

Decision 88 12 069

DEC 19 1988

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Dalton Trucking,)
 Inc., a California corporation,)
 for authority to deviate from)
 the otherwise applicable minimum)
 rates in the transportation of)
 clay, petroleum coke and silica)
 sand.)

DEC 19 1988

Application 88-09-009
 (Filed September 6, 1988;
 amended September 21, 1988)

OPINION

Dalton Trucking, Inc. (applicant) is a California corporation located in Fontana. A certified copy of its Articles of Incorporation is in Commission Transportation File T-98,782. Applicant operates as a dump truck carrier, highway contract carrier, highway common carrier, heavy specialized carrier, certificated cement common carrier, and agricultural carrier.

Applicant is applying for authority to deviate from the minimum rates in Minimum Rate Tariff 7-A (MRT 7-A) for the transportation of clay, petroleum coke, and silica sand for Riverside Cement Company (RCC) as set forth below (in dollars and cents per ton):

- a. Commodities: Clay Products
 Movement: San Juan Capistrano to RCC
 Crestmore
 MRT 7-A Rate: \$8.24
 Deviated Rate: \$6.35
 Conditions: 24-ton minimum
 Tonnage: 10,000 tons per year (estimated)

- b. Commodities: Clay Products
 Movement: Corona to RCC Crestmore
 MRT 7-A Rate: \$3.50
 Deviated Rate: \$2.95
 Conditions: 24-ton minimum
 Tonnage: 5,000 tons per year (estimated)

- c. Commodities: Petroleum Coke
Movement: RCC Oro Grande to RCC Crestmore
MRT 7-A Rate: \$6.94
Deviated Rate: \$4.50
Conditions: 24-ton minimum
Tonnage: 5,000 tons per year (estimated)

- d. Commodities: Silica Sand
Movement: Smith Sand, Corona to RCC
Crestmore
MRT 7-A Rate: \$3.32
Deviated Rate: \$2.63
Conditions: 24-ton minimum
Tonnage: 15,000 tons per year (estimated)

- e. Commodities: Silica Sand
Movement: Smith Sand, Corona to RCC Oro
Grande
MRT 7-A Rate: \$9.08
Deviated Rate: \$5.23
Conditions: 24-ton minimum and only when in
conjunction with a secondary
movement from RCC Oro Grande to
RCC Crestmore as part of the
same continuous round-trip
movement in the same unit of
equipment.
Tonnage: 10,000 tons per year (estimated)

- f. Commodities: Clay Products
Movement: RCC San Juan Capistrano to RCC Oro
Grande
MRT 7-A Rate: \$11.21
Deviated Rate: \$9.50
Conditions: 24-ton minimum and only when in
conjunction with a secondary
movement from RCC Oro Grande to
RCC Crestmore as part of the
same continuous round-trip
movement in the same unit of
equipment.
Tonnage: 10,000 tons per year (estimated)

- g. Commodities: Clay Products
Movement: Corona to RCC Oro Grande
MRT 7-A Rate: \$7.94
Deviated Rate: \$5.55
Conditions: 24-ton minimum and only when in
conjunction with a secondary
movement from RCC Oro Grande to

RCC Crestmore as part of the same continuous round-trip movement in the same unit of equipment.

Tonnage: 5,000 tons per year (estimated)

It is estimated that applicant will be tendered the above listed tonnages per movement per 12-month period, to be divided into 8 approximately equal monthly increments, contingent upon applicant receiving deviation approval.

Applicant has included in an appendix to the application a payload figure below what it actually intends to haul per load, so the Commission can be assured a compensatory profit will be generated. The 24-ton minimum will allow the applicant to better utilize its truck and transfer trailer fleet which cannot lawfully transport the 28-ton payload possible with the bottom dump fleet.

Applicant's existing bottom dump fleet is currently adequate to perform the services needed. Applicant is currently operating 29 tractors and sets of bottom dump trailers. Applicant's bottom dump fleet operates two shifts per day and therefore has an unusually high yearly mileage per unit. This provides applicant significant cost savings and economies in both fixed and running costs making these proposed movements fully compensatory. In addition, applicant's bottom dump fleet is fully equipped with state-of-the-art on-board computer monitors which result in greater than average fuel economies and lower maintenance costs per mile.

Loading will be performed by front end loaders furnished and used without expense to applicant or by applicant's vehicle driving under a hopper with a clam feeder which is operated by the driver pulling a handle. Loading facilities are available at least 5 days per week, 24 hours per day.

Unloading is performed primarily by direct rolling discharge or by driving over a grizzly hopper which then stacks the

material in a stockpile. Unloading facilities are available at least 5 days per week, 24 hours per day.

A certified scale will be maintained by shipper for the use of applicant at no cost. In addition, applicant's bottom dump drivers are authorized as deputy weighmasters resulting in greater time efficiencies at many locations.

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 on any trip, applicant will be paid \$17.50 per hour or portion thereof.

Applicant will bill RCC daily for the tons transported. RCC will process the invoices within 7 days of receipt for payment and will normally pay the invoices within 14 days of processing.

Applicant does not intend to engage underlying carriers (subhaulers) to perform this service. However, if portions of this transportation are performed by subhaulers, such subhaulers shall be compensated at rates not less than the applied for rates.

It is alleged that the traffic is profitable, and applicant is confident of producing an efficient and low cost operation.

Appendixes attached to the application include applicant's balance sheet, profit and loss statement, and cost studies on each of the movements proposed at the deviated rates.

Copies of the application and amendment were mailed to the California Carriers Association, Associated Independent Owner Operators, California Dump Truck Owners Association, and the California Trucking Association. Notice of the filing of the application and the amendment appeared in the Commission's Daily Calendar on September 12, 1988 and September 23, 1988. There have been no protests or requests for a hearing.

Findings of Fact

1. Applicant seeks authority to assess rates less than the minimum rates set forth in MRT 7-A for the transportation of clay products from Corona or San Juan Capistrano to Crestmore or Oro Grande, petroleum coke from Oro Grande to Crestmore, and silica sand from Corona to Crestmore or Oro Grande.

2. Applicant will be transporting between 5,000 and 15,000 tons per movement, per year, with total tonnage depending on the product transported, and the origin and destination of the shipment.

3. Loading will be performed by the shipper at no cost to applicant.

4. Loading facilities are available at least 5 days a week, 24 hours per day.

5. Certified scales will be provided by the shipper at no cost to applicant.

6. Unloading is performed by direct rolling discharge or by driving over a hopper which then stacks the materials in a stockpile.

7. Unloading facilities are available at least 5 days a week, 24 hours per day.

8. A maximum time 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 on any trip, applicant will be paid \$17.50 per hour or portion thereof.

9. Cost data submitted with the application indicate that transportation at the proposed rate will be compensatory.

10. Applicant has stated that subhaulers will not be used.

11. No protests have been received.

12. A public hearing is not necessary.

13. The proposed rate is reasonable.

Conclusions of Law

1. The application should be granted to the extent set forth in the following order.
2. Since there is an immediate need for the sought relief, the effective date of this order should be today.
3. This authority should expire in one year.

ORDER

IT IS ORDERED that:

1. Dalton Trucking, Inc. is authorized to depart from the provisions of MRT 7-A to the extent set forth in Appendix A attached.
2. The authority granted shall expire one year after the effective date of this order.
3. In all other respects, the provisions of MRT 7-A shall apply.

This order is effective today.

Dated DEC 19 1988, at San Francisco, California.

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

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


Victor Weisser, Executive Director

APPENDIX A
Page 1

Carrier: Dalton Trucking, Inc.
Commodity: Clay Products
Movement: San Juan Capistrano to RCC Crestmore
Rate: \$6.35
Minimum Weight: 24 tons

Commodity: Clay Products
Movement: Corona to RCC Crestmore
Rate: \$2.95
Minimum Weight: 24 tons

Commodity: Petroleum Coke
Movement: RCC Oro Grande to RCC Crestmore
Rate: \$4.50
Minimum Weight: 24 tons

Commodity: Silica Sand
Movement: Smith Sand, Corona to RCC Crestmore
Rate: \$2.63
Minimum Weight: 24 tons

Commodity: Silica Sand
Movement: Smith Sand, Corona to RCC Oro Grande
Rate: \$5.23
Minimum Weight: 24-ton minimum and only when in conjunction with a secondary movement from RCC Oro Grande to RCC Crestmore as part of the same continuous round-trip movement in the same unit of equipment.

Commodity: Clay Products
Movement: RCC San Juan Capistrano to RCC Oro Grande
Rate: \$9.50
Minimum Weight: 24-ton minimum and only when in conjunction with a secondary movement from RCC Oro Grande to RCC Crestmore as part of the same continuous round-trip movement in the same unit of equipment.

APPENDIX A
Page 2

Commodity: Clay Products

Movement: Corona to RCC Oro Grande

Rate: \$5.55

Minimum Weight: 24-ton minimum and only when in conjunction with a secondary movement from RCC Oro Grande to RCC Crestmore as part of the same continuous round-trip movement in the same unit of equipment.

Conditions:

1. Should this transportation be performed by subhaulers, such subhaulers shall be compensated at rates not less than those named in this appendix.
2. A maximum 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 on any trip, the shipper will be charged \$17.50 per hour or portion thereof.

(END OF APPENDIX A)