

ei

Decision No. ~~83110~~

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. 54468
(Filed November 27, 1973;
amended May 10, 1974)

Jack W. Ellingson, for Kings County Truck
Lines, applicant.
James Orear, for California and Hawaiian
Sugar Co., interested party.

O P I N I O N

Decision No. 82264 dated December 18, 1973 in Application No. 54468 granted Kings County Truck Lines ex parte authority to charge less than the minimum rates named in Minimum Rate Tariff 2 (MRT 2) when transporting ice cream from Buena Park to Hayward for Lucky Stores Inc. The decision also authorized applicant to deviate from the governing provisions of MRT 2 in connection with shipments of commodities other than ice cream for Lucky Stores Inc. when transported by applicant as either part of a northbound shipment of ice cream or as a back-haul movement subsequent to an outbound shipment of ice cream. The interim ex parte authority was granted by the Commission subject to further review upon consideration of evidence to be adduced at public hearing.

Public hearing of Application No. 54468, as amended, was held before Examiner Gagnon on May 16, 1974 at San Francisco. The sought extension of applicant's temporary authority is not opposed.

In light of the experience obtained under the temporary ex parte deviation authority applicant amended its proposed schedule of charges to reflect actual operations and changed circumstances surrounding the transportation. Applicant's operations manager presented a statement explaining the round-trip operations for which the sought relief is requested. The manager's testimony follows:

"EQUIPMENT: Power units are 3 three-axle 1973 International Cabovers. Trailers are 4 forty-six-foot Trailmobile refrigerated vans, equipped with Polar Stream nitrogen units.

"PRODUCTS HAULED: Ice Cream, Household Chemicals, Deli Products, Gerber Baby Foods, Soap Products, Nuts, Empty Gerber Pallets, Empty Deli Pallets.

"PHYSICAL OPERATION: All equipment and drivers based in Tulare, California at home terminal, with the exception of one trailer based at the Lucky Stores Ice Cream plant at Buena Park. Drivers depart from Tulare on Sundays, Tuesdays, Thursdays going Southbound. Drivers depart Mondays, Wednesdays, Fridays going Northbound. Drivers arrive at the Lucky Stores Ice Cream plant on above days 2 hours apart, each one spotting his van and picking up a loaded van of ice cream. Lucky Stores to perform loading and unloading. Upon arrival at Tulare each driver is relieved of his duties for a minimum of eight hours. Drivers then depart the home terminal on the above northbound days arriving at Select Hayward one half hour apart. Each driver assists in unloading the ice cream. When drivers are empty they proceed to Lucky Stores San Leandro

for a load of deli or Gerbers Baby Food Oakland for a load of baby food or Plex Chemical Union City for a load of soap. Drivers also assist in loading their loads. Drivers then return to Tulare and are relieved of their duties. The following day the same procedure takes place.

"OTHER PERTINENT INFORMATION: In the event the Lucky Stores Ice Cream plant in Buena Park is unable to ship nine (9) loads of ice cream in a given week empty Gerber pallets or empty ice cream pallets are shipped to the San Leandro plant or to Oakland. Also, alternative loads are household products from T-Chem in City of Industry. The drivers assist in loading at the City of Industry warehouse. Also, approximately 5,000# of nuts are picked up at Haig-Berberian in Modesto on occasions when there is room on a southbound load. Each driver makes three (3) complete loads per week, with a fourth driver known as a relief driver, relieving each of the regular three (3) drivers once every three (3) weeks for a complete trip. A one hour maximum free time is allowed at all points including the drop and pick-up of trailers in Buena Park. If a driver unloads and reloads at the same point then two (2) hours are allowed. Each piece of equipment is capable of hauling 40,500# of product."

For the transportation outlined above authority is sought to assess the round-trip charges set forth in Appendix A hereof. In justification of the proposed charges applicant's balance sheet and statement of income for the year ended December 31, 1973 was introduced in evidence. The financial statements show that Kings County Truck Lines' overall operations were not only profitable for the 1973 fiscal period but that applicant enjoys retained earnings of \$1,517,822 as of December 31, 1973. Applicant's controller also

introduced detailed cost data pertaining to each round-trip operation for which applicant proposes to assess a single charge. The cost information indicates that each round trip will produce a net profit and that applicant will experience an overall average operating ratio of 93 percent.

Findings

1. The favorable circumstances and conditions attendant to the transportation performed by applicant for Lucky Stores Inc. are not generally present in the usual or ordinary transportation performed by highway carriers under the governing provisions of MRT 2.

2. Applicant's proposed round-trip charges for the transportation of ice cream and related commodities for Lucky Stores Inc. have been shown to be reasonable.

3. The sought continuation of applicant's current minimum rate deviation authority, as amended in the first amendment to the application, has been shown to be just and reasonable.

Conclusions

1. The ex parte authority granted by Decision No. 82264 in this proceeding, as amended in the first amendment to Application No. 54468, should be extended.

2. Since transportation conditions may change, the extended authority should be made subject to an expiration date of approximately one year.

O R D E R

IT IS ORDERED that:

1. Kings County Truck Lines is authorized to transport ice cream and related products for Lucky Stores Inc. from and to the points and at the charges specified in Appendix A attached hereto and by this reference made a part hereof.

2. The authority granted herein is in lieu of the ex parte authority granted by Decision No. 82264 and shall expire on August 31, 1975 unless sooner canceled, modified, or extended 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 9th
day of JULY, 1974.

James L. Stevenson
President
William J. Quinn
William J. Quinn
William J. Quinn
William J. Quinn
Commissioners

APPENDIX A
Page 1 of 2

Carrier: Kings County Truck Lines

Shipper: Lucky Stores Inc.

Commodities: Ice Cream and and other specified commodities

Transportation: (Service and Charges)

Northbound: Ice Cream from Buena Park to Hayward.

Southbound:

1. Cheese & Lunch Meat from San Leandro to Buena Park.
Round-trip charge: \$509
2. Soap from Union City to Buena Park.
Round-trip charge: \$507
3. Canned goods from Oakland to Buena Park.
Round-trip charge: \$517

Northbound: Household Chemicals from Pico Rivera to San Leandro.

Southbound:

1. Cheese & Lunch Meat from San Leandro to Buena Park.
Round-trip charge: \$512
2. Soap from Union City to Buena Park.
Round-trip charge: \$516
3. Canned goods from Oakland to Buena Park.
Round-trip charge: \$526

Northbound: Ice Cream from Buena Park to Hayward.

Southbound:

1. Empty pallets from Hayward to Buena Park.
Round-trip charge: \$503
2. Empty pallets from Hayward and Walnuts from Modesto to Buena Park.
Round-trip charge: \$514

APPENDIX A
Page 2 of 2

Transportation: (Continued)

Northbound: Empty Deli pallets from Buena Park to San Leandro.

Southbound: Cheese & Lunch Meat from San Leandro to Buena Park.

Round-trip charge: \$509

Northbound: Empty Gerbers pallets from Buena Park to Oakland.

Southbound: Canned goods from Oakland to Buena Park.

Round-trip charge: \$513

Regulations:

- A. Shipper, Lucky Stores Inc., to furnish all nitrogen without cost to carrier.
- B. Loading and unloading at Lucky Stores, Buena Park, to be performed by Lucky Stores' employees.
- C. Kings County Truck Lines' drivers to assist in unloading and loading at all other points with one hour free time at each point of pickup or delivery.
- D. Minimum of nine loads per week.
- E. Rates and charges for services not specifically otherwise provided for herein shall be subject to the governing provisions of Minimum Rate Tariff 2.