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[JUL 11 1988

Decision SS 07 '011

JUL 8 1988

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation)
 for the purpose of considering and)
 determining minimum rates for)
 transportation of sand, rock, gravel,)
 and related items in bulk, in dump)
 truck equipment between points in)
 California as provided in Minimum)
 Rate Tariff No. 7-A and the)
 revisions or reissues thereof.)

Case 5437
 Petition for Modification 337
 (Filed March 28, 1988)

OPINION

Applied Industrial Materials Corporation (AIMCOR) is the successor to International Minerals & Chemical Corporation, and a corporation duly organized under the laws of the State of Delaware. Its principal place of business is in Long Beach, California and a copy of its Articles of Incorporation was attached to the petition which initiated this proceeding.

AIMCOR is requesting (1) that Item 70(b) of Minimum Rate Tariff (MRT) 7-A be modified to exempt from the application of that tariff the movements of petroleum coke for export when transported from Mobil Oil Corporation's refinery at Torrance, within the Los Angeles Harbor Commercial Zone, and (2) the modification of page 5 of the document entitled "Commodities and Geographic Areas Exempt from Rate Regulation" to add to the exempt list of petroleum coke for export the movements from Mobil Oil Corporation's refinery at Torrance within the Los Angeles Harbor Commercial Zone.

AIMCOR is a broker of petroleum coke in the Los Angeles Harbor Area. Item 70(b) of MRT 7-A presently reads as follows:

"Rates in this Tariff do not apply to the transportation of... (b) Petroleum coke for export when transported among the following points in the Los Angeles Harbor Commercial Zone: Shell Oil Company's Refinery, Wilmington; Texaco Oil Company Refinery, Wilmington; Long Beach Pier "G", Berth 212; International Minerals & Chemical Corporation's storage facility at Los Angeles Harbor; Koch Carbon's storage facility in the City of Carson; Atlantic Richfield Company Refinery, Carson; and Arco CQC Kiln, Inc.'s facility, Wilmington, in the Los Angeles Harbor Commercial Zone."

Petitioner requests that said subsection (b) be amended to add the following:

"Mobil Oil Corporation's refinery, Torrance, within the Los Angeles Harbor Commercial Zone."

Petitioner also requests that page 5 of the Commission's document entitled "Commodities and Geographic Areas Exempt from Rate Regulation" be modified to include "Mobil Oil Corporation's refinery, Torrance, within the Los Angeles Harbor Commercial Zone."

The relief requested herein is similar to that granted initially to International Minerals & Chemical Corporation by the Commission in Decision (D.) 83-06-019 dated June 1, 1983 in Case (C.) 5437, OSH 309, and more recently to Koch Carbon, Inc. in D.85-03-078 dated March 20, 1985, in C.5437, Petition for Modification 324, and to Arco CQC Kiln, Inc. in D.88-01-014 dated January 13, 1988 in C.5437, Petition for Modification 335. D.83-04-019 exempted the petroleum coke for export hauls to or from Shell Oil Company's Refinery, Wilmington; Long Beach Pier "G", Berth 212; and International Minerals & Chemical Corporation's storage facility at Los Angeles Harbor. D.85-03-078 extended the exemption to cover movements to or from Texaco Oil Refinery, Wilmington and Koch Carbon's storage facility in the City of Carson within the Los Angeles Harbor Commercial Zone. D.88-01-014 added

to the list Atlantic Richfield Company Refinery, Carson and Arco CQC Kiln, Inc's facility at Wilmington, within the Los Angeles Harbor Commercial zone.

AIMCOR is one of the major international brokers of petroleum coke operating in the Los Angeles Harbor Commercial Zone. In conducting that business, it buys, sells, transports, stores and ships petroleum coke to any area in the world. It has a contract with the Mobil Oil Corporation (Mobil) which operates one of the largest refineries in the Los Angeles Harbor Area. Mobil produces 2,600 tons of "green" petroleum coke per day. This petroleum coke must be immediately removed from the refinery cokers in order to permit the facility to continue to operate. AIMCOR's contract with the refinery requires it to provide for a constant movement of coke to prevent a coker shutdown which would cause a suspension of the refinery's operation. Mobil has a 28-acre storage area which is adjacent to its refinery in Torrance and has a capacity to store up to 200,000 tons of coke. While there is a substantial storage capacity at the Torrance facility, there is need for secondary storage sites. This need arises due to the substantial volume of green coke produced at the refinery which must be moved and, in part, because of the sporadic nature of vessel sailings and the sales of coke. AIMCOR has available and utilizes for this purpose secondary storage facilities at the Los Angeles Harbor, Pier "G", Berth 212, Long Beach and Kaiser International Bulkloader at the Port of Los Angeles. The capacities of these areas are 300,000, 174,800 and 50,000 tons, respectively.

Under its contract with Mobil, AIMCOR is responsible for arranging the transportation of petroleum coke from the Mobil Refinery to the piers and secondary storage areas within the Los Angeles Harbor Commercial Zone. As such, AIMCOR controls and pays for the following transportation movements of petroleum coke within the Los Angeles Harbor Commercial Zone which is either immediately or ultimately exported by private water vessels:

1. From the Mobil Refinery in Torrance to AIMCOR's covered and open storage areas at Pier "G", Port of Long Beach, a distance of 14 miles;
2. From the Mobil Refinery at Torrance to the Los Angeles Harbor, Terminal Island, storage area, a movement of approximately 14 miles; and
3. From the Mobil Refinery at Torrance to the Kaiser Bulkloader, Port of Los Angeles, a movement of 14 miles.

In connection with the aforementioned movements, AIMCOR estimates that for 1988, it will ship 700,000 tons of petroleum coke from the Mobil Refinery to the storage areas and piers for export. This tonnage volume has remained relatively constant over the past five years. The round-trip time from the Mobil Refinery to the storage areas and piers is 60 minutes.

However, the regular movements from the Mobil Refinery and their volume, depend upon the frequency and size of the sales of coke by AIMCOR and the vessels' sailing schedules. Shipments from the Mobil Refinery to the storage areas and piers in the Los Angeles Harbor Commercial Zone take place on a daily basis and 15 trucks are assigned to this operation. When the transportation is performed from the Mobil facility directly to the piers for loading onto awaiting vessels, as many as 50 trucks can be employed. Service to the storage areas and piers from the Mobil Refinery is performed daily from 7:00 a.m. to 5:00 p.m. and 6:00 p.m. to 3:00 a.m.

AIMCOR is in direct competition with Koch Carbon and Arco CQC Kiln, Inc. in buying and selling petroleum coke in the Los Angeles Harbor Area as are the producers Shell Oil Company, Texaco Oil Company and Atlantic Richfield Company. Having to pay minimum rates under MRT 7-A for these movements, places AIMCOR and its suppliers, including Mobil, at a serious competitive disadvantage as they must pay the distance rates contained in Item 325 of MRT

7-A for these movements. The competitors, on the other hand, are able to negotiate lower transportation rates than are available for the Mobil shipments for comparable movements of petroleum coke within the Los Angeles Harbor Commercial Zone.

The loading at the Mobil Refinery is by front-end loaders which require between two to three minutes to fully load a set of trailers. A foreman or dispatcher is normally present at the loading site to arrange for the arrival of trucks in order to minimize or avoid any standby time when reporting to load. For this reason, the average standby time at the plant while waiting for a load is minimal.

When a truck arrives at a storage area or pier to unload, the bottom-dump trailers are pulled over an open pit and the load is gravity dumped into the pit or hopper. This unloading process requires an average of two minutes. Unloading at these facilities is also accomplished by windrowing, which takes about 30 seconds to complete. When a shipment is unloaded at outside storage, the petroleum coke is picked up and moved to a storage stockpile by a front-end loader.

The vessels most commonly used for the overseas movements of coke have capacities of 45,000 tons and are loaded at a rate of about 1000 tons per hour. It requires 50 trucks to transport the material from the refinery and/or storage areas to the piers, and approximately 45 hours to complete the loading of the vessel. This expeditious loading is essential because the demurrage for a 45,000 ton vessel at Los Angeles Harbor is about \$10,000 per day and dockage cost \$2,057 per day. Both the open and covered warehouses at Pier "G", Long Beach, are connected to the shiploaders by conveyors.

The vehicles employed to transport petroleum coke from the refinery to the piers and storage areas are 5-axle tractor and bottom dump, double-trailer units, which have an overall length of

56 feet and capacities of between 25 and 26 tons. Units are loaded to their full capacity when utilized in this service.

A dispatcher schedules the arrival of the vehicles at the piers or storage areas to avoid or minimize waiting time. This is critical at the docks where it is important that there be a continuous flow of trucks unloading and returning to the refinery.

The traffic conditions during the hauling periods generally run from heavy to light to heavy. The transportation normally commences about 7:00 a.m. and continues with two shifts, the first from 7:00 a.m. to 5:00 p.m. and the second from 6:00 p.m. to 3:00 a.m., five to seven days a week and 335 days a year. The distance traversed from the Mobil Refinery to the piers and harbor storage areas is 14 miles and the routes followed are subject to the approval of the South Coast Air Quality Management District. Of this mileage, a small portion is on the city streets but most of the trip is on the Harbor and San Diego Freeway. Round trip time required for these hauls average 60 minutes per load.

Copies of Petition 337 were mailed to the California Trucking Association, California Dump Truck Owners Association, and the California Carriers Association. Notice of the filing of the application was included in the Commission's Daily Calendar on March 30, 1988. There have been no protests or requests for hearing.

The Transportation Division has reviewed the petition and has recommended that it be granted.

Findings of Fact

1. AIMCOR is now required to charge MRT 7-A distance rates when transporting petroleum coke from Mobil Oil's refinery at Torrance to vessels loading at the Los Angeles Harbor.
2. AIMCOR has requested that this transportation be exempted from the requirement of applying the MRT 7-A rates to enable it to compete with other operators whose transportation has already been exempted.

3. Subsection (b) of Item 70, MRT 7-A should be amended to add the exemption from Finding 4.

4. The Exempt List should be modified to include this MRT 7-A exemption.

"Mobil Oil Corporation refinery, Torrance,
within the Los Angeles Harbor Commercial Zone."

Conclusions of Law

1. The petition should be granted.
2. The Exempt List should be amended in accordance with our discussion above.
3. A public hearing is not necessary.

ORDER

IT IS ORDERED that:

1. Minimum Rate Tariff 7-A (Appendix B to D.82061, as amended) is further amended by incorporating Seventeenth Revised Page 10 and Seventeenth Revised Page 11, attached, to become effective 39 days after today.
2. The document "Commodities and Geographic Areas Exempt from Rate Regulation" is amended by incorporating Fifth Revised Page 5, attached, to become effective 39 days after today.
3. Tariff publications authorized to be made by common carriers as a result of this order shall be made effective not earlier than 39 days after today, and may be made effective on not less than 5 days' notice to the Commission and to the public if filed not later than 60 days after the effective date of the minimum rate tariff pages incorporated in this order.
4. In all other respects D.82061, as amended, shall remain in full force and effect.

5. The Executive Director shall serve a copy of this decision on every common carrier, or on such carrier's authorized tariff publishing agent, performing transportation services subject to Minimum Rate Tariff 7-A, and on each subscriber to MRT 7-A.

6. The Executive Director shall serve a copy of the revision to the list of Commodities and Geographic Areas Exempt from Rate Regulation on each highway common carrier and each highway contract carrier.

7. The petition is granted.

This order becomes effective 30 days from today.

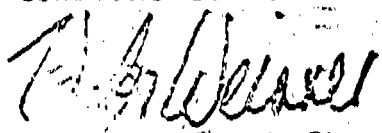
Dated JUL 8 1988, at San Francisco, California.

STANLEY W. HULETT
President

DONALD VIAL
G. MITCHELL WILK
JOHN B. OHANIAN
Commissioners

Commissioner Frederick R. Duda
being necessarily absent, did not
participate.

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


Victor Weissert, Executive Director

SECTION 1--RULES (Continued)	ITEM		
<p style="text-align: center;">APPLICATION OF TARIFF--COMMODITIES</p> <p>When reference is made to this item, rates apply to the transportation of the following commodities:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> Coke, petroleum; Concrete, broken, asphaltic or hydraulic; Concrete, premixed, wet; Debris: From street or highway maintenance, including ice, mud, and slush; also debris from drainage or flood control construction and/or maintenance projects;. </td> <td style="width: 50%; vertical-align: top;"> Fodder: Chopped green corn and sorghum grain plants, including heads, stalks, and leaves; Salt cake (crude sulphate of soda); and Slurry (mixed sand, dust, crushed stone and/or gravel, wet). </td> </tr> </table>	Coke, petroleum; Concrete, broken, asphaltic or hydraulic; Concrete, premixed, wet; Debris: From street or highway maintenance, including ice, mud, and slush; also debris from drainage or flood control construction and/or maintenance projects;.	Fodder: Chopped green corn and sorghum grain plants, including heads, stalks, and leaves; Salt cake (crude sulphate of soda); and Slurry (mixed sand, dust, crushed stone and/or gravel, wet).	60
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<p style="text-align: center;">APPLICATION OF TARIFF--PAGES</p> <p>Unless otherwise provided, amendment of a page will be made by reprinting the page and showing a revision number. The revision numbers will be used in consecutive numerical order beginning with "First Revised Page". A revised page cancels any uncanceled revised or original pages which bear the same page number. Specific cancellation shall be made of pages containing rates or provisions under suspension or held in force by reason of suspension.</p>	65		
<p>No change on this page, Decision No. SS 07 '011</p>			
<p>EFFECTIVE <u>8-16-88</u></p>			
<p style="text-align: center;">ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.</p> <p>Correction</p>			

ITEM	SECTION 1--RULES (Continued)												
670	<p style="text-align: center;">APPLICATION OF TARIFF--GENERAL</p> <p>Rates in this tariff do not apply to the transportation of:</p> <p>(a) Disaster Supplies, i.e., those commodities which are allocated to provide relief during a state of extreme emergency or state of disaster; and those commodities which are transported for a civil defense or disaster organization established and functioning in accordance with the California Disaster Act to ultimate point of storage or use prior to or during a state of disaster or state of extreme emergency.</p> <p>δ(b) Petroleum coke for export when transported among the following points in the Los Angeles Harbor Commercial Zone: Shell Oil Company Refinery, Wilmington; Texaco Oil Company Refinery, Wilmington; Long Beach Pier "C", Berth 212; Applied Industrial Materials Corporation's storage facility, Los Angeles Harbor; Koch Carbon's storage facility, Carson; Atlantic Richfield Company Refinery, Carson; Arco COC Kiln, Inc.'s facility, Wilmington; and *Mobil Oil Corporation Refinery, Torrance.</p> <p>(c) Property of the United States or property transported under agreement whereby the United States contracted for the carrier's service.</p> <p>(d) Property for which rates are provided in Minimum Rate Tariffs 17-A or 20 when said property is transported under the provisions of such tariffs.</p> <p>(e) Property transported for a displaced person when the cost thereof is borne by a public entity as provided in Section 7262 of the Government Code.</p> <p>For rates for the transportation of commodities in dump truck equipment, other than as provided in this tariff, see Minimum Rate Tariffs 17-A, 20 or other tariffs as the case may be.</p>												
80	<p style="text-align: center;">APPLICATION OF TARIFF--TERRITORIAL</p> <p>Rates in this tariff apply for transportation between all points within the State of California.</p>												
90	<p style="text-align: center;">ACCESSORIAL CHARGES</p> <p>In addition to the charges under the rates in Sections 2 and 4, and when, through no fault of the carrier, the unloading and release of carrier's equipment at destination is delayed beyond the time allowances shown herein, the following accessorial charges shall be assessed:</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="width: 10%; text-align: center;"><u>a</u></th> <th style="width: 10%; text-align: center;"><u>b</u></th> <th style="width: 10%; text-align: center;"><u>c</u></th> </tr> </thead> <tbody> <tr> <td>Charge per unit of carrier's equipment for delay beyond the time allowance shown below. Charge applies for each six (6) minutes (one-tenth of an hour) or fraction thereof.....</td> <td style="text-align: center;">251</td> <td style="text-align: center;">251</td> <td style="text-align: center;">251</td> </tr> <tr> <td>Time allowance in minutes, per unit of carrier's equipment (See Note).....</td> <td style="text-align: center;">30</td> <td style="text-align: center;">45</td> <td style="text-align: center;">30</td> </tr> </tbody> </table> <p>a. Applies when transportation is performed by truck without trailing equipment.</p> <p>b. Applies when transportation is performed by truck with transfer type trailer.</p> <p>c. Applies when transportation is performed by truck with other than transfer type pull trailers, tractors with semitrailers or tractors with semitrailers and pull trailers operating in train.</p> <p>NOTE:--In computing the time allowance under this rule, time shall commence when the carrier arrives at point of destination.</p>		<u>a</u>	<u>b</u>	<u>c</u>	Charge per unit of carrier's equipment for delay beyond the time allowance shown below. Charge applies for each six (6) minutes (one-tenth of an hour) or fraction thereof.....	251	251	251	Time allowance in minutes, per unit of carrier's equipment (See Note).....	30	45	30
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	<p>δ Change) * Addition) Decision No. SS 07 011 δ Reduction)</p>												
<p>EFFECTIVE 8-16-88</p>													
<p>ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.</p>													

Correction

SECTION 2--LIST OF COMMODITIES EXEMPT FROM RATE REGULATION (continued)

Milk, liquid (Subject to Note 6).

Motor vehicles, disabled, when towed by a tow car.

Motor vehicles when towed by a tow car, exemption applies only when said transportation is performed within the East Bay Drayage Area as described in Section 5 and within the City and County of San Francisco.

Newspapers, newspaper supplements, sections or inserts (not scrap or waste); Subject to Note 1.

Nuts, in the shell.

Nuts, field shelled.

Optical goods transported from or to wholesale houses in packages weighing 10 pounds or less; Subject to Notes 1 and 3; for San Diego Drayage Area see below.

Optical goods, as follows, when said transportation is performed within the San Diego Drayage Area described in Section 5:

Cases, eyeglass or spectacle, NOI;
Cases, eyeglass or spectacle, not covered nor lined;
Eyeglasses or spectacles, NOI;
Lenses, optical, NOI; -

1. Ground or polished;
2. Not surface ground nor polished (Lens Blanks).

Petroleum Coke for export, when transported in bulk in dump truck equipment between the following points in the Los Angeles Harbor Commercial Zone:

1. Shell Oil Company refinery, Wilmington;
2. Pier "C", Berth 212, Long Beach;
3. Storage facility of Applied Industrial Materials Corp., Los Angeles Harbor;
4. Texaco Oil Company refinery, Wilmington;
5. Storage facility of Koch Carbon, Inc., Carson;
6. Atlantic Richfield Company refinery, Carson;
7. Arco COC Kiln, Inc.'s facility, Wilmington;
- *8. Mobil Oil Corporation refinery, Torrance.

* Addition, Decision 88 07 '011

EFFECTIVE 8-16-88

Correction

ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA,
SAN FRANCISCO, CALIFORNIA.