

ORIGINAL

Decision 84 06 046

JUN 6 1984

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Gary Leslie, Inc.)
for authority to deviate from)
Minimum Rate Tariff 7-A for the)
transportation of lightweight)
aggregate for the account of)
Sierra Aggregate Company,)
pursuant to section 3666 of the)
California Public Utilities Code.)

Application 83-11-39
(Filed November 17, 1983;
amended December 23, 1983)

O P I N I O N

By this application, as amended, Gary Leslie, Inc. (Leslie) seeks authority to charge less than the minimum rates in Minimum Rate Tariff (MRT) 7-A for the transportation of lightweight aggregates, as described in Item 50 of the tariff, in dump truck equipment for Sierra Aggregate Company (Sierra). The proposed transportation would be from the Red Top Mine (RTM), located approximately 25 miles northeast of Lucerne Valley, to points in California.

Lightweight aggregates are subject to the distance rates in Item 340 of MRT 7-A. Leslie proposes to apply the rock, sand, and gravel distance rates in Item 290 of the tariff which, with minor exceptions, are lower than the Item 340 rates. The proposed transportation would be subject to the 24 ton minimum weight in Item 290 rather than the lower 18 ton minimum weight in Item 340. Also, the additional charge in Item 260 for service performed on weekends and holidays would not apply to the proposed transportation. In all other respects, the provisions of MRT 7-A would apply.

The application states as follows:

1. Leslie holds a dump truck carrier permit. Its principal place of business is located at Adelanto which is located 30 miles northwest of Lucerne Valley.
2. Leslie has had considerable experience for many years in transporting lightweight aggregates from mine sites in the high desert area of southern California in which RTM is located.
3. The availability of qualified drivers in this area is limited. The drivers that are here desire to work more than five days a week. Transportation handled by Leslie for Sierra is not on a particular time schedule. By being able to pick up shipments at any time at its option, including weekends, Leslie can more efficiently schedule its equipment and drivers. While overtime is paid to drivers, the extra expense is less than the cost of having additional equipment and paying fringe benefits for extra drivers.
4. Special end-dump, lightweight equipment is used for this transportation. Its carrying capacity is approximately 76 cubic yards which is substantially more than the average 20 to 25 cubic yards carried by conventional end-dump equipment. This reduces the per ton handling cost considerably.
5. A support letter from Sierra is attached to the application.
6. Loading would be performed by Sierra with a front-end loader without expense to Leslie. Unloading would be by gravity by driving the vehicle over a hopper or by rolling discharge to the ground or a drive on stockpile. Loading and unloading facilities will be available 7 days a week, 16 hours a day.

7. The primary commodity to be transported is volcanic ash to be used in the construction industry. The recent resurgence in this industry has increased the demand for volcanic ash. The proposed lower-rates will enable Sierra to be more competitive in the market place. It is anticipated that it will have approximately six truckload shipments a week.
8. The proposed transportation will be profitable.
9. The proposed transportation will not have an adverse effect on the human environment or energy efficiency.
10. Subhaulers would not be used for any of the proposed transportation.

The revenue and cost data presented by Leslie are based on hauls of 25, 50, 150, 200, 250, and 300 miles. For each haul, the revenue is based on the one-way distance from origin to destination at the applicable sought rate, and the cost is based on the round-trip distance from origin to destination and return. According to this data, the operating ratios for the various distances would range from 65% for a 25-mile shipment to 75% for a 300-mile shipment.

As of June 30, 1983, Leslie had assets of \$1,095,927, liabilities of \$882,048, and a stockholders' equity of \$213,879. For the year ended June 30, 1983, it had total operating revenue of \$2,263,350 and a net income of \$46,272 before income taxes.

The application and amendment were listed on the Commission's Daily Calendars of November 22 and December 28, 1983, respectively, and on its Daily Transportation Calendars of November 23 and December 29, 1983, respectively. Copies of each were served on the California Trucking Association and the California Dump Truck Owners Association. No protest has been received. The Commission's Transportation Division staff advised on January 13, 1984 that it has no objection to granting the requested authority. We agree it should be granted.

Because Sierra is now at a competitive disadvantage in marketing in lightweight aggregates, the following order should be made effective on the date it is signed.

Findings of Fact

1. The transportation in issue involves unique circumstances.
2. Leslie's costs for this transportation are less than those used to set the rates for lightweight aggregates in MRT 7-A.
3. Subhaulers will not be used for any of the proposed transportation.
4. The proposed rates are reasonable and compensatory for the transportation in issue by Leslie when handled in the manner described in the application.
5. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.
6. The following order has no reasonably foreseeable impact upon the energy efficiency of highway carriers.
7. A public hearing is not necessary.

Conclusions of Law

1. The application, as amended, should be granted as set forth in the following order.
2. Since transportation conditions may change, this authority should expire in one year.
3. This order should be made effective on the date signed because there is an immediate need for rate relief.

O R D E R

IT IS ORDERED that:

1. The application for deviation is granted and Gary Leslie, Inc. may depart from the rates in MRT 7-A by charging not less than the rates in Appendix A.
2. This authority shall expire one year after the effective date.

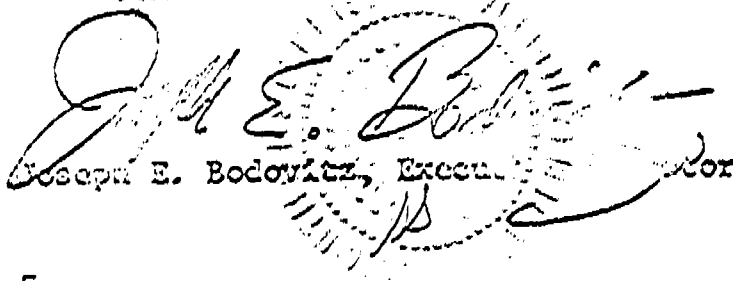
This order is effective today.

Dated JUN 6 1984, at San Francisco, California.

LEONARD M. GRIMES, JR.
President
VICTOR CALVO
DONALD VIAL
WILLIAM T. BAGLEY
Commissioners

Commissioner Priscilla C. Crow,
being necessarily absent, did
not participate

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bodovitz, Executive Director

APPENDIX A

Carrier: Gary Leslie, Inc.

Commodities: Lightweight aggregates as described in Item 50 of Minimum Rate Tariff (MRT)7-A.

Origin: Red Top Mine located approximately 25 miles northeast of Lucerne Valley.

Destinations: Points and places in California.

Rates: Minimum Rates in Item 290 of MRT 7-A.

Minimum Weight: 24 Tons.

Conditions:

1. Loading shall be by shipper without expense to carrier, and unloading shall be by gravity discharge.
2. Additional charges in Item 260 of MRT 7-A for service on Saturday, Sunday, or holidays shall not apply.
3. Rates do not apply if subhaulers are used.
4. In all other respects, the rules and regulations of MRT 7-A shall apply.

(END OF APPENDIX A)