ana River; westerly along the south bank of the Santa Ana River to Alabama Street; northerly along Alabama Street to the point of beginning.</p>	36-D
<p>Lots 105 and 106 of the Rochester Tract as recorded in Book 9 of Maps, page 20, in the office of the San Bernardino County Recorder, said lots being more generally described as that area bounded as follows:</p>	
<p>Beginning at the intersection of Arrow Highway and Rochester Avenue; thence easterly 1354 feet along Arrow Highway; northerly 665 feet to a point 1354 feet east of Rochester Avenue; westerly to a point on Rochester Avenue 666 feet north of Arrow Highway; southerly on Rochester Avenue to the point of beginning.</p>	36-DD
<p>Beginning at the intersection of Lime Avenue and Arrow Highway; easterly along Arrow Highway to Tokay Avenue; southerly along Tokay Avenue to The Atchison, Topeka and Santa Fe Railway Company right-of-way; westerly along The Atchison, Topeka and Santa Fe Railway Company right-of-way to Lime Avenue; northerly along Lime Avenue to the point of beginning.</p>	36-E

No change on this page) Decision No. **76810**

EFFECTIVE

ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA,
 SAN FRANCISCO, CALIFORNIA.

SECTION 5--SAN BERNARDINO COUNTY PRODUCTION AREAS AND
 DELIVERY ZONES (Continued)

SAN BERNARDINO COUNTY PRODUCTION AREAS	AREA
<p>Beginning at the intersection of the Los Angeles County-San Bernardino County line with Arrow Highway (8th Street); easterly along Arrow Highway (8th Street) to Central Avenue; northerly along Central Avenue and its prolongation to the westerly prolongation of 14th Street; westerly along the prolongation of 14th Street to the Los Angeles County-San Bernardino County line; southerly along the Los Angeles County-San Bernardino County line to the point of beginning.</p>	<p>36-H</p>
<p>Includes the area northeasterly of Riverside Avenue within the boundary of a semi-circle one (1) mile in radius, the base of which is Riverside Avenue and the center point the intersection of Riverside Avenue and Locust Avenue.</p>	<p>36-I</p>
<p>Beginning at the intersection of the Los Angeles County-San Bernardino County line with the prolongation of 14th Street; easterly along the prolongation of 14th Street and 14th Street to Benson Avenue; northerly along Benson Avenue to 20th Street; easterly along 20th Street to Wilson Avenue; northerly along the prolongation of Wilson Avenue to 22nd Street; westerly along 22nd Street and its prolongation to the Los Angeles County-San Bernardino County line; southwesterly along said county line to the point of beginning.</p>	<p>36-L</p>
<p>Beginning at the intersection of 16th Street and Campus Avenue; easterly along 16th Street to the Cucamonga Wash; northwesterly along the Cucamonga Wash to the easterly prolongation of 22nd Street; westerly along the prolongation of 22nd Street to the northerly prolongation of Campus Avenue; southerly along the prolongation of Campus Avenue and Campus Avenue to the point of beginning.</p>	<p>36-M</p>
<p>Beginning at the intersection of San Bernardino Avenue and Etiwanda Avenue; easterly along San Bernardino Avenue to the intersection thereof with Mulberry Avenue; southerly along Mulberry Avenue to the intersection thereof with Valley Boulevard; westerly along the prolongation of Valley Boulevard to the intersection of Etiwanda Avenue; northerly along Etiwanda Avenue to the point of beginning.</p>	<p>36-P</p>
<p>Beginning at the intersection of Etiwanda Avenue and the Atchison, Topeka and Santa Fe Railway tracks; thence easterly along the Atchison, Topeka and Santa Fe Railway tracks to the intersection thereof with Cherry Avenue; thence southerly along Cherry Avenue to the intersection thereof with San Bernardino Avenue; thence westerly along San Bernardino Avenue to the intersection thereof with Etiwanda Avenue; thence northerly along Etiwanda Avenue to the point of beginning.</p>	<p>36-Q</p>

Change, Decision No. **76810**

EFFECTIVE

Correction 13

ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA,
 SAN FRANCISCO, CALIFORNIA.