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ORIGINAL

Decision No. 77773

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application for authority to
increase carload rates on
sugar beets.

Application No. 51963
(Filed June 12, 1970;
Amended July 27, 1970)

OPINION AND ORDER

Pacific Southcoast Freight Bureau (PSFB), on behalf of several California rail carriers, requests authority for said carriers to increase their carload rates on sugar beets applicable between points in California. The presently effective rates on sugar beets are set forth in PSFB Tariff 65-N.

Under applicant's amended rate proposal, the current carload rates on sugar beets would be increased by 6 percent, subject to a maximum increase of 8 cents per ton of 2,000 pounds. Applicant also requests that it be authorized to publish the sought rate increase to become effective on November 30, 1970.

The amended application states that Spreckels Sugar Company, Division of American Sugar Co.; Union Sugar Division, Consolidated Food Corporation; Holly Sugar Corporation; and California Beet Growers Association^{1/} have no objection to the proposed increase in rates with such increase being made effective November 30, 1970. Applicant states that the aforesaid shippers are the only parties which paid or bore charges for the movement

1/ Although Application No. 51963, as amended, alleges that the beet sugar companies and California Beet Growers Association are the only parties which paid or bore charges for the movement of sugar beets under the rates proposed to be increased during the Calendar Year 1969, Decisions Nos. 76181 and 77184, in Applications Nos. 50445 and 51480, respectively, indicate that it is certain growers who assume a portion of the freight costs on longer hauls and not the Beet Growers Association.

of sugar beets under the rates proposed to be increased herein during the calendar year 1969. In the circumstances, applicant requests that the authority sought in Application No. 51963, as amended, be granted by ex parte order of the Commission.

In support of the sought increase, applicant submitted an affidavit of Mr. T. Sjostrand, Assistant Manager, Bureau of Transportation Research, for the Southern Pacific Transportation Company. The affiant stated, in part, as follows:

"...I am familiar with the carload movements of sugar beets made between points in California under the rates in issue in this proceeding.

"...The presently effective rates consist of those which became effective January 19, 1969, plus an increase of three percent subject to a maximum of five cents per ton. After application of the proposed increase, the proposed rates will be greater than those in effect on January 19, 1969 by up to 9.2 percent subject to a maximum of thirteen cents per ton...^{2/}

"Southern Pacific Transportation Company is the only major carrier participating in the California intrastate rail transportation of sugar beets. During the period from January 19, 1969, to the present that company has sustained substantial increases in wages, costs of materials and supplies, and other operating expenses. Those increases for transportation aggregated 10.83 percent and were applicable on California intrastate shipments of sugar beets."

The Commission finds that:

1. The Southern Pacific Transportation Company is the only major rail carrier participating in the California intrastate rail transportation of sugar beets.

^{2/} Exhibit A attached to affiant's statement compares the carload rates on sugar beets in effect on January 19, 1969, with those proposed herein for movements having the lowest and highest rates and the heaviest volume movements. The exhibit also shows the percentages by which the proposed rates exceed those which were in effect on January 19, 1969. Those percentages range from 2.7 percent to 9.2 percent.

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2. Since January 19, 1969, the Southern Pacific Transportation Company has sustained substantial increases in wages, cost of materials and supplies, and other operating expenses; and that such increases in transportation costs aggregated 10.83 percent and were applicable on California intrastate shipments of sugar beets.

3. The sought increase in sugar beet rates in effect as of January 19, 1969, for representative intrastate movements, range from 2.7 percent to 9.2 percent.

4. The Spreckels Sugar Company, Division of American Sugar Co.; Union Sugar Division, Consolidated Foods Corporation; Holly Sugar Corporation; and certain members of the California Beet Growers Association are the only parties which paid or bore charges for the movement of sugar beets during the year 1969 under the rates proposed to be increased herein. Said shippers have indicated to applicant that they have no objection to the proposed increase in rates provided such increased rates are not made effective prior to November 30, 1970.

5. Applicant's proposed rate increase for the California intrastate rail transportation of sugar beets is justified.

The Commission concludes that Application No. 51963, as amended, should be granted. A public hearing is not necessary.

IT IS ORDERED that:

1. Pacific Southcoast Freight Bureau, on behalf of the carriers listed in Application No. 51963, is authorized to establish the increases in rates proposed in said application, as amended. Tariff publications authorized to be made as a result of the order herein shall be filed not earlier than the effective date of this order and may be made effective not earlier than November 30, 1970, on not less than ten days' notice to the Commission and to the public.

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2. The carriers for whom applicant is agent are authorized to depart from the provisions of Section 460 of the Public Utilities Code to the extent necessary to effect the increases herein authorized.

3. The authorities set forth above are granted subject to the express condition that applicant and the carriers, on whose behalf it is participating herein, will never urge before the Commission in any proceeding under Section 734 of the Public Utilities Code, or in any other proceeding, that the opinion and order herein constitute a finding of fact of the reasonableness of any particular rate or charge; and that the filing of rates pursuant to the authority herein granted constitutes an acceptance by applicant and said carriers of this condition.

4. The authorities herein granted shall expire unless exercised within sixty days after the effective date of this order.

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

Dated at San Francisco, California, this 29th day of SEPTEMBER, 1970.



Chairman



Commissioners

Commissioner William Symons, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.