

HJH

Decision No. 78935

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of M. A. Nelson, Agent,
for authority to increase rates and
charges on shipments of ferrous
scrap metals from San Joaquin Valley
points to San Francisco, Oakland
and Bay Area points to remove
discrimination pursuant to order in
Decision No. 77797.

)
Application No. 52404
(Filed January 18, 1971)

Application of M. A. Nelson, Agent,
for authority to increase rates and
charges on shipments of ferrous
scrap metals from San Joaquin Valley
points to San Jose, California.

)
Application No. 52605
(Filed May 7, 1971)

Albert T. Suter, Attorney at Law, for applicant.
B. I. Shoda, for the Commission staff. (Application
No. 52404.)

O P I N I O N

Pacific Southcoast Freight Bureau (PSFB) on behalf of Southern Pacific Transportation Company (S.P.) requests authority to increase rates and charges on shipments of ferrous scrap metals as described in Scales "O" and "T" in Item 1290 of that tariff as amended, moving from Modesto and Ceres, California and other named points north of Visalia, California to San Francisco, Oakland and San Jose, California and other points related thereto.

Finding 13 of Decision No. 77797 dated October 6, 1970 in Case No. 8987 stated:

"The rates and minimum weights which SP maintains on ferrous scrap from San Joaquin Valley points to M&F are unduly discriminatory to M&F and are unduly preferential to M&F's competitors at Oakland and San Francisco."

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Said decision concluded that S.P. should remove said discrimination by equalizing the rates from Ceres and Modesto to San Francisco and/or Oakland, on the one hand and the rates from Ceres and Modesto to San Jose, on the other hand. Ordering paragraph 2 of the Order in said decision ordered removal of the aforesaid discrimination.

By Decision No. 78137, the time for compliance with ordering paragraph 2 of Decision No. 77797 was extended to February 28, 1971. On January 18, 1971, Application No. 52404 was filed which sought to remove the discrimination by increasing the rates maintained on ferrous scrap from the involved San Joaquin Valley points to Oakland and San Francisco and related destinations to the same level as rates from the same origin points to San Jose. Public hearing on Application No. 52404 was held before Examiner O'Leary at San Francisco on March 18, 1971 at which time it was submitted.

On February 19, 1971 a petition was filed for a further extension of time for compliance with ordering paragraph 2 of Decision No. 77797. By Decision No. 78471 dated March 23, 1971 the Commission denied the petition for further extension of time and ordered the discrimination be removed forthwith. As a result of Decision No. 78471 the discrimination was removed by reducing the rates on ferrous scrap from San Joaquin Valley points to San Jose to the level of the rates maintained on ferrous scrap from San Joaquin Valley points to San Francisco and Oakland.

The cost evidence presented at the hearing in Application No. 52404 discloses that the rates presently in effect from the involved San Joaquin Valley points to Oakland and San Francisco are noncompensatory.

Application No. 52605 seeks to raise the rates on ferrous scrap from San Joaquin Valley points to San Jose to the same level they were prior to their reduction. Said application states the rates which have been reduced to remove the discrimination are not compensatory and are unjust and unreasonable.

There are no protests to the applications.

After consideration the Commission finds that:

1. The discrimination set forth in Finding 13 of Decision No. 77797 was removed by reducing the rates from San Joaquin Valley points to San Jose to the same level as the rates to Oakland and San Francisco.

2. The present rates maintained from the involved San Joaquin Valley points to San Francisco and Oakland are noncompensatory, and Application No. 52404 seeks authority to raise them to the same level at which the San Jose rates were prior to their reduction.

3. Application No. 52605 seeks authority to raise the present rates on ferrous scrap from San Joaquin Valley points to San Jose to the same level at which they were prior to their reduction.

4. A public hearing in Application No. 52605 is not necessary.

5. Applicant's proposed rate increases are justified.

The Commission concludes that Applications Nos. 52404 and 52605 should be granted.

O R D E R

IT IS ORDERED that:

1. Pacific Southcoast Freight Bureau, on behalf of Southern Pacific Transportation Company, is authorized to establish the increases proposed in Applications Nos. 52404 and 52605. 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 ten days after the effective date hereof on not less than ten days' notice to the Commission and to the public.

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2. Southern Pacific Transportation Company is 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 authority herein granted shall expire unless exercised within ninety 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 27th day of JULY, 1971.

Chairman
William J. ...

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Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner D. W. Holmes, being necessarily absent, did not participate in the disposition of this proceeding.