

Decision 84 12 042

DEC 19 1984

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Dalton Trucking, Inc.,)
a California corporation, for author-)
ity to modify Decision 83-11-042 to)
include the intermediate points of)
Victorville and Colton at the deviate)
rate for the transportation of cement)
clinker, crushed limestone, sand and)
petroleum coke-coal mixture.)

Application 84-03-46
(Filed March 13, 1984)

Terry Klenske, for Dalton Trucking, Inc.,
applicant.
Geoff Cross, for Bulk Transportation, Inc.,
and James D. Martens, for California
Dump Truck Owners Association, interested
parties.
George L. Hunt, for the Commission staff.

INTERIM OPINION

Applicant, Dalton Trucking, Inc., is a California corporation. A certified copy of its articles of incorporation is on file with the Commission in File No. T-98782. Applicant operates as a dump truck carrier, a heavy specialized carrier, and a highway contract carrier.

Applicant seeks authority to transport cement clinker between the Southwestern Portland Cement Company plant located at Victorville, California, and the Riverside Cement Company plant located at Crestmore, California, and to transport cement clinker between the Riverside Cement Company plant located at Oro Grande, California, and the California Portland Cement Company plant located at Colton, California. The equipment to be used in this service will be tractors with bottom dump doubles in train and/or transfer type units.

The actual highway mileage on the shortest route between the Southwestern Portland Cement Company plant in Victorville and the Riverside Cement Company plant in Crestmore is 49.9 miles for dump trucks. The actual highway mileage on the shortest route for dump trucks between the Riverside Cement Company plant in Oro Grande and the California Portland Cement Company plant in Colton is 49.5 miles.

Minimum Rate Tariff (MRT) 7-A (Item 320 and Supplement 21) provides a rate of \$3.96, plus a 22% surcharge (\$4.85 per ton), for the transportation of cement clinker, limestone, and clay, a distance of 49 to 50 miles. This rate is subject to a minimum weight of 24 tons.

The Commission has authorized a rate of \$3.99 per ton (D.83-04-080 and D.83-11-042) later raised by the carrier to \$4.15 for the transportation of cement clinker and limestone from Oro Grande to Crestmore. This application requests that the rate authorized in D.83-04-080 and D.83-11-042 be extended to the movement of cement clinker between Victorville and Crestmore and Oro Grande and Colton.

It is proposed that applicant will transport Portland cement clinker and plus or minus one (1) inch crushed limestone from the Victorville plant to the Crestmore plant and from the Oro Grande plant to the Colton plant. After the carrier discharges its load at Crestmore, it will generally be loaded with clay, limestone, sand, petroleum coke, and/or petroleum coke-coal mixture as a return load to Riverside Cement Company's Oro Grande plant (with rates authorized by D.83-11-042 of \$2.50 for clay, limestone, and sand and \$2.85 for petroleum coke and coke-coal mixture). After the carrier discharges its load at Colton, it will proceed to Riverside Cement Company's Crestmore plant where it will generally be loaded with clay, limestone, sand, petroleum coke, and/or petroleum coke-coal mixture as a return load to Oro Grande. Colton and Victorville are intermediate to Crestmore and Oro Grande. The rates specified in D.83-11-042 apply to the backhaul commodities only when there is a

prior or subsequent shipment of crushed limestone or cement clinker from Oro Grande as part of a continuous round-trip movement in the same equipment.

The loading will be performed by front-end loader furnished and used at no expense to the carrier. Unloading will be performed by applicant's vehicle driving over a hopper or by direct rolling discharges to the ground or a drive-on stockpile.

Loading and unloading facilities are available at least 5 days per week, 24 hours per day. Applicant proposes to operate 2 shifts per day, 5 days a week, each vehicle transporting 72 tons per shift.

A certified scale will be maintained at each loading point for the use of applicant. Applicant will have each of its drivers certified as a weightmaster to eliminate any unnecessary delays in processing.

Standby and delay time - a maximum allowance of 25 minutes for loading and 15 minutes for unloading shall be allowed. When the combination of the two times has been exceeded for any given vehicle or any trip, applicant will be paid \$17.50 per hour or portion thereof.

Applicant will bill Riverside Cement Company on the 1st and 15th of each month for the tons transported. Riverside Cement Company will process the invoices within 7 days of receipt for payment and will normally pay the invoices within 14 days of processing. This will greatly enhance applicant's cash flow.

Carrier will not engage the use of subhaulers to perform any of this service.

Oro Grande is located 4 miles northwest of Victorville. Victorville is on Highway 15 in the southwestern corner of San Bernardino County. Colton is located about 7 miles southwest of the City of San Bernardino on Highway 10. Crestmore is 3 miles southwest of Colton, just north of the San Bernardino/Riverside County line.

Applicant was authorized in the prior ex parte proceeding to charge the rate applied for here on transportation of cement clinker between Oro Grande and Crestmore. This application was filed to obtain authority to charge the rate between the original origin and destination, on the one hand, and intermediate points of Victorville and Colton, on the other hand.

Applicant alleges that granting this application will permit applicant to make two additional stops on a route it has authority to serve, applying a rate that it has previously adopted.

The Commission staff requested a public hearing to examine applicant's proposals, since all prior authority to deviate from minimum rates had been granted ex parte. Pursuant to this request, a hearing was held in Los Angeles on June 20, 1984, and the matter was submitted. Applicant provided testimony from a witness and the staff placed an excerpt from a prior transcript in evidence.

Applicant's witness testified that costs were determined and approved for transportation between the most distant cement plants by D.83-11-042. This application concerns short hauls to intermediate plants which are necessary to satisfy shifting demands for the product. He testified that this transportation does not involve an increase in cost; however, it is unclear from the record whether the backhaul traffic which supports the rates authorized in D.83-11-043 is also going to support the rates requested here, in view of applicant's testimony that such hauls are available only 10% of the time. Driver's wages are the same unless a backhaul is involved, which adds an increment to the basic wage.

The proposed authority should be granted on an interim basis; however, applicant will be required to file its first three months' recorded data for the transportation authorized here and demonstrate that the rates are actually compensatory. Since applicant has indicated that subhaulers will not be used, the authority granted should include a condition that in the event it is necessary to use subhaulers, they shall not be paid less than the applicable charges stated in MRT 7-A.

The transportation in issue involves intermediate points on a route and at rates already authorized. There is an immediate need for rate relief and this order should therefore be made effective on the date it is signed.

Findings of Fact

1. The transportation in issue involves unique circumstances.
2. Cost data of record for Dalton indicates that:
The \$3.99 ton rate for cement clinker and crushed limestone from Victorville to Crestmore and from Oro Grande to Colton will be compensatory on minimum shipments of 24 tons if there is a backhaul.
3. Subhaulers will not be used for any of the transportation in issue.
4. The sought rate applied in the manner described in Finding 2 is reasonable.
5. The following order has no reasonably foreseeable impact on the energy efficiency of highway carriers.

Conclusions of Law

1. The application should be granted on an interim basis until rates are actually shown to be compensatory.
2. This order should be made effective on the date signed because there is an immediate need for rate relief.

INTERIM ORDER

IT IS ORDERED that:

1. Dalton Trucking, Inc., may depart from the rates in MRT 7-A by charging no less than the rates in Appendix A.
2. This authority shall expire six months after the effective date of this order, but may be extended for six months if applicant shows that the first three months' recorded data demonstrate that the reduced rate is compensatory.

3. Applicant shall file its first three months' recorded data for the transportation and rates authorized here as soon as it is available. It should be filed in original and 12 copies with the Commission's Docket Office and copies served on all parties. Not later than 30 days after applicant makes its filing, staff shall file and serve its analysis of the rates, its judgment whether they are compensatory, and its recommendation whether they should be continued.

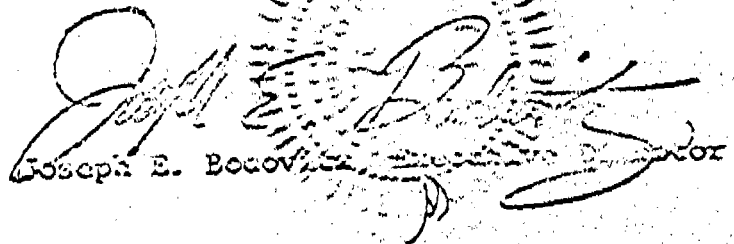
4. The application is granted as set forth above.

This order is effective today.

Dated DEC 19 1984, at San Francisco, California.

DONALD VIAL
President
VICTOR CALVO
PRISCILLA C. GREW
WILLIAM T. BAGLEY
FREDERICK R. DUDA
Commissioners

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


Joseph E. Bonoville, Secretary

Appendix A

Carrier: Dalton Trucking, Inc.

Authorized Rates:

1. Southwestern Portland Cement Company plant, Victorville, to Riverside Cement Company plant (RCC), Crestmore.
Commodities: Cement clinker and crushed limestone.
Rate: \$3.99 per ton.
2. RCC, Oro Grande, to California Portland Cement Company, Colton.
Commodities: Cement clinker and crushed limestone.
Rate: \$3.99 per ton.

Minimum Weight: 24 tons per unit of equipment.

Conditions:

1. Standby and delay time of 25 minutes for loading and 15 minutes for unloading shall be allowed. When the combination of the two allowances has been exceeded for any given vehicle or any trip, carrier shall be paid \$17.50 per hour or portion thereof.
2. Carrier shall bill RCC on the 1st and 15th day of each month for the tons transported. RCC shall process the invoices within 7 days of receipt for payment and pay the invoices within 14 days of processing.
3. If subhaulers are employed, they shall be paid not less than the charges provided in MRT 7-A.
4. In all other respects, the rates and rules in MRT 7-A shall apply.

(END OF APPENDIX A)