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Decision 84 08 059

AUG 1 1984

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of C. H. Van Metre and Son }
 for authority to deviate from the rate }
 of Tariff No. 7-A, pursuant to the }
 provisions of Section 3666 of Public }
 Utilities Code, for Amstar }
 Corporation. }

Application 84-06-024
 (Filed June 8, 1984)

O P I N I O N

By this application, Byron E. and Scott H. Van Metre (Metres), doing business as C. H. Van Metre and Son, a partnership, seek authority to charge less than the minimum rate in Minimum Rate Tariff (MRT) 7-A for the transportation of pond lime for Spreckels Sugar Division, Amstar Corporation (Spreckels) from its plant at Woodland to its plant at Cool, a distance of 56½ miles. The proposed rate and the MRT 7-A rate, including the applicable 22½% surcharge, for this transportation are \$3 and \$5.45, respectively. The minimum weight for both is 24 tons. The sought rate would apply only when the proposed transportation is handled as a backhaul between the same points. A letter from Spreckels supporting the deviation is attached to the application.

The Metres hold highway contract carrier and dump truck carrier permits issued under File T-129,103. They are also in the equipment rental business. Their place of business is located at Auburn. They have conducted dump truck operations since 1946. According to the Metres' equipment list on file with the Commission, they have 12 dump trucks and five transfer trailers.

The application states as follows:

1. Spreckels has a sugar refining plant at Woodland for sugar beets. Limestone is used as a filter in the processing.

2. The Metres now haul raw limestone to this plant from Cool at the applicable \$5.45 per ton minimum rate.
3. Spreckels has surplus pond lime left from the sugar processing at Woodland. There is a market for this product when it is dried and blended with fresh limestone. Spreckels has the facilities for doing this at its Cool plant.
4. The proposed transportation would give the Metres a round-trip movement between Cool and Woodland. The sugar plant at Woodland is open and loading facilities are available there around the clock during the processing season. Loading would be by Spreckels' employees with a front end loader and take approximately 30 minutes. Unloading would be by gravity into a stockpile. Semitrailer and transfer dump equipment would be used for the movement. It is anticipated that there would be four loads per day in each direction, five days a week when the Woodland plant is in operation.
5. Subhaulers would not be used for any of the proposed transportation.
6. The proposed round-trip transportation would be profitable.

The revenue and cost data presented by the Metres is based on two round-trips per day per unit of equipment. According to this information for two round trips, the total revenue would be \$416.50, the total cost excluding administrative costs would be \$297.80, and the resulting difference to cover profit and administrative costs would be \$118.70. By allowing 10% of total cost for administrative overhead, the profit and operating ratio for the two round trips per unit of equipment per day would be \$88.92 and 78.7%, respectively.

As of December 31, 1983, the Metres had assets of \$120,484, liabilities of \$35,206, and a net worth of \$85,278. For the year

1983, their trucking business had total revenue of \$200,968 and a net loss of \$57,981. For the same period, their truck rental business had a net income of \$57,863, and the combined return for both businesses was a net loss of \$118.

The application was listed on the Commission's Daily Calendar of June 11, 1984 and on its Daily Transportation Calendar of June 12, 1984. A copy was served on both the California Trucking Association and the Dump Truck Owners Association. No protest has been received. The Commission Transportation Division staff advised on June 25, 1984 that it did not object to the proposed deviation. With the condition that it apply only in connection with the described round-trip movement, it should be granted.

Findings of Fact

1. The transportation in issue involves unique circumstances.
2. The Metres' costs for the proposed round-trip transportation are less than those used to set the rates in MRT 7A.
3. When the transportation in issue is handled as a continuous round-trip movement between Cool and Woodland, the proposed rate is compensatory and reasonable.
4. A public hearing is not necessary.

Conclusions of Law

1. The application should be granted as set forth in the following order.
2. Since transportation conditions may change, this authority should expire in one year.

O R D E R

IT IS ORDERED that:

1. Byron E. and Scott E. Van Metre 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.

3. The application is granted as set forth above.

This order becomes effective 30 days from today.

Dated AUG 1 1984, at San Francisco, California.

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

Commissioner William T. Bagley
being necessarily absent, did
not participate.

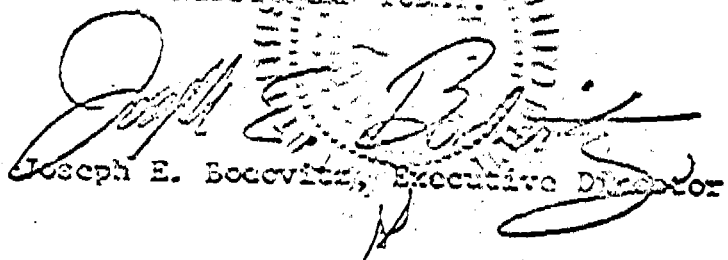
LEONARD M. GRIMES, JR.
President

VICTOR CALVO

DONALD VIAL

Commissioners

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


Joseph E. Bocavitch, Executive Director

APPENDIX A

Carrier: Byron E. and Scott E. Van Metre, a partnership, doing business as C. E. Van Metre and Son.

Commodity: Pond lime.

Origin: Spreckels Sugar Division, Amstar Corporation (Spreckels), Woodland.

Destination: Spreckels, Cool.

Rate: \$3 per ton.

Minimum Weight: 24 tons.

Conditions:

1. Rate applies only when carrier transports a truckload of crude limestone in the opposite direction between the same points as part of a continuous round-trip movement in the same unit of equipment.
2. Rate does not apply to transportation performed by subhaulers.
3. In all other respects, the rules and regulations in Minimum Rate Tariff 7-A apply.

(END OF APPENDIX A)