

ORIGINAL

Decision No. 77624

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of APPLGATE DRAYAGE COMPANY, a )  
corporation, for an order authorizing )  
departure from the rates, rules and )  
regulations of Minimum Rate Tariff )  
No. 2 pursuant to the provisions of )  
Section 3666 of the Public Utilities )  
Code for the transportation of )  
petroleum coke from Pinole and )  
Bakersfield, California. )

Application No. 51744  
(Filed March 2, 1970)

Bertram Silver, for applicant.  
Arthur D. Maruna, H. F. Kollmyer and A. D. Poe,  
for California Trucking Association, interested  
party.  
Mark Sepaspour and Joseph C. Matson, for the  
Commission staff.

O P I N I O N

Applegate Drayage Company, a corporation, operates as a highway contract carrier. By this application, it seeks authority to transport petroleum coke to the plants of C. B. Hobbs Corporation at Milpitas and Elk Grove from the plants of Collier Carbon & Chemical Company near Hercules and Toscopetro Corporation near Bakersfield, at rates less than those prescribed as minimum by the Commission.

Decision No. 76929, dated March 10, 1970, granted interim authority for a period of six months pending further review upon consideration of the evidence to be adduced at a public hearing. A duly noticed public hearing was held before Examiner Mallory on July 17, 1970 and the matter was submitted. Evidence was presented by applicant's president and by an employee of C. B. Hobbs Corporation, the shipper.

The record shows that petroleum coke is used by Hobbs as a filler material in the manufacture of charcoal briquettes for home use. Two sources of the material are available. During the period of the interim authority, the coke was obtained from Collier at Hercules. Applicant transported 181 loads during the period March through June of this year, of which 56 were transported to Milpitas and 125 were transported to Elk Grove. Although no shipments were hauled from Bakersfield in this period, Hobbs desires that the petroleum coke be available from this source as an alternate means of supplying its needs.

A cost study presented by applicant's president shows that the revenues per load under the rates proposed in the application exceed the estimated cost of providing the service on a per-load basis, from Hercules and Bakersfield to Milpitas and Elk Grove. The representative of the shipper testified that if the existing minimum rates are required to be assessed, the shipper would seriously consider the operation of its own equipment. The witness testified that the shipper would not do so if the application was granted. Both witnesses testified that if minimum class rates are adjusted upward, the rates authorized herein should be correspondingly increased.

The record shows, and we find, that rates less than the established minimum rates, but not less than class rates based on a Class 35.3 rating as provided in Minimum Rate Tariff No. 2, subject to a minimum weight of 44,000 pounds, will be compensatory, and will be reasonable in connection with transportation of petroleum coke by applicant for Hobbs. The application should be granted for a period of one year.

O R D E R

IT IS ORDERED that:

1. Applegate Drayage Company, a corporation, is authorized to transport petroleum coke for C. B. Hobbs Corporation from and to the points set forth in Appendix A, attached hereto, at rates less than the established minimum rates, but not less than those set forth, and subject to the conditions specified, in said Appendix A.

2. The authority granted herein shall expire one year after the effective date of this order unless sooner canceled, modified or extended by order of the Commission.

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

Dated at San Francisco, California, this 18<sup>th</sup> day of AUGUST, 1970.

J. P. ...  
Chairman

August

William ...

...

...  
Commissioner's

A. 51744 ds

APPENDIX A

APPLEGATE DRAYAGE COMPANY

COMMODITY: Coke, in bulk, in dump truck equipment.

From: Collier Carbon & Chemical Company, Hercules.

To: C. B. Hobbs Corporation:

Rate in Cents  
Per 100 Pounds  
(See Notes 1 and 2)

Milpitas	28
Elk Grove	32

Minimum Weight  
Per Shipment: 44,000 pounds

From: Toscopetro Corporation, Bakersfield

To: C. B. Hobbs Corporation:

Milpitas	54
Elk Grove	54

Minimum Weight  
Per Shipment: 44,000 pounds

Note 1: The rates herein shall be subject to surcharges as set forth in Supplement No. 74 of Minimum Rate Tariff No. 2.

Note 2: The rates hereinabove authorized shall be increased in the same amount and effective at the same time or times as the Commission shall increase the Class 35.3 rate applicable under the provisions of Minimum Rate Tariff No. 2 and Distance Table 7 from and to the points named above.

END OF APPENDIX A