

ORIGINALDecision No. 84720

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
PRESTON TRUCKING CO., 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 beer in cartons
and kegs from San Francisco to various
points in southern California for
General Brewing Company.

Application No. 55719
(Filed June 4, 1975;
amended July 10, 1975)

INTERIM OPINION

Applicant Preston Trucking Co. operates as a highway contract carrier. By this application authority is sought to deviate from the minimum rates for the transportation of beer for General Brewing Company from San Francisco to various points in southern California. The rate levels proposed are generally at the same level applicable to rail service to the same points. A minimum weight of 45,000 pounds is proposed.

In support of the relief requested, applicant advises that General Brewing Company is engaging in the marketing of a new type of package at a particularly attractive price^{1/} which is substantially increasing its sales in southern California and which will result, it is believed, in the summer volume continuing through the winter without diminution. The rate economy and stability which will accrue to General Brewing Company by the granting of this application will assist

^{1/} A 12 pack of 11-ounce bottles retailing for \$1.99.

in its marketing program and develop increased sales. At the present time, approximately 60 percent of all beer consumed in California comes from abroad or other states.

The application included a study of transportation of beer by applicant for General Brewing Company to the points involved herein. That study indicates that the proposed rates will be compensatory.

By letter dated June 17, 1975, California Trucking Association advised that it was opposed to ex parte consideration of this matter on the grounds that such action would represent a significant departure from the Commission policy as set forth in Major Truck Lines (1970) 71 CPUC 447.

The order which follows will limit the grant of authority for six months. During this period applicant will be expected to gather actual operating data to be presented at a public hearing, after which a determination will be made as to whether the authority should be continued, modified, or canceled. It is then that the principles laid down in Major Truck Lines may be applied. We are not convinced that an interim grant should be construed as an indication of policy.

After consideration we find that applicant has made a prima-facie showing that the proposed deviation from the otherwise applicable minimum rates is reasonable for a test period and conclude that the application should be granted for an interim period during which operating data will be gathered for presentation at a public hearing.

INTERIM ORDER

IT IS ORDERED that:

1. Preston Trucking Co. 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 29th
day of JULY, 1975.

William J. [Signature] President
Herman L. [Signature]
[Signature]
[Signature] Commissioners

Commissioner D. W. Holmes, being
necessarily absent, did not participate
in the disposition of this proceeding.

APPENDIX A

Shipper: General Brewing Company.

Commodity: Beer.

Minimum Weight: 45,000 pounds.

From: General Brewing Company, San Francisco.

To: (1) Los Angeles, Orange, Riverside, and San Bernardino Counties.
(2) San Diego County.
(3) Barstow, Bishop, Blythe, El Centro, Indio, Needles, and
Twenty-nine Palms.

Rates: (1) 57 cents per cwt to all points in the counties named in
(1) above, except as provided in (3) below.
(2) 72 cents per cwt to all points in San Diego County.
(3) 100 cents per cwt to all points named in (3) above.

Conditions: (a) The authority described above shall not apply to
shipments transported by subhaulers.
(b) Other than the authority described above, all other
provisions of Minimum Rate Tariff 2 shall apply.