

Decision No. 81064

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of KINGS COUNTY TRUCK LINES)
for authority to charge less than the)
minimum rates heretofore established by)
the Commission, as authorized in Section)
3666 of the Public Utilities Code of the)
State of California.

Application No. 53584
(Filed September 13, 1972;
amended November 8, 1972)

Roger Marken and Jack Ellingson,
for applicant.
Lloyd Johnson, for Challenge Foods
Corporation; and J. C. Kaspar,
H. Hughes, and A. D. Poe, Attorney
at Law, for California Trucking
Association; interested parties.
J. L. Glovka, for the Commission
staff.

O P I N I O N

Kings County Truck Lines, a highway permit carrier, seeks authority under Section 3666 of the Public Utilities Code to charge Challenge Foods Corporation (Challenge) rates in dollars per trip in lieu of the minimum rates in cents per one hundred pounds for transportation of dairy products and related articles between Challenge's plants and depots. This application was heard October 24, 1972 before Examiner Thompson at San Francisco and was submitted November 8, 1972 upon the filing of amendment to the application and late-filed exhibits.^{1/} There were no protests.

^{1/} This application was heard on a common record with Application No. 53583 in which applicant seeks similar authority on transportation performed for Arden Farms.

Challenge has facilities for the production of a full line of dairy products at Los Angeles and Fresno. It maintains distribution centers or depots at other points in California. Products handled by Challenge include not only those made from milk but also citrus fruit juice, salads, margarine, eggs, and sterile toppings.

Applicant desires to transport dairy products from the Challenge plants in Los Angeles and Fresno, to the Challenge facilities in Bishop, Ridgecrest, China Lake, Lone Pine, Lancaster, Merced, Modesto, and Bakersfield; and empty milk crates from the facilities in Bishop, Ridgecrest, China Lake, Lone Pine, Modesto, and Bakersfield to the plants in Los Angeles and Fresno. In lieu of the per hundred weight rates as prescribed by this Commission and published in Minimum Rate Tariff 2, applicant desires to assess and collect the following flat charges (excessive time for loading or unloading to be charged for at the rates as shown in Item 145 of MRT 2) per round trip per carrier's single unit of equipment:

Los Angeles to Bishop
via Lone Pine

\$333.00 per trip
Maximum free time allowable
at Lone Pine 1 hour for
unloading and reloading
emptys and 2 hours at Bishop.

Los Angeles to Ridgecrest
(with stop at China
Lake or Lancaster, but
not both)

\$247.00 per trip
Maximum free time allowable
for unloading at China Lake,
or Lancaster 1 hour, 2 hours
for unloading and loading at
Ridgecrest.

Fresno to Merced and
Modesto

\$152.00 per trip
Maximum free time allowable
at Merced 1 hour for unloading
and at Fresno 2 hours for load-
ing and unloading.

Fresno to Bakersfield

\$167.00 per trip
Maximum free time allowable
at Bakersfield 2 hours for
loading and unloading.

In the proposed operations applicant will use a two-axle diesel tractor and two 24-foot refrigerated vans for each of the four runs. Under the proposed operations applicant will spot the trailers at the plant of Challenge in Los Angeles for loading of dairy products by the shipper, after which the loaded trailers will be transported by applicant to Challenge facilities in Bishop, China Lake, Lone Pine, Lancaster, and Ridgecrest where the driver will assist in unloading the products and reloading empty milk crates. Applicant will pick up two refrigerated vans in Modesto that Challenge has loaded with empty milk crates, transport them to Fresno where the driver will assist in unloading the empty milk crates and reloading with dairy products, then transport them to Merced where the driver will assist in partial unloading, and then proceed to Modesto for spotting where Challenge will unload the products and reload with empty milk crates. Applicant will pick up two refrigerated vans in Fresno that have been loaded with dairy products by Challenge and transport them to Bakersfield where the driver will assist in unloading the products and reloading empty milk crates for return to Fresno.

The volume of traffic to the Challenge facilities will be as follows:

Los Angeles to Bishop via Lone Pine	3 trips per week
Los Angeles to Ridgecrest (with stopoff in China Lake or Lancaster, but not both)	3 trips per week
Fresno to Merced and Modesto	5 trips per week
Fresno to Bakersfield	3 trips per week

At the hearing applicant set forth a development of the costs of performing the services which did not take into account increases in certain cost factors which were to become effective January 1, 1973. It was granted leave to set forth revisions of the cost developments to include those cost increases and to amend its rate proposal to reflect the revised costs. Late-filed exhibits show that the proposed rates for each trip will be compensatory.

Each of the trips involves the movement of products from Challenge's plants to its distribution depots and a return of empty milk crates from the depots to the plants. The cost developments consider that the equipment will be entirely dedicated to the service in that the annual costs were divided by the number of trips per year for each run. The classifications and the minimum rates for the products to be transported vary considerably: milk, cream, cottage cheese, and eggs are exempt from the minimum rates, and the minimum truckload rates for other products of Challenge transported from Los Angeles to Bishop, for example, range from \$.67 per 100 pounds to \$1.37 per 100 pounds, and the minimum truckload weights range from 30,000 pounds to 45,000 pounds. A proposed rate for the transportation between facilities of a single shipper of mixed shipments containing articles taking a wide range of ratings and rates has been found to be reasonable where it has been shown that the proposed rate is compensatory. (Ragus Trucking, Inc. (1966) 66 CPUC 319.)

We find that the proposed rates are reasonable and conclude that the application should be granted. It has been shown that cost factors utilized by applicant will change on or about July 1, 1973. The authority should be scheduled to expire June 30, 1973.

O R D E R

IT IS ORDERED that:

1. Kings County Truck Lines, a corporation, is authorized to charge Challenge Foods Corporation rates different from and less than the established minimum rates, but not lower in volume or effect than the rates specified in Appendix A, attached hereto, for the transportation of property between the facilities of Challenge Foods Corporation as described in Appendix A.

2. The authority shall expire June 30, 1973 unless sooner extended, modified, or canceled 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 21st
day of FEBRUARY, 1973.

William J. ... President
...
...
... Commissioners

I abstain
Vernon L. Sturgeon Commissioner

APPENDIX A
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KINGS COUNTY TRUCK LINES

Less than Minimum Rate Authority
for Transportation Performed for
Challenge Foods Corporation

General Application:

The rates authorized herein are in lieu of the Class Rates in Section 2, the Commodity Rates in Section 3, and the Rates for Temperature Control Service in Items Nos. 185 through 187-3 of Minimum Rate Tariff 2. The provisions of Item No. 142 of Minimum Rate Tariff 2 are not applicable to the transportation. In all other respects the provisions of Minimum Rate Tariff 2 shall apply.

Service:

Transportation of products and empty milk crates of Challenge Foods Corporation between points shown below. Challenge Foods Corporation to perform all loading and unloading except at the points specified and as provided for in the rates set forth below.

Rates:

<u>Round Trip Description</u>	<u>Rate and Loading Times</u>
Los Angeles to Bishop via Lone Pine	\$333.00 per trip Maximum free time allowable at Lone Pine 1 hour for unloading and reloading emptys and 2 hours at Bishop.
Los Angeles to Ridgecrest (with stop at China Lake or Lancaster, but not both)	\$247.00 per trip Maximum free time allowable for unloading at China Lake or Lan- caster 1 hour, 2 hours for un- loading and loading at Ridgecrest.
Fresno to Merced and Modesto	\$152.00 per trip Maximum free time allowable at Merced 1 hour for unloading and at Fresno 2 hours for loading and unloading.

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Rates: (Contd.)

<u>Round Trip Description</u>	<u>Rate and Loading Times</u>
Fresno to Bakersfield	\$167.00 per trip Maximum free time allowable at Bakersfield 2 hours for loading and unloading.

Excessive Time for Loading and/or Unloading:

Time for loading and/or unloading in excess of maximum free time shall be charged at the rates provided in Item No. 145 of Minimum Rate Tariff 2.