

Decision No. 85796

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
TONY'S EXPRESS, INC. for authority to
depart from the minimum rates, rules
and regulations of Minimum Rate Tariff
No. 2, pursuant to the provisions of
Section 3666 of the Public Utilities
Code for transportation for THE CLOROX
COMPANY.

Application No. 55914
(Filed September 3, 1975)

In the Matter of the Application of
TONY'S EXPRESS, INC., for authority to
depart from the minimum rates, rules,
and regulations of Minimum Rate Tariff
No. 2, pursuant to the provisions of
Section 3666 of the Public Utilities
Code for transportation to THE CLOROX
COMPANY'S Vernon plant.

Application No. 56271
(Filed February 9, 1976)

Handler, Baker & Greene, by Daniel W. Baker,
Attorney at Law, for Tony's Express, Inc.,
applicant.

C. D. Gilbert and H. Hughes, for California
Trucking Association, interested party.

George L. Hunt, for the Commission staff.

O P I N I O N

These applications were heard on a common record before
Examiner Tanner on February 27, 1976 in San Francisco at which time
they were submitted for decision.

Applicant Tony's Express, Inc., a highway permit carrier,
seeks to depart from the otherwise applicable minimum rates for
transportation for The Clorox Company (Clorox). Application No. 55914

seeks such relief for merchandise of Clorox which is distributed from its Vernon plant. Application No. 56271 seeks similar authority for merchandise which has been produced or packaged for distribution by Clorox and which is inbound to the Vernon plant. Decision No. 85167 dated November 25, 1975 granted temporary authority for specific commodities originating at the Vernon plant of Clorox. A petition for modification of Decision No. 85764 was filed on February 20, 1976 seeking to amend the description of commodities to "Merchandise of The Clorox Company which is distributed from its Vernon, California, plant", in place of the commodities specifically described in Appendix A to Decision No. 85167.

Evidence in support of the applications was offered by the general traffic manager of Clorox, applicant's general manager and corporate secretary, and a certified public accountant who had prepared studies of the cost of performing the service involved. The California Trucking Association (CTA) and the Commission staff participated by cross-examination of applicant's witnesses.

The record shows that Clorox has added a number of items to its product line in the past 10 years. Additionally, the volume of gross sales has increased from 76 million to 800 million during the same period. There are three carriers, other than applicant, who are now performing transportation services for Clorox, two out of the San Leandro plant and one out of the Vernon plant. All have been granted relief similar to that sought herein.

Applicant has been performing service for Clorox for about 4 years. The service inbound to Vernon (Application No. 56271) has been conducted pursuant to an agreement under Minimum Rate Tariff 15. The service from Vernon (Application No. 55914) has been performed at the rates authorized by Decision No. 85167 since December 1975.

The estimated revenues and related costs indicate a net annual income of \$33,069 from gross revenues of \$114,798 on the

operations involved herein. Applicant's statement of income for the period of April 7, 1975 through January 31, 1976 shows gross revenues of \$611,179 and a net revenue before taxes of \$22,343. The revenues generated from operations now performed for Clorox by applicant are included.

The revenue and cost study satisfactorily demonstrates that the proposed rates will be compensatory. The rate levels are about 80 percent of the minimum rate. When consideration is given to the favorable loading and unloading conditions, the volume of traffic expected, and the load factors, it is clear that the suggested rates will be beneficial to both applicant and Clorox. CTA and the staff raised the question that, while applicant might gain from these proposals, such a gain might be at the expense of Mueller Truck Company (Mueller), which now has authority similar to that sought by applicant. The record is clear that the expanded business of Clorox is such that accommodation of another carrier should not adversely affect Mueller.

After consideration we find that the authority sought in these applications has been justified and conclude that they be granted.

Since conditions under which the service is performed may change at any time, the authority granted in the ensuing order will expire at the end of one year unless sooner canceled, modified, or extended by order of the Commission.

O R D E R

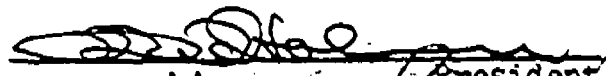
IT IS ORDERED that:

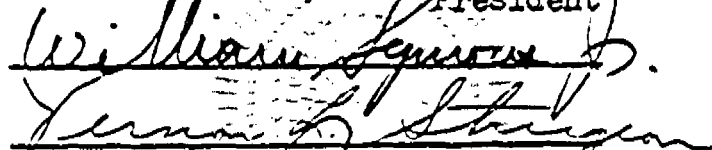
1. Tony's Express, Inc., is authorized to depart from the minimum rates set forth in Minimum Rate Tariff 2 by charging those rates set forth in Appendices A and B of this decision. This authority does not include any deviation from any rates, rules, or regulations except as specifically set forth in Appendices A and B.


2. The authority granted shall expire one year after the effective date of this order 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 11th day of MAY, 1976.



President




Commissioners

APPENDIX A
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Carrier: Tony's Express, Inc.

Shipper: The Clorox Company

Commodities: Merchandise of The Clorox Company which is distributed from its Vernon, California, plant.

Rates: (In cents per 100 pounds)

For transportation otherwise subject to Minimum Rate Tariff 2 (see Notes).

Section A - These rates apply when power loaded and power unloaded:

<u>Miles</u>		<u>Minimum Weight</u> <u>30,000 lbs.</u>	<u>Minimum Weight</u> <u>40,000 lbs.</u>	<u>Minimum Weight</u> <u>45,000 lbs.</u>
<u>Over</u>	<u>Not Over</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
0	3	25.5	22.8	22.8
3	5	26.6	24.4	22.8
5	10	27.6	25.5	24.4
10	15	29.8	25.5	25.5
15	20	31.9	26.6	25.5
20	25	31.9	26.6	25.5
25	30	33.1	28.7	26.6
30	35	34.3	29.8	26.6
35	40	39.3	31.9	28.7
40	45	40.4	31.9	29.8
45	50	41.5	33.1	31.9
50	60	43.6	37.7	31.9
60	70	46.8	39.3	33.1
70	80	46.8	40.4	37.7
80	90	49.2	41.5	39.3
90	100	50.2	42.5	40.4
100	110	54.2	43.6	40.4
110	120	54.2	46.8	41.5
120	130	56.4	46.8	42.5
130	140	57.5	49.2	43.6
140	150	60.7	50.2	46.8
150	160	62.8	52.6	46.8

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Section B - These rates apply when power loaded
but not power unloaded:

<u>Miles</u>		<u>Minimum Weight</u> <u>30,000 lbs.</u>	<u>Minimum Weight</u> <u>40,000 lbs.</u>	<u>Minimum Weight</u> <u>45,000 lbs.</u>
<u>Over</u>	<u>Not Over</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
0	3	30.5	28.4	28.4
3	5	31.6	29.4	28.4
5	10	32.7	30.5	29.4
10	15	34.8	30.5	30.5
15	20	36.9	31.6	30.5
20	25	36.9	31.6	30.5
25	30	39.0	33.9	31.6
30	35	40.1	34.8	31.6
35	40	44.3	36.9	33.9
40	45	45.4	36.9	34.8
45	50	46.5	39.0	36.9
50	60	48.7	43.3	36.9
60	70	51.8	44.3	39.0
70	80	51.8	45.4	43.3
80	90	55.0	46.5	44.3
90	100	56.0	47.6	45.4
100	110	59.2	48.7	45.4
110	120	59.2	51.8	46.5
120	130	61.4	51.8	47.6
130	140	62.5	55.0	48.7
140	150	65.7	56.0	51.8
150	160	67.8	58.2	51.8

APPENDIX A
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Notes:

Mileage to be computed as provided in governing Distance Table. Rates are subject to the provisions of Items 170, 171, 172, and 173 (Split Delivery) of Minimum Rate Tariff 2.

Section A rates apply when shipments are power loaded and power unloaded by the shipper and consignee; Section B rates apply when shipments are power loaded but not power unloaded; necessary equipment to be furnished and used without expense to the carrier. If loading or unloading time exceeds one hour, charges named in Item 145 of Minimum Rate Tariff 2 will apply.

Pallets will be returned free, provided that a like number of pallets are returned at the time of delivery. Shipments of pallets not complying with this paragraph will be subject to the rates in the applicable tariff.

Carrier to be free from any claims for shortage. Upon return of damaged merchandise, carrier is to be free from any claim for damage.

Rates to apply to shipments originating at the plant of The Clorox Company located at 4333 Bandini Boulevard, Vernon, California, and destined to points within 160 miles thereof, as indicated in the above mileage bracket column.

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Carrier: Tony's Express, Inc.

From: The plants of Economy Packaging, Inc., at 907 Flower Street, Glendale, California 91201; Aerosol Techniques, Inc., at 6423 Bandini Boulevard, Los Angeles, California 90040; Shield Aerosol Company of California at 5165 G Street, Chino, California 91710; and Aerosol Services Co. at 425 South 9th Street, Industry, California 91744.

To: The Clorox Company at 4333 Bandini Boulevard, Vernon, California.

Commodities: Merchandise which has been produced or packaged for distribution by The Clorox Company.

Rates: (In cents per 100 pounds)

For transportation otherwise subject to Minimum Rate
Tariff 2 (see Notes).

<u>Miles</u>		<u>Minimum Weight</u> <u>30,000 lbs.</u>	<u>Minimum Weight</u> <u>40,000 lbs.</u>	<u>Minimum Weight</u> <u>45,000 lbs.</u>
<u>Over</u>	<u>Not Over</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
0	3	25.5	22.8	22.8
3	5	26.6	24.4	22.8
5	10	27.6	25.5	24.4
10	15	29.8	25.5	25.5
15	20	31.9	26.6	25.5
20	25	31.9	26.6	25.5
25	30	33.1	28.7	26.6
30	35	34.3	29.8	26.6
35	40	39.3	31.9	28.7
40	45	40.4	31.9	29.8
45	50	41.5	33.1	31.9
50	60	43.6	37.7	31.9
60	70	46.8	39.3	33.1
70	80	46.8	40.4	37.7
80	90	49.2	41.5	39.3
90	100	50.2	42.5	40.4
100	110	54.2	43.6	40.4
110	120	54.2	46.8	41.5
120	130	56.4	46.8	42.5
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150	160	62.8	52.6	46.8

APPENDIX B
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Notes:

Mileage to be computed as provided in governing Distance Table.

Rates apply when shipments are power loaded and power unloaded by the shipper and consignee. If loading or unloading time exceeds one hour, charges named in Item 145 of Minimum Rate Tariff 2 will apply.

Pallets will be returned free, provided that a like number of pallets are returned at the time of delivery. Shipments of pallets not complying with this paragraph will be subject to the rates in the applicable tariff.

Carrier to be free from any claims for shortage. Upon return of damaged merchandise, carrier is to be free from any claim for damage.