

Decision No. 80021

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:)

JOWALTKEN, INC., a California corpora-)
tion, for authority to deviate from)
minimum rates pursuant to Section 3666)
of the Public Utilities Code, for)
Latchford Glass Company.)

Application No. 53267
(Filed April 12, 1972)

INTERIM OPINION AND ORDER

Jowaltken, Inc., a corporation, doing business as George Gray Trucking, operates as a highway permit carrier. By this application, it seeks authority to assess a rate less than the established minimum rate for the transportation of processed silica sand for Latchford Glass Company (Latchford) from the Mission Viejo production plant of Owens-Illinois Glass Company (Owens-Illinois) near the City of San Juan Capistrano to the Latchford plant in Huntington Park.

Applicant states that silica sand is used by Latchford in the making of glass, that its consistency and density do not vary significantly and that it must be transported in clean dome covered vehicles to prevent contamination. Applicant alleges that, for many years, Latchford's prime source for silica sand has been the Owens-Illinois production plant at Weisel (on Highway 71, south of Corona) but that this plant will be phased out due to pending exhaustion. Applicant avers that it has transported the shipments from the Weisel plant to the Latchford plant at Huntington Park at an equivalent rail rate of \$1.70 per ton plus switching charge. Applicant declares that the new

Mission Viejo plant of Owens-Illinois has been constructed to replace the Weisel plant and that Owens-Illinois is under contract to supply the required raw materials to Latchford. According to applicant, the loading facilities of the new plant consist of a 5,000-ton storage bin which feeds a 150-ton bunker located over a 100-foot truck scale permitting dump trucks to be loaded and weighed automatically in a minimum amount of time. Applicant points out that the loading facilities will be operated twenty-four hours per day seven days per week and that shipments will be transported by truck with anticipated operations commencing on or about May 1, 1972.

Applicant asserts that Latchford has facilities for unloading trucks twenty-four hours per day seven days per week and has a storage capacity for silica sand of 484 tons. Applicant contends that the movement requires continuous 24-hour service; that the round trip running time would average 2 hours and 35 minutes and that maximum efficiency in the utilization of equipment would prevail.

Applicant declares that Latchford estimates its minimum annual requirements for silica sand will be about 90,000 tons, or approximately 10 truckloads per day. Applicant avers that the carrying capacity of its equipment is 27 tons and it anticipates that the involved transportation can be handled adequately with the equipment it plans to use.

According to applicant, the sought rate of \$1.80 per ton is based upon the use of its own equipment, i.e., 2-axle tractors pulling gravity, bottom dump hopper-type trailers with dome covers, operating on a basis of 4,788 hours per year per vehicle, averaging 19 hours per day for 252 days per year. It alleges that the rate is computed on a 70 percent use factor.

Applicant contends that it has ample backup equipment.

Data submitted by applicant indicate that the proposed rate will be compensatory for the transportation involved.

The verified application shows that copies thereof were mailed to interested parties on or about April 12, 1972. The application was listed on the Commission's Daily Calendar of April 13, 1972. No objection to the granting of the application has been received.

The Transportation Division staff has reviewed the application and recommends that, in view of applicant's critical need for the sought rate relief, it be granted by ex parte order on an interim basis pending decision on evidence to be adduced at a public hearing.

Subject to further review upon consideration of evidence which may be adduced at public hearing, it appears, and the Commission finds, that the proposed rate is reasonable. In view of the existing conditions, the Commission concludes that applicant should be granted interim authority for a period of six months to the extent hereinafter indicated. A future hearing will be scheduled in this proceeding.

IT IS ORDERED that:

1. Jowaltken, Inc., a corporation, doing business as George Gray Trucking, is authorized to transport processed silica sand in dump truck equipment for Latchford Glass Company from the plant of Owens-Illinois Glass Company, located five miles east of Interstate Highway 5 on California State Highway 74 (Ortega Road) near the City of San Juan Capistrano, to the


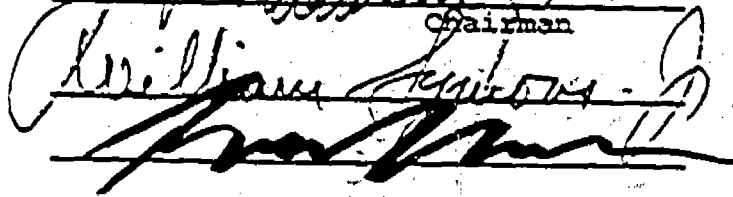
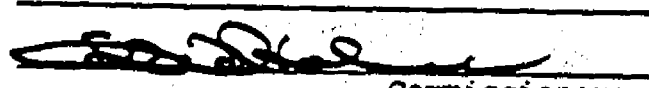
Latchford Glass Company plant at Huntington Park, at a rate less than the Commission's established minimum rate but not less than \$1.80 per ton, minimum charge per shipment 26 tons at said rate.

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

3. A public hearing shall be scheduled in this proceeding for the receipt of evidence on this application and full disposition thereof.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 2nd day of May, 1972.


Chairman


Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.