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Decision No. 82738

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
U.W.S. MATERIALS AND SUPPLY CO., INC.,
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 sod,
in rolls and stacked on pallets, from
Suisun, California, for Warren's Turf
Nursery.

Application No. 54760
(Filed March 28, 1974)

INTERIM OPINION AND ORDER

U.W.S. Materials and Supply Co., Inc. (UWS) operates as a radial highway common carrier under a permit authorizing transportation of general commodities throughout the State of California. In this application UWS seeks interim authority, pending hearing, to assess less than the established minimum rates for the transportation of sod, in rolls and stacked on pallets, for Warren's Turf Nursery from that company's plant at Suisun to various points in northern California.

The application contains a statement of income and retained earnings of applicant for the year ended October 31, 1973, and a balance sheet as of October 31, 1973. Also attached to the application is a development of the estimated costs of performing the proposed transportation service from Suisun to each destination in northern California.

The application recites that the shipper has in the past performed the transportation service with its equipment. However, the shipper has determined that its costs of performing the service have become economically prohibitive and it now desires to avail itself of applicant's services. Based upon the shipper's experience

during 1973 in handling this type of transportation movements, it is anticipated that the applicant will transport 400 truckloads a year, averaging 50 loads a month during the eight months of operation, primarily from March through October. The application further states that by reason of the nature of the commodity involved, it is required that forklift equipment be available at the destination or job site to effect the unloading of the commodity. In most instances, the commodity is transported to a job site in a remote area where there is no forklift equipment available to unload the commodity. Thus, it becomes extremely difficult and costly to the shipper to perform the transportation of this particular commodity. Conversely, applicant, as a matter of course, carries forklifts on its power equipment on virtually all of its movements so it then is in a position to not only transport the commodity over the road but it also has readily available the necessary forklift equipment at the job site to effect the unloading of the commodity as required. The application asserts that this is the type of service which the shipper requires, and it is prepared to utilize the services of this applicant provided the rate relief sought herein is granted by the Commission. The shipper will preload the shipments on the applicant's trailer subsequent to which the shipment will be transported by the applicant to job site and then unloaded by the applicant on its own forklift equipment which, as indicated hereinabove, is uniformly carried on its tractors.

The application states that the applicable rate for the transportation of this commodity is the Class 35 rate as set forth in Item 507 of Minimum Rate Tariff 2. Applicant proposes to assess charges based on the Class 35.3 rates in Item 507 of Minimum Rate Tariff 2, together with any applicable surcharges or split delivery charges. The minimum weight per shipment would remain at 45,000 pounds as set forth in Minimum Rate Tariff 2. Exhibit A to the application sets forth the specific rates and charges proposed to

be assessed. A comparison of the estimated costs of performing the service with the proposed charges indicates the transportation service will be compensatory. The estimated operating ratios for individual hauls range from 31.4 percent to 91.9 percent.

The application states that the shipper has advised applicant that if the rate relief sought herein is not granted by the Commission, it would intend to handle the transportation of this commodity on its own equipment on a proprietary basis notwithstanding the undesirable aspects of this type of transportation.

The application shows that it was served on the California Trucking Association. Notice of the filing of the application also appeared on the Commission's Daily Calendar. No protest to the granting of interim relief has been received.

In the circumstances, the Commission finds that based on the estimated revenues and expenses set forth in Exhibit B to the application the services proposed to be performed by applicant for Warren's Turf Nursery will be compensatory; the granting of the application will permit the transportation service to be performed by a for-hire carrier which heretofore was performed as a proprietary operation by the shipper; and that, pending review at a public hearing, the proposed rates and charges will be reasonable.

Based on the above findings, the Commission concludes that this application presents a situation where the Commission may appropriately grant applicant interim relief to perform the transportation service for a period of six months, pending hearing.

IT IS ORDERED that:

1. U.W.S. Materials and Supply Co., Inc. is authorized to depart from the minimum rates set forth in Minimum Rate Tariff 2 to the extent set forth in Appendix A attached hereto and made a part hereof.
2. The authority granted herein shall expire six months after the effective date of this order.

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

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 16th
day of APRIL, 1974.

William J. Sturgeon, Jr. President
[Signature]
[Signature]
[Signature] Commissioners

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

APPENDIX A

Carrier: U.W.S. Materials and Supply Co., Inc.

Commodity: Sod, in rolls, stacked on pallets.

Shipper: Warren's Turf Nursery.

Point of Origin: Suisun, California.

Points of Destination:

Suisun, Fairfield, Vacaville, Vallejo, Napa, Davis,
Martinez, Woodland, Oakville, Pleasant Hill,
Concord, Novato, Antioch, Alamo, St. Helena,
Sacramento, Walnut Creek, El Sobrante, Lafayette,
Richmond, San Pablo, San Rafael, Danville,
San Ramon, Piedmont, Moraga, Byron, Carmichael,
Alameda, Kentfield, Oakland, Fair Oaks, Santa Rosa,
Woodacre, Pleasanton, Hayward, Livermore, Yuba City,
Hillsborough, Sunnyvale, Pacheco, Clearlake Oaks,
Mountain View, Los Altos, Saratoga, San Jose,
Menlo Park, Woodside, Morgan Hill, Ukiah, Chico,
South Lake Tahoe, and Tahoe City.

Authorized Rates: Class 35.3 rates set forth in Item 507 of Minimum
Rate Tariff 2, including all applicable surcharges.

Minimum Weight: 45,000 pounds per unit of equipment.

Conditions:

- (a) Shipments will be loaded on applicant's trailers by the shipper. Unloading will be performed by applicant's employees with forklift equipment furnished by the carrier.
- (b) In all other respects, the provisions of Minimum Rate Tariff 2 will be applicable.