

Decision No. 77390

ORIGINAL

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 Tariff)
No. 7).

Case No. 5437
Petition for Modification
No. 186
Filed July 29, 1969

Frank Loughran, for Granite Rock Company, peti-
tioner.
E. O. Blackman, for California Dump Truck Owners
Association and Associated Independent Owner-
Operators, Inc.; and E. J. Bertana, for
Pacific Cement & Aggregates, Inc., interested
parties.
John R. Laurie and J. M. Jenkins, for the Com-
mission staff.

O P I N I O N

In this petition, Granite Rock Company (Graniterock) seeks the establishment of interplant zone rates in Minimum Rate Tariff No. 7 (MRT 7) for the transportation of sand and related commodities in bulk in dump truck equipment from a new production facility near Santa Cruz to delivery zones in Alameda, Contra Costa, San Mateo, and Santa Clara Counties.

Public hearing was held and the matter submitted before Examiner Mallory on May 11, 1970 at San Francisco. Evidence was presented by two witnesses testifying on behalf of petitioner, by two staff witnesses, and by a representative of the California Dump Truck Owners Association (CDTOA).

Petitioner's vice president described Graniterock's operations in Santa Cruz County. His testimony is summarized in the following statements. Petitioner has two sand plants in the County. It owns a plant in the Zayante area which is located at the end of a private road intersecting Quail Hollow Road. Plants of Kaiser Industries (Kaiser) and Pacific Cement & Aggregates (PCA) are located nearby. The three plants are situated in Santa Cruz County Production Area B (Zayante), as described in Section 3 of MRT 7.¹ Interplant zone rates from Santa Cruz County Production Area B to points in Alameda, Contra Costa, San Mateo and Santa Clara Counties are set forth in Item 294.3 of MRT 7.² Operations at Graniterock's Zayante plant were discontinued late in 1969. Graniterock is serving the same customers as were formerly served by its Zayante plant from a new plant located at the Wilder Ranch adjacent to State Highway 1, approximately 1.1 miles north of the city limits of Santa Cruz. Said plant began pilot operations in September 1969 and has been in full-time operation since March 9, 1970. Petitioner seeks to have rates on the same level as applicable from its Zayante plant made applicable from its Wilder plant, which is not located in any existing production area.³

1 "Zayante" includes all of the area located along Zayante Road and within one mile laterally thereof between its intersections with Mt. Hermon Road and Lompico Road. The mileage basing point for said zone is located on West Zayante Road 1.2 miles north of its intersection with Mt. Hermon Road.

2 Said rates are in cents-per-ton and are subject to minimum weights of 18 and 24 tons per load.

3 Petitioner alleges that the minimum rates applicable from its Wilder plant are higher than that from competing plants, and a few cents difference in transportation costs can render a sand plant noncompetitive because of the low price of the commodity.

Petitioner's vice president also described the operations of the new Wilder plant and compared its operations with those of existing sand plants in the Santa Cruz area. The witness testified that loading and weighing operations at the Wilder plant are fully automated. Upon arrival at said plant, the truck driver positions his vehicle under an automatic belt loading device. A control card (the size and appearance of a gasoline credit card) is inserted into a receptacle which opens a door permitting access to the scale house and to a device on which the driver dials the tonnage to be placed in the equipment.⁴ This activates the loader belt so that it delivers the exact tonnage dialed. Generally, truck and transfer-trailer equipment is used. The driver remains in his cab after activating the loading device. The driver has 30 seconds after the truck is loaded to pull forward so that the transfer trailer is under the loading equipment, before the balance of the load is delivered. A certified weight ticket is automatically furnished to the driver, who signs the original as receipt for the goods and retains two copies. Graniterock also supplies an automatic device whereby the load can be wetted down to avoid having the material blow from the vehicle when it is underway.

Petitioner's witness testified that, compared with its Wilder plant, other loading operations are less efficient. At its Zayante plant, and at nearby plants of Kaiser and PCA, loading is performed by the truck driver manually operating a bunker loading device. The driver must estimate the amount of sand being loaded into the vehicle. After loading is completed the equipment is

⁴ The control cards are furnished by Graniterock to its customers, who in turn arrange for transportation and furnish the control cards to their carriers.

weighed. If there is insufficient weight on the equipment, additional material must be added, and the vehicle reweighed. If there is too much material on the equipment, a portion must be dumped. If the shipment is wetted down after loading, the driver must leave the cab to spray the load with a hose.

A certified public accountant employed by petitioner presented in evidence a study showing a comparison of the times involved in loading a shipment at petitioner's two plants and the mileage and times involved in moving said shipments to a common point on the route to destination zones and return from said common point.⁵

The witness determined that at the Zayante plant loading time averaged 20 minutes, the loaded outbound time to the common point was 14.0 minutes, and the unloaded inbound time was 12.5 minutes, for a total time of 46.5 minutes. The round-trip mileage between the Zayante plant and the common point is 12.7 miles. The witness developed that at the Wilder plant loading time averaged 10 minutes, loaded outbound time to the common point was 20.0 minutes, and unloaded inbound time was 12.0 minutes, resulting in a total time of 42.0 minutes. The round-trip mileage between the Wilder plant and the common point is 16.6 miles. The witness testified the lesser time and greater mileage for movements from the Wilder plant as compared with the Zayante plant are offsetting insofar as carrier's costs are concerned.⁶ Therefore, he recommended that the

⁵ The common point selected was the intersection of State Highway 17 and Scotts Valley Overcrossing.

⁶ The witness estimated out-of-pocket costs to be 15¢ per minute (\$9 per hour) on a time basis, and 14-1/2¢ a mile on a mileage basis. Using these estimated costs the difference in time of 4.5 minutes results in a cost saving of 67-1/2¢ and the difference in mileage of 3.9 miles results in an added cost of 56-1/2¢.

same minimum rates be made applicable from the Wilder plant as are now applicable from the Zayante plant.

A senior transportation engineer and an associate transportation rate expert from the Commission's Transportation Division jointly presented an exhibit setting forth the results of the staff's study and its recommendations. The staff study measured the difference in round-trip mileages and times between the Zayante and Wilder plants, on the one hand, and a common point at the intersection of Santa's Village Road and State Highway 17. The study shows that the average running time from the new plant is 0.4 minutes slower and the distance is 1.0 miles farther than from the present plant to said intersection.⁷ The staff recommended that a new production area should be created, as described in the report, and that the same rates be established from the new production area as currently are applicable from Santa Cruz County Production Area B, on an interim basis pending completion of staff cost and rate studies which are now in progress.⁸ Petitioner adopted the method of promulgating the zone rates from the Wilder plant facility, as proposed in the staff study.

The secretary-manager of CDTOA concurred in the establishment of zone rates from petitioner's new plant at Wilder Ranch, but urged that the rates from said plant be established on a basis 5 cents per ton higher than the current Production Area B rates. The witness based his recommendation on the following considerations. The record indicates that the predominant type of equipment in use at the Zayante and Wilder facilities is truck and transfer-trailer

7 The staff study did not measure the differences in loading times at the two plants.

8 Estimated completion date of the zone-rate phase of said studies is the end of 1970.

units. The present minimum rates assertedly are predicated on costs for bottom-dump trailer equipment which, the witness stated, requires less time to unload than transfer-trailer equipment. The faster loading time at the Wilder plant assertedly is offset by the greater unloading time resulting from the use of transfer-trailer equipment. The witness stated that a separate check made by him showed that the differential in running time from the two plants is 5-1/2 minutes. Based on the present rate in MRT 7 for 5-axle equipment of \$16.09 per hour, and an average load of 24 tons, said time differential approximates 6 cents per ton.

Discussion

The Commission staff has initiated full-scale studies of movements under interplant rates in Northern Territory. The staff studies will reflect current operating practices and conditions, including plant locations, types of equipment used, efficiencies in loading and unloading of equipment, and routes of movement.⁹ The record shows that each of these factors will have a material effect on carriers' costs of operation, and that some factors will result in higher costs and other factors in lower costs than the corresponding elements of cost underlying existing interplant rates. In the interim period pending completion of said studies, it will be reasonable to apply the same rates to petitioner's new plant as are now applicable from its old plant, inasmuch as it appears that the increased mileages from the new plant are offset by said plant's more efficient loading operations.

⁹ The record indicates that the route over which the present rates from Production Area B are developed (Highway 17) may not provide the shortest mileage route from the Wilder plant to destinations in San Mateo, Alameda and Contra Costa Counties. ✓

Truck and transfer-trailer equipment is the predominant equipment now used both for movement from the plants in the Zayante area and from the Wilder plant. It would not be appropriate to adjust rates upward for movements from the Wilder plant to reflect the greater unloading times of truck and transfer-trailer equipment versus bottom-dump equipment without concurrently adjusting upward rates from Production Area B.

Findings and Conclusions

1. Petitioner, Granite Rock Company, operates a plant for the production of sand and related materials at Wilder Ranch, located approximately 1.1 miles north of the city limits of Santa Cruz on Highway 1. Said plant replaced a similar plant located off Quail Hollow Road in the Zayante area of the Santa Cruz Mountains.

2. Petitioner serves the same customers from its Wilder plant as it formerly served from its Zayante plant.

3. Kaiser Industries and Pacific Cement & Aggregates maintain plants for the production of sand and related material in the Zayante area. The Zayante plant of petitioner and the Kaiser and PCA sand plants are located in Santa Cruz County Production Area B, as described in MRT 7, and the same zone rates apply from said plants to common destinations, as provided in Item 294.3 of MRT 7.

4. The new plant at Wilder is fully automated, and is more efficient than the sand plants of petitioner, Kaiser and PCA in the Zayante area, resulting in less time for carriers to load their equipment.

5. Via the route of movement over which existing zone rates in Item No. 294.3 from Production Area B are constructed, distances are greater from the petitioner's Wilder plant than from its former Zayante plant.

6. The differences in loading time described in Finding 4 offset the increased running times described in Finding 5.

7. Pending further review of the said movements in connection with the full-scale studies now in progress by the Commission staff involving Northern Territory interplant rates, just and reasonable minimum rates will result from the establishment of zone rates to apply from the plant location at Wilder Ranch on the same levels as the existing Production Area B zone rates in Item No. 294.3 of MRT 7, as set forth in the staff proposal.

The Commission concludes that the petition should be granted to the extent provided by the order which follows.

O R D E R

IT IS ORDERED that:

1. Minimum Rate Tariff No. 7 (Appendix A to Decision No.32566, as amended) is hereby further amended by incorporating therein to become effective August 1, 1970, Second Revised Page 33-U and First Revised Page 38-S-1, attached hereto and by this reference made a part hereof.

2. In all other respects Decision No. 32566, as amended, shall remain in full force and effect.

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

Dated at Los Angeles, California, this 23rd day of JUNE, 1970.

William Synoux, Jr.
President
Commissioners

SECTION 3--RATES FROM PRODUCTION AREAS TO DELIVERY ZONES (Continued)	Area	Zone
APPLICATION OF TARIFF--TERRITORIAL (Continued)		
SANTA CLARA COUNTY--DELIVERY ZONES		
<p>DOWNER AVENUE: Beginning at the intersection of Almaden Road and Downer Avenue, northerly along Almaden Road to Branham Lane, easterly along Branham Lane to Pearl Avenue, southerly along Pearl Avenue to Downer Avenue, and westerly along Downer Avenue to the point of beginning.</p>		10
SANTA CRUZ COUNTY--PRODUCTION AREAS		
<p>MT. HERMON: All of the area located along Mt. Hermon Road and within one and one-half (1½) miles laterally thereof between the community of Mt. Hermon and the intersection of Scotts Valley Drive and Mt. Hermon Road. Also includes the plant of Santa Clara Sand & Gravel Co. located at Scotts Valley.</p>	A	
<p>ZAYANTE: All of the area located along Zayante Road and within one (1) mile laterally thereof between its intersections with Mt. Hermon Road and Lompico Road.</p>	B	
<p>WILDER: The Wilder Ranch plant of Granite Rock Company located adjacent to State Highway 1 approximately 1.1 miles north of the northern boundary of the City of Santa Cruz.</p>	*C	
YOLO COUNTY--DELIVERY ZONES		
<p>BRYTE: Beginning at the intersection of Sycamore Avenue and Interstate Highway 80, northerly along Sycamore Avenue and its extension to the west levee of the Sacramento River, easterly and southerly along said levee to the point where it meets the Barge Canal, westerly along the Barge Canal to Jefferson Boulevard, northerly along Jefferson Boulevard to Interstate Highway 80, and return westerly along said highway to the point of beginning.</p>		1
YOLO COUNTY--PRODUCTION AREAS		
<p>EAST CACHE: Beginning at the intersection of Roads 20 and 96, west along Road 20 to Cache Creek, north along an imaginary line across Cache Creek to a point on Road 18A, east along Road 18A and its prolongation to Cache Creek, southwesterly along Cache Creek to Road 96, and return south along Road 96 to the point of beginning.</p>	A	
<p>* Addition, Decision No. 77390</p>		
EFFECTIVE		
<p>Correction 1337</p>	ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.	

SECTION 3--RATES FROM PRODUCTION AREAS TO DELIVERY ZONES (Continued) IN CENTS PER TON					ITEM
COMMODITIES as described in Item 207 (See Notes 1 and 2.)					
	RATES				
	FROM				
	(1) Santa Cruz County Production Areas				
	A		B, * & C		
TC (2) Alameda County Delivery Zones	Minimum Weight		Minimum Weight		
	18 Tons	24 Tons	18 Tons	24 Tons	
1	274	234	284	243	6 294.3
2	267	228	277	237	
3	265	226	275	235	
4	257	221	267	230	
5	256	220	266	229	
6	251	216	261	225	
7	250	214	260	223	
8	247	211	257	220	
9	241	207	251	216	
10	233	198	243	207	
11	226	192	236	201	
12	197	168	207	177	
13	284	243	294	252	
TO (3) Contra Costa County Delivery Zones					
1	282	241	292	250	
2	308	262	318	271	
TO (4) San Mateo County Delivery Zones					
2	170	145	180	154	
3	182	156	192	165	
4	190	162	200	171	
5	213	181	223	190	
6	226	192	236	201	
7	242	207	252	216	
TO (5) Santa Clara County Delivery Zones					
1	166	141	176	150	
2	162	138	172	147	
3	149	127	159	136	
4	139	118	149	127	
5	138	117	148	126	
6	139	118	149	127	
7	129	110	139	119	
8	132	112	142	121	
10	122	104	132	113	
NOTE 1.--Rates include bridge and ferry tolls.					
NOTE 2.--The minimum weight shall be transported in one unit of dump truck equipment at one time subject to Item 96.					
(1) For descriptions of Santa Cruz County Production Areas see Page 33-U.					
(2) For descriptions of Alameda County Delivery Zones see Pages 33-M and 33-M-1.					
(3) For descriptions of Contra Costa County Delivery Zones see Page 33-O.					
(4) For descriptions of San Mateo County Delivery Zones see Page 33-S.					
(5) For descriptions of Santa Clara County Delivery Zones see Pages 33-T and 33-U.					
6 Change * Addition 6 Reduction	} Decision No. 77390				
EFFECTIVE					
Correccion 1336	ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.				