

Decision No. 83552

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
California Cartage Company, Inc.,
a California corporation, for an
in lieu Certificate of Public
Convenience and Necessity to operate
as a highway common carrier for the
transportation of property in intra-
state and interstate and foreign
commerce.

Application No. 53337
(Filed May 16, 1972;
amended June 18, 1973)

Murchison & Davis, by Donald Murchison,
Attorney at Law, for applicant.
Russell & Schureman, by Carl H. Fritze,
Attorney at Law, for Victorville-
Barstow Truck Line, Reliable Delivery
Service, and Los Angeles City Express,
Inc., protestants.

O P I N I O N

California Cartage Company, Inc., a California corporation,
presently rendering service as a highway common carrier, requests
authority to extend service:

1. Between all points and places within the Los Angeles
Basin Territory, as described in Note A of Exhibit 4.
2. Between all points and places within the San Diego
Territory, as described in Note B of Exhibit 4.
3. Between all points and places within the San Francisco
Territory, as described in Note C of Exhibit 4.
4. Between the San Diego Territory and the Los Angeles
Basin Territory, inclusive, serving all intermediate
points on Interstate 5 and 15 and U.S. Highway 395,
and all points within 15 miles of said highways, in-
cluding all points in the Los Angeles Basin Territory.

5. Between all points and places in paragraphs 1, 2, 3, and 4 above, and Sacramento, inclusive, serving all intermediate points on Interstate 5 and State Highways 14, 58, and 99 and on U.S. Highway 101, Interstate 80 and State Highways 4 and 99, and all points within 15 miles of said highways, and including all points in the San Francisco Territory, as described in Note C of Exhibit 4.
6. Carrier may operate over all accessible public highways between all of said termini, intermediate and off route points, in combination, one with the other.

Applicant requests authority to provide service to the extended areas on shipments moving in intrastate, interstate, and foreign commerce. Copies of the application were served upon existing carriers with which the proposed service might compete and an appropriate notice was published in the Federal Register.

Public hearing was held in Los Angeles before Examiner Banks on November 13, 14, and 15, 1973 and March 5, 1974. The case was submitted on March 5 subject to the receipt of late-filed exhibit by protestant Los Angeles City Express, Inc. which was received March 13, 1974.

The application was protested by City Transfer, Inc. (City), Kern Valley Trucking (Kern), Los Angeles City Express, Inc. (LA), Reliable Delivery Service (Reliable), and Victorville-Barstow Truck Line (Victorville).

At the outset of the hearings counsel for applicant stated that the protestants appearing were only protesting that portion of the application dealing with what was referred to during the proceeding as the "desert leg". It was also pointed out that protestant City's authority to service the "desert leg" requires prior or subsequent rail, water, or air movement. Counsel for the protestants agreed.

Applicant's Presentation

Applicant commenced operation in 1944 as a permitted carrier. By Decision No. 44558 dated July 18, 1950 in Application No. 30318 it was authorized to transport general commodities, with certain exceptions, as a highway common carrier between the Los Angeles area, on the one hand, and the San Diego area, on the other hand, with no intermediate points. By Decision No. 53168 dated May 28, 1956 in Application No. 36467 authority was granted to serve intermediate points between the San Diego and Los Angeles areas. In Decision No. 61050 dated November 15, 1960 in Application No. 42419 it was given authority to serve between the Los Angeles Basin and the San Francisco Territory and intermediate points, including service to Manteca/Stockton and between the San Diego Territory and San Luis Obispo.

Applicant proposes a daily overnight service five days a week with a Saturday service provided upon request. It owns and operates approximately 850 units of equipment and maintains terminals in Compton, San Diego, and Richmond. It employs 362 individuals in various capacities including drivers, mechanics, office personnel, dock workers, sales, supervisors, and officers. As of December 31, 1972 applicant indicated a net worth of \$3,894,545.

Applicant's president testified that applicant has received a considerable number of requests from customers to extend service to the proposed areas; that many customers have split delivery shipments where portions of the shipments are within applicant's presently certificated area and portions are within the proposed extended areas and that because of the Commission restriction against combining certificated and permitted authorities in applying the lower split delivery rates, applicant's customers must either use another carrier or pay higher rates for the use of applicant's direct line service. He also testified that handling split shipments entailed considerable internal control problems such as bookkeeping and accounting where two sets of bills are required and that such costs are reflected in higher minimum rates. He stated that applicant is concerned with whether it might be approaching common carrier status.

Public Witness Testimony

Applicant introduced the testimony of 14 witnesses. A summarization follows:

1. Kenneth D. McClelland, Los Angeles. District manager, L. B. Foster Company. Deals in steel, rails and accessories, steel pipe, construction products, etc. Arranges daily shipments from supply house yards located throughout the State for delivery to construction sites and/or city deliveries. Also ships via rail and water. Is presently using applicant as a primary carrier within its certificated area. Uses applicant to handle shipments because applicant has the specialized type of equipment necessary to handle its product, has experienced reliable pickup schedules and uses its storage yard. Would use applicant to the proposed area because it would eliminate split shipments thereby getting customers better service with lower costs.

2. Robert Hartray, Wilmington. Corporate secretary of Howard Hartray, Inc., a custom house brokerage and freight forwarding service and Marine Wholesale Warehouse Co., a bonded warehouse company engaged in housing and related functions of imported goods, primarily imported spirits and tobaccos. Shipments arrive at the dock from overseas and are either shipped direct to customers or taken into the warehouse for distribution throughout the state. Shipments are made almost daily to some of the five legs and occasionally to other points listed in the application. Is presently using applicant to points within its existing certificated area. Applicant takes shipments destined to the proposed area but turns them over to another carrier for delivery. Had a complaint about the service from other carriers who were unfamiliar with the problems related to dealing with shipments passing through custom brokers. Would use applicant into the proposed area because of service and lower cost.
3. Al Lohr, Los Angeles. Manager of Customer Service, Lennox Industries, Inc. Manufacturer of commercial, residential heating and air-conditioning equipment which require special handling in addition to special equipment and a large storage yard. Truckload (TL) and less than truckload (LTL) shipments are made to each of the proposed areas; some on a daily basis and others twice a week. Has used all of the carriers that are available in southern California for regular commodities with applicant providing the most satisfactory service for regular commodities. Uses applicant's service because of the way in which applicant handles its products and the special equipment it possesses.
4. John T. Bryan, Chula Vista. Traffic manager, Rohr Industries, Inc. Rohr manufactures a variety of products including aircraft parts, aircraft engine components, rapid transit vehicles, etc. Has as many as 20 shipments per day ranging from 50 to 2,000 pounds moving north and east from Chula Vista. Uses applicant because it meets shippers' needs and requirements.

5. William M. Warren, Chula Vista. In charge of traffic and shipment of General Dynamics, Aerospace Division. Manufacturer of aircraft, space and missile parts. Stipulation between counsels that the witness would testify as to the volume of traffic and commodities shipped.
6. Eugene Edward Smith, San Diego. Traffic manager for Reinforced Plastics, Division of Reichhold Chemicals. Manufactures plastic sheet and plates. Uses applicant whenever possible for LTL and TL shipments of 400 pounds and up throughout the state. Has used Reliable for shipments into Lancaster but experienced poor pickup service. Feels the need to use applicant for all shipments.
7. Betty Heinecke, Compton. Office manager in charge of West Coast operations, Spartan Industries. Deals in clothing manufactured from cotton and man-made materials. Goods are warehoused in applicant's Compton warehouse under a private warehouse agreement with shipments made direct to customers. Shipments ranging in weight from 100 to 250 pounds or more are made on a daily basis to general merchandise outlets, such as J. C. Penney and Sprouse-Reitz. Uses applicant to areas they are presently certificated and would prefer to use applicant to the proposed new service area because it would give direct single line service on a much faster basis without two carriers involved. Because applicant warehouses its merchandise, customers could be better served on pickups if all shipments are handled by applicant.
8. Wendy Lee Nordheim, Compton. Traffic manager of Sanyo Electric, Inc. Company has a consumer electric division handling mainly TV, radio, and music systems, an appliance division and an office equipment division. Has own warehouse in addition to leasing space in applicant's warehouse. Is using applicant whenever possible. Now using Shippers Imperial and has used Di Salvo when so requested by one of the parties. Has trouble tracing shipments when made by other carriers. Has approximately 8,000 to 10,000 pounds per day in both TL and LTL shipments. Has used LA, Kern, and

Mitchell Bros. Truck Lines. Complaint against LA is the time lag from a request for shipments and when the merchandise is picked up. Wants applicant to handle all its freight since the products handled are of high value subject to pilferage. Feels that better service can be given to customers because of applicant's warehouse facilities and use of a single carrier. The most serious deficiency of other carriers is the timing of pickup and delivery.

9. David Morris Shepherd, Compton. Route Distribution, Physical Distribution Manager, Western Division, Action Industries. Deals in a variety of household - hardware items, with TL and LTL shipments made daily from its Compton warehouse throughout the state to retail establishments. Truckload shipments move under a wholly owned subsidiary, Action-Lobeco Imports, to chain stores with LTL shipments moving under a subsidiary, Dollarama, Inc., to individually owned stores. At a given time may require as many as 100 or more truckloads to be delivered within one week to specified chain stores. Into the northern part of the state has used Di Salvo, Alltrans, Rapid Freight and Transit, Delta, and Shippers Imperial, experiencing poor pickup, poor delivery, claims handling, and personnel problems. Experience with applicant with respect to these problems has been excellent and believes even better service could be rendered if applicant were not required to interline, particularly with split deliveries. Into the desert area has used Desert Express but experienced poor pickup service and discontinued service. Presently using applicant wherever possible with satisfactory results and would use applicant to the proposed area if certificated.
10. R. A. Trammel, Santa Fe Springs. Shipping and Receiving Warehouse Supervisor, Metal Consultants, International. Stipulated that he would testify substantially the same as the preceeding witnesses.
11. Clifford Larry Werner, Los Angeles. Operations manager, Unistrut, Inc. Deals in steel, tubing and N.O.I bracing brackets made of steel. This kind of merchandise requires open or flatbed equipment. Uses applicant because of the particular type of equipment furnished.

Shipments range from less than 100 to 1,000 pounds or 2,000 pounds. Has used Kern, Victorville, Reliable, and Los Angeles into the desert area and CME and Sterling for northbound shipments, but complains that the quality of service and the type of equipment furnished have been on a hit or miss basis. Prefers to use one carrier by virtue of limited dock space, and would use applicant exclusively if certificated.

12. Joseph Vallerus, Spring Valley. Traffic foreman, United States Elevator Corporation. Manufactures elevators and makes statewide shipments offreight and passenger elevators ranging in weight from 5,000 pounds and up, which require flatbed equipment. Presently using applicant with the intent that it will use applicant permanently if and when an extension of authority is received.
13. Michael Kozlowski, San Diego. Superintendent of Dyckerhoff & Widman, Inc. Dealers in prestressed steel. Has jobsite shipments of steel products which require flatbed equipment. Stated that carriers contacted were unable to furnish the equipment necessary. Uses applicant when there are shipments into its certificated area. Will use applicant exclusively into the extended area if the application is approved.
14. Stuart Elkins, Los Angeles. President, Elkins Electric Agency. Manufacturers' representative of electrical construction materials. Ships material ranging in weight from 1,000 to 2,000 pounds statewide. Has used Kern to Sacramento and Victorville or Desert Express into the desert area but has experienced delays in pickup. Uses applicant and would use its service to the proposed area if the application is approved.

It was stipulated that, if called, eight additional witnesses would have testified substantially the same on direct, cross, re-direct, and recross-examination as those who testified.

Protestants' Presentation

Evidence in support of their protest was introduced by Victorville, Reliable, and City. The operating authorities and equipment of Kern and Los Angeles were received in evidence by stipulation.

Victorville is authorized to provide service between points within the Los Angeles Basin Territory, on the one hand, and Palmdale and Barstow, on the other hand, including intermediate points on Interstate Highway 15 (formerly U.S. Highway 66 and 91) and between points within the Mojave Desert area. It also holds corresponding interstate authority. Victorville maintains terminals at Los Angeles, Bloomington, Victorville, and Barstow. It owns and operates 105 pieces of equipment and employs 54 individuals.

Victorville contends that the granting of the application would result in a diversion of traffic in the desert area, that the area is lightly populated and any diversion of traffic would seriously affect its ability to provide adequate service. According to Exhibit 20, Victorville's operating ratio increased from 95.5 percent in 1965 to 101.7 percent in 1973. Notwithstanding several rate increases over the past few years Exhibit 19 indicates that Victorville's gross revenues have only increased from \$1,298,461.90 in 1968 to \$1,547,500.18 in 1974.

Reliable, which protests the "desert leg" of the application, is authorized to transport general commodities moving in both interstate and intrastate commerce between points in the Los Angeles Basin and between said points, on the one hand, and all points and places on U.S. Highway 6 (now State Highway 14) between San Fernando and Mojave, all places on U.S. Highway 466 (now State Highway 58) between Keene and Kramer Junction and Castaic, Pearblossom, Inyokern, China Lake, Ridgecrest, Westend, Argus, Trona, Johannesburg,

Randsburg, and Red Mountain, on the other hand. Terminals are maintained at Paramount (Los Angeles), San Diego and San Bernardino. Reliable owns and operates 242 units of equipment and employs approximately 150 individuals. It was stipulated that LA is authorized to transport general commodities moving in intrastate and interstate commerce between the Los Angeles International Airport and the Lockheed Air Terminal at Burbank, on the one hand, and Saugus, Newhall, Palmdale, Lancaster, Edwards, Baron, and Edwards Air Force Base, on the other hand. The authority is restricted to shipments having a prior or subsequent movement by air or water. It, with subsidiaries, owns and operates 413 units of equipment.

It was stipulated that Kern Valley Trucking conducts operations under its certificate, operating 242 pieces of equipment.

Discussion

Applicant is now providing service to many customers who not only have occasion to ship to points within applicant's presently certificated area but also to points into the areas applicant proposes to serve.

The public witness testimony demonstrates that a number of applicant's customers wish to use applicant's proposed extended services for one or more of the following reasons: (1) Existing certificated carriers' services are unsatisfactory because of missed or late pickups, damage and loss in transit, and delays in transit, (2) limited dock space and the desire to use a carrier with a wide territorial coverage, (3) split delivery service with resulting lower rates, and (4) satisfaction with applicant because it provides a scheduled pickup service with dependable next morning delivery.

Although the protestants contend that granting the application will divert traffic and therefore have an adverse effect upon their operations, the record discloses that in addition to the service being provided by the certificated carriers, there are an innumerable number of permitted carriers authorized and presumably serving the proposed areas.

This competition will continue without regard as to how this matter is decided. Applicant has been serving the proposed areas pursuant to its permits in response to requests from its customers for many years; it has been serving one customer in the Palmdale area as a permitted carrier since early in 1950. To this extent it is an established operation presently filling a public need, and the record does not disclose that upon certification the applicant would be significantly more competitive than it has been as a permitted carrier.

Findings

1. Applicant is a common carrier operating in the southern portion of the State as a certificated carrier and a permit carrier.
2. Pursuant to its permitted authority and in response to customer requests, it has been providing service to the points it seeks to extend its services as a certificated carrier.
3. Applicant possesses the necessary equipment, facilities, experience, and financial ability to provide the proposed service.
4. A number of applicant's customers desire to use applicant's proposed service on shipments moving in intrastate and interstate commerce because they are dissatisfied with the services of the existing certificated carriers.

5. The dissatisfaction expressed by applicant's customers with the existing certificated carriers is based upon (a) late and missed pickups, (b) damaged and loss of freight in transit, (c) delays in transit, (d) specialized equipment available from the applicant not available from protestants, (e) inexperience of other carriers in relation to the handling of bonded merchandise, and (f) nonavailability of harbor storage yard facilities on custom-bonded merchandise.

6. The proposed extension of service will provide many of applicant's customers with the advantages of a split delivery service in addition to using applicant to a larger service area which will help to reduce paper work, facilitate tracing, and in some instances decrease dock congestion. Further, applicant's harbor storage facility and knowledge of handling merchandise in bond are necessary to applicant's supporting shippers.

7. In addition to applicant, which has been serving the proposed areas for up to 20 years pursuant to its permits, the areas are also being served by a number of other permitted carriers. The certification of applicant will not materially alter the competitive picture nor adversely affect the existing certificated carriers.

8. Public convenience and necessity require that applicant be authorized to engage in operations in intrastate commerce as proposed in the application, as amended, and also require that applicant be authorized to engage in operations in interstate and foreign commerce within limits which do not exceed the scope of the intrastate operations authorized by the order herein.

9. The Commission finds with reasonable certainty that the project involved in this proceeding will not have a significant effect on the environment.

Conclusions

The Commission concludes that the application, as amended, should be granted, subject to the restrictions set forth in the appendix.

Applicant's operating authority will be restated in the form of a new certificate. The territorial description of the authority granted reflects the names of redesignated highways and does not in any way exceed the geographical scope of the proposed operation as published in the Federal Register.

Applicant is placed on notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. Aside from their purely permissive aspect, such rights extend to the holder a full or partial monopoly of a class of business. This monopoly feature may be modified or canceled at any time by the State, which is not in any respect limited as to the number of rights which may be given.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to California Cartage Company, Inc., a corporation, authorizing it to operate as a highway common carrier, as defined in Section 213 of the Public Utilities Code, between the points set forth in Appendix A, attached hereto and made a part hereof.

2. In providing service pursuant to the authority granted by this order, applicant shall comply with the following service regulations. Failure so to do may result in cancellation of the authority.

- (a) Within thirty days after the effective date of this order, applicant shall file a written acceptance of the certificate granted. Applicant is placed on notice that if it accepts the certificate it will be required, among other things, to comply with the safety rules administered by the California Highway Patrol and the insurance requirements of the Commission's General Order No. 100-Series.

- (b) Within one hundred twenty days after the effective date of this order, applicant shall establish the authorized service and amend or file tariffs, in triplicate, in the Commission's office.
- (c) The tariff filings shall be made effective not earlier than thirty days after the effective date of this order on not less than thirty days' notice to the Commission and the public, and the effective date of the tariff filings shall be concurrent with the establishment of the authorized service.
- (d) The tariff filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 80-Series.
- (e) Applicant shall maintain its accounting records on a calendar year basis in conformance with the applicable Uniform System of Accounts or Chart of Accounts as prescribed or adopted by this Commission and shall file with the Commission, on or before March 31 of each year, an annual report of its operations in such form, content, and number of copies as the Commission, from time to time, shall prescribe.
- (f) Applicant shall comply with the requirements of the Commission's General Order No. 84-Series for the transportation of collect on delivery shipments. If applicant elects not to transport collect on delivery shipments, it shall make the appropriate tariff filings as required by the General Order.

3. The certificate of public convenience and necessity granted in paragraph 1 of this order shall supersede the certificate of public convenience and necessity granted by Decision No. 61050 dated November 15, 1960, as amended by Decision No. 64612 dated December 4, 1962, which certificate is revoked effective concurrently with the effective date of the tariff filings required by paragraph 2(b).

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 8th
day of OCTOBER, 1974.

Verma L. Sturgeon
President
William J. ...
...
...
...
Commissioners

California Cartage Company, Inc., by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to conduct operations as a highway common carrier as defined in Section 213 of the Public Utilities Code for the transportation of general commodities as follows:

1. Between all points and places within the Los Angeles Basin Territory as described in Note A.
2. Between all points and places within the San Diego Territory as described in Note B.
3. Between all points and places within the San Francisco Territory as described in Note C.
4. Between the San Diego Territory and the Los Angeles Basin Territory, inclusive, serving all intermediate points on Interstate Highway 15 (U.S. Highway 395) via Sun City, and Interstate Highway 5, and all points within 15 miles of said highways and the Los Angeles Basin Territory.
5. Between all points and places in paragraphs 1, 2, 3 and 4 above, and Sacramento, inclusive, serving all intermediate points on Interstate Highways 5 and 80; State Highways 4, 14, 58 and 99; U.S. Highway 101; and all points within 15 miles of said highways and the San Francisco Territory.

In performing the service herein authorized, carrier may make use of any and all streets, roads, highways and bridges necessary or convenient for the performance of said service.

Mechanical duplications and overlaps which occur in describing the operating authority granted herein shall not be construed as conferring more than one operating right to transport the same commodities between the same points.

Issued by California Public Utilities Commission.

Decision No. 83553, Application No. 53337.

Except that pursuant to the authority herein granted, carrier shall not transport any shipments of:

Livestock; uncrated¹ used household goods and office furniture; commodities requiring special equipment; commodities in bulk; articles of extraordinary value; explosives; or commodities injurious or contaminating to other lading.

¹Uncrated means not securely packed in salesman's hand sample cases, suitcases, overnight or boston bags, brief cases, hat boxes, valises, traveling bags, trunks, lift vans, barrels, boxes, cartons, crates, cases, baskets, pails, kits, tubs, drums, bags (jute cotton, burlap or gunny) or bundles (completely wrapped in jute, cotton burlap, gunny, fibreboard, or straw matting).

NOTE A

LOS ANGELES BASIN TERRITORY

Los Angeles Basin Territory includes that area embraced by the following boundary: Beginning at the point the Ventura County-Los Angeles County Boundary Line intersects the Pacific Ocean; thence northeasterly along said county line to the point it intersects State Highway 118, approximately two miles west of Chatsworth; easterly along State Highway 118 to Sepulveda Boulevard; northerly along Sepulveda Boulevard to Chatsworth Drive; northeasterly along Chatsworth Drive to the corporate boundary of the City of San Fernando; westerly and northerly along said corporate boundary of the City of San Fernando to Maclay Avenue; northeasterly along Maclay and its prolongation to the Los Angeles National Forest Boundary; southeasterly and easterly along the Angeles National Forest and San Bernardino National Forest Boundary to Mill Creek Road (State Highway 38); westerly along Mill Creek Road to Bryant Street; southerly along Bryant Street to and including the unincorporated community of Yucaipa; westerly along Yucaipa Boulevard to Interstate Highway 10; northwesterly along Interstate Highway 10 to Redlands Boulevard; northwesterly along Redlands Boulevard to Barton Road; westerly along Barton Road to La Cadena Drive; southerly along La Cadena Drive to Iowa Avenue; southerly along Iowa Avenue to State Highway 60; southeasterly along State Highway 60 and U.S. Highway 395 to Nuevo Road; easterly along Nuevo Road via Nuevo and Lakeview to State Highway 79; southerly along State Highway 79 to State Highway 74; thence westerly to the corporate boundary of the City of Hemet; southerly, westerly and northerly along said corporate boundary to The Atchison, Topeka & Santa Fe right-of-way; southerly along said right-of-way to Washington Road; southerly along Washington Road through and including the unincorporated community of Winchester to Benton Road; westerly along Benton Road to Winchester Road (State Highway 79) to Jefferson Avenue; southerly along Jefferson Avenue to U.S. Highway 395; southerly along U.S. Highway 395 to the Riverside County-San Diego County Boundary Line; westerly along said boundary line to the Orange County-San Diego County Boundary Line; southerly along said boundary line to the Pacific Ocean; northwesterly along the shoreline of the Pacific Ocean to point of beginning, including the point of March Air Force Base.

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NOTE B

SAN DIEGO TERRITORY

The San Diego Territory includes that area embraced by following an imaginary line starting at a point approximately four miles north of La Jolla on the Pacific Coast shoreline running east to Miramar on U.S. Highway 395; thence following an imaginary line running southeasterly to Lakeside on State Highway 67; thence southerly on County Road S 17 (San Diego County) and its prolongation to State Highway 94; easterly on State Highway 94 to Jamul; thence due south following an imaginary line to the California-Mexico Boundary Line; thence westerly along the boundary line to the Pacific Ocean and north along the shoreline to point of beginning.

NOTE C

SAN FRANCISCO TERRITORY

San Francisco Territory includes all the City of San Jose and that area embraced by the following boundary: Beginning at the point the San Francisco-San Mateo County Line meets the Pacific Ocean; thence easterly along said County Line to a point one mile west of State Highway 82; southerly along an imaginary line one mile west of and paralleling State Highway 82 to its intersection with Southern Pacific Company right-of-way at Arastradero Road; southeasterly along the Southern Pacific Company right-of-way to Pollard Road, including industries served by the Southern Pacific Company spur line extending approximately two miles southwest from Simla to Permanente; easterly along Pollard Road to W. Parr Avenue; easterly along W. Parr Avenue to Capri Drive; southerly along Capri Drive to Division Street; easterly along Division Street to the Southern Pacific Company right-of-way; southerly along the Southern Pacific right-of-way to the Campbell-Los Gatos City Limits; easterly along said limits and the prolongation thereof to South Bascom Avenue (formerly San Jose-Los Gatos Road); northeasterly along South Bascom Avenue to Foxworthy Avenue; easterly along Foxworthy Avenue to Almaden Road; southerly along Almaden Road to Hillsdale Avenue; easterly along Hillsdale Avenue to State Highway 82; northwesterly along State Highway 82 to Tully Road; northeasterly along Tully Road and the prolongation thereof to White Road; northwesterly along White Road to McKee Road; southwesterly along McKee Road to Capitol Avenue; northwesterly along Capitol Avenue to State Highway 238 (Oakland Road); northerly

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along State Highway 238 to Warm Springs; northerly along State Highway 238 (Mission Blvd.) via Mission San Jose and Niles to Hayward; northerly along Foothill Blvd. and MacArthur Blvd. to Seminary Avenue; easterly along Seminary Avenue to Mountain Blvd.; northerly along Mountain Blvd. to Warren Blvd. (State Highway 13); northerly along Warren Blvd. to Broadway Terrace; westerly along Broadway Terrace to College Avenue; northerly along College Avenue to Dwight Way; easterly along Dwight Way to the Berkeley-Oakland Boundary Line; northerly along said boundary line to the Campus Boundary of the University of California; westerly, northerly and easterly along the campus boundary to Euclid Avenue; northerly along Euclid Avenue to Marin Avenue; westerly along Marin Avenue to Arlington Avenue; northerly along Arlington Avenue to San Pablo Avenue (State Highway 123); northerly along San Pablo Avenue to and including the City of Richmond to Point Richmond; southerly along an imaginary line from Point Richmond to the San Francisco waterfront at the foot of Market Street; westerly along said waterfront and shoreline to the Pacific Ocean; southerly along the shoreline of the Pacific Ocean to point of beginning.

(END OF APPENDIX A)

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