

Decision No. 84288**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of MELVIN A. DEAILLE,
dba DEAILLE TRUCKING, for authority
to deviate from minimum rates for
the transportation of Chicoite for
Stauffer Chemical Co. at Richmond,
California.

Application No. 55518
(Filed February 26, 1975)

INTERIM OPINION

Applicant, Melvin A. Deaile, doing business as Deaile Trucking, a highway permit carrier, requests authority to deviate from the minimum rates prescribed in Minimum Rate Tariff 2 (MRT 2) for the transportation of Chicoite from Excel Mineral Co., McKittrick, to Stauffer Chemical Co., Richmond.

Chicoite is currently subject to a class rating of 35.4, minimum weight 40,000 pounds, pursuant to Item 48115 of the National Motor Freight Classification and Item 1030, Exception Ratings Tariff No. 1. The present rate for the transportation involved is 67 cents per cwt as provided in MRT 2, plus applicable surcharges.

Applicant proposes a rate of 52-1/2 cents per cwt subject to a minimum weight of 50,000 pounds.

By a letter dated March 21, 1975, applicant expanded and explained certain details regarding the estimated cost of performing the service. The letter is received as Exhibit 1. According to Exhibit 1, the total estimated cost per load is \$193.66, which will permit a profit of \$68.84 per load. Applicant points out that the return trip is not always empty. Any return traffic would increase the profit as the cost estimates do not consider a back haul.

Applicant explains that he had performed this service for the past four years. The traffic was lost when the minimum rates were increased early this year. The shipper advised that truck transportation was no longer economically feasible. The rates proposed herein will return this traffic to applicant.

Applicant's cost and revenue estimates provide a reasonable basis for authorizing the relief sought. Applicant should be authorized to perform the service at the proposed rates for a period during which actual costs and revenues may be recorded. A hearing should then be scheduled, at which time such data may be considered.

This matter was listed on the Commission's Daily Calendar of February 28, 1975. The Commission's Transportation Division has recommended that in the absence of protest, the relief be granted by ex parte order. The California Trucking Association advises that they have no objection to an interim ex parte order to be followed by public hearing on the matter.

We find that the favorable circumstances and conditions attendant to the transportation of the commodity involved in this proceeding are not generally present in the usual or ordinary transportation performed by highway carriers under the governing provision of MRT 2. Applicant should be authorized to depart from the governing minimum rates as provided in the order which follows, pending public hearing.

INTERIM ORDER

IT IS ORDERED that:

1. Melvin A. Deaile, doing business as Deaile Trucking, is authorized to depart from the minimum rates set forth in Minimum Rate Tariff 2 by charging those rates set forth in Appendix A of this decision. This authority does not include any deviation from any rates, rules, or regulations except as specifically set forth in Appendix A.

2. The authority granted 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 on this application at a date to be set.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 1st
day of APRIL, 1975.

Verne L. Steadman
President
William Lynskey
Leonard Voss
Commissioners

Commissioner Robert Batinovich

Present but not participating.

APPENDIX A

Commodity: Chicoite as described in Item 48115,
National Motor Freight Classification A-13.

From: Excel Mineral Co.
McKittrick, California

To: Stauffer Chemical Co.
Richmond, California

Rate: 52-1/2 cents per cwt.

Minimum Weight: 50,000 pounds.