

AUG 24 1988

Decision 88 08 038 AUG 24 1988

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of HARRISON NICHOLS)
COMPANY, LTD. for authority to)
deviate from the minimum rates,)
rules, and regulations of Minimum)
Rate Tariff No. 7-A, pursuant to)
the provisions of Section 3666 of)
the Public Utilities Code, for)
LATCHFORD GLASS COMPANY.)

Application 88-05-015
(Filed May 10, 1988)

OPINION

Harrison-Nichols Company, Ltd. (applicant) is a California corporation based in Irwindale (Los Angeles County). Its Articles of Incorporation have been filed with the Commission; and it is authorized to operate as a highway contract carrier, highway common carrier, dump truck carrier, agricultural carrier, and a cement carrier.

Applicant is requesting authority to deviate from the MRT 7-A minimum rates on the transportation of silica sand for Latchford Glass Company, from Corona Industrial Sand Company (CISCO), 20125 Temescal Canyon Road, Corona, California, to Latchford's glass plant at 7507 Roseberry Street, Los Angeles, California. The current minimum rate is \$5.98 per ton, as noted in Item 320. Applicant is proposing a rate of \$4.95 per ton for this transportation.

Applicant has hauled sand for Latchford Glass Co. since 1974. Prior hauls were picked up in Oceanside. The shipper will require approximately 35,000 tons of silica sand per year from Corona, with demand for and use of the material spread equally over the 12-month period.

The transportation will be performed using 2-axle tractors pulling dome covered gravity dump trailers (nonpneumatic). This type of equipment is the most efficient and cost effective for

this transportation. Applicant will haul a minimum of 27.50 tons per shipment. Applicant has adequate equipment to continue to provide transportation from Corona, as it previously did from Oceanside.

Loading at CISCO will be by gravity from an overhead bunker, taking approximately 15-20 minutes. The one-way distance from pickup point to destination is 55 miles. Unloading will be performed by driving over an underground hopper and releasing the load. The unloading process takes approximately 30 minutes. The loading and unloading stations are open 24 hours a day, 7 days a week, which is best for scheduling and utilization of equipment.

Applicant will not use subhaulers on the proposed transportation.

A letter of support from the shipper is attached to the application as Exhibit A. Exhibits B and C list applicant's operating cost with labor and vehicle cost per mile; Exhibit D is a revenue and expense statement based on use of the proposed rate. The proposed revenue on the round trip of 110 miles is \$136.13, resulting in a 90.25% operating ratio.

Notice of the filing of the application was given in the Commission's Daily Calendar on May 16, 1988, and copies of the application were mailed to the California Dump Truck Owners Association, Associated Independent Owner Operators, California Trucking Association, and the California Carriers Association. There have been no protests or requests for a scheduled hearing.

Since there is an immediate need for the rate relief, the following order should be made effective on the date it is signed.

Findings of Fact

1. Applicant is authorized to operate as a dump truck carrier.
2. Applicant requests authority to deviate from the minimum rates provided in MRT 7-A on the transportation of silica sand for

Latchford Glass Company, from Corona Industrial Sand Company, Corona, to Latchford's glass plant in Los Angeles.

3. The tariff rate is \$5.98 per ton; applicant proposes a rate of \$4.95 per ton.

4. Latchford Glass Company has provided a letter in support of the application.

5. The transportation will be performed with 2-axle tractors pulling dome covered gravity dump trailers. The minimum load will be 27.50 tons.

6. Applicant will be transporting about 35,000 tons of silica sand per year, with the demand spread evenly over the 12-month period.

7. Loading is from overhead bunkers and unloading is completed by depositing the load in an underground hopper. The loading and unloading facilities are open 24 hours a day, 7 days a week, which eases scheduling and provides better utilization of equipment.

8. An operating ratio of 90.25% will be realized on the proposed transportation.

9. Applicant's transportation involves unique circumstances.

10. Applicant's costs for this transportation are less than those used to set the rates in MRT 7-A.

11. The proposed rates are reasonable.

12. Under Public Utilities (PU) Code § 3666, the Commission may authorize a lesser rate than the minimum established rate for not more than one year.

13. A public hearing is not necessary.

Conclusions of Law

1. The application should be granted.

2. Under PU Code § 3666, the authority granted in the following order 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.

ORDER

IT IS ORDERED that:

1. Harrison-Nichols Company, Ltd., a California corporation, may depart from the rates in Minimum Rate Tariff 7-A by charging not less than the rates in Appendix A.

2. This authority shall expire one year after the effective date of this order.

This order is effective today.

Dated AUG 24 1988, at San Francisco, California.

STANLEY W. HULETT
President
DONALD VIAL
FREDERICK R. DUDA
G. MITCHELL WILK
JOHN B. OHANIAN
Commissioners

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



Victor Weisser, Executive Director

APPENDIX A

Carrier: Harrison Nichols Company Ltd.
Shipper: Latchford Glass Company
Commodity: Silica Sand
Origin: Cisco, Corona, California
Destination: Latchford Glass Company, Los Angeles, California
Rate: \$4.95 per ton
Minimum Weight: 27.50 tons per unit of equipment

Conditions:

1. Applicant has indicated that subhaulers will not be engaged. If subhaulers are used, they shall be paid not less than the rate provided in this appendix, without any deduction for use of carrier's trailing equipment.
2. In all other respects, the rates and rules in Minimum Rate Tariff 7-A shall apply.
3. The authority granted shall expire one year after the effective date of the decision.

(END OF APPENDIX A)