

Decision 89 04 027 APR 12 1989

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 7-A, pursuant to the provisions of Section 3666 of the Public Utilities Code, for Owens-Brockway.

Mailed

APR 12 1989

Application 88-12-032
(Filed December 16, 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 under Commission file T-8757.

Applicant is requesting authority to deviate from the minimum rates in Minimum Rate Tariff (MRT) 7-A for the transportation of:

- a. Silica sand from U.S. Silica Co., 3231 Oceanside Blvd., Oceanside, CA 92054 to Owens-Brockway, 1331 E. Philadelphia St., Pomona, CA 91766 at the rate of \$6.48 per ton. A distance of 83 miles one way.
- b. Limestone from Pfizer Inc., Lucerne Valley, CA to Owens-Brockway, 1331 E. Philadelphia St., Pomona, CA 91766 at the rate of \$6.75 per ton. A distance of 82 miles one way.

The current minimum rate in MRT 7-A, Item 320 for 80 to 85 miles is \$8.38 per ton.

It is alleged that Owens-Brockway will use approximately 50,000 tons of silica sand and approximately 25,000 tons of limestone per year. The demand and use of this material should be

equally balanced over the 12-month period. Applicant expects to transport one-half of this tonnage, as Owens-Brockway plans on using two carriers for this transportation.

Loading at U.S. Silica, Oceanside and at Pfizer, Lucerne Valley is done by overhead hopper and takes approximately 15 minutes at each plant. Applicant has hauled out of both plants for a number of years and is quite familiar with their operation. Unloading at Owens-Brockway is performed by driving over an underground hopper and discharging the material into it. Unloading time is approximately 20 minutes.

Applicant will not use subhaulers in performing this transportation.

The transportation will be performed with 2-axle tractors pulling dome covered gravity dump trailers (non-pneumatic). This equipment is the most efficient and cost effective for this transportation. Applicant will haul a minimum of 27.50 tons per shipment.

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 hauling of silica sand is \$178.20 per trip, with an operating ratio of 91.94%. The limestone haul revenue is estimated as \$185.63 per trip, with an operating ratio of 87.20%.

Notice of the filing of the application was given in the Commission's Daily Calendar on December 21, 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 hearing. The Commission staff has recommended that the application be granted by ex parte order.

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 from Oceanside to Pomona, and on the transportation of limestone from Lucerne Valley to Pomona.
3. The proposed rates are \$6.48 per ton on the haul from Oceanside and \$6.75 per ton from Lucerne Valley.
4. The shipper 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 25,000 tons of silica sand and 12,000 tons of limestone per year.
7. Loading is from overhead bunkers and unloading is completed by depositing the load in an underground hopper.
8. Loading and unloading facilities are available on a daily basis.
9. Cost data submitted with the application indicate that transportation performed at the proposed rate will be compensatory.
10. The proposed rates are reasonable.
11. A public hearing is not necessary.

Conclusions of Law

1. The application should be granted.
2. Under PU Code Section 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.

O R D E R

IT IS ORDERED that:

1. Harrison Nichols Company Ltd. 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.

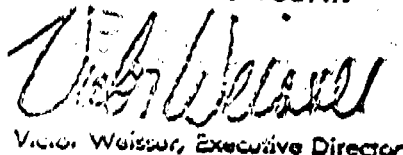
This order is effective today.

Dated APR 12 1989, at San Francisco, California.

G. MITCHELL WILK
President
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

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

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


Victor Weiss, Executive Director

APPENDIX A

Carrier: Harrison Nichols Company Ltd.

Shipper: Owens-Brockway.

Commodity: Silica Sand.

Limestone.

Origin: U.S. Silica, Oceanside.

Pfizer, Lucerne Valley.

Destination: Owens-Brockway, Pomona.

Owens-Brockway, Pomona.

Rate: \$6.48 per ton.

\$6.75 per ton.

Minimum Weight: 27.50 tons per shipment.

Conditions:

1. Transportation shall be performed exclusively by 5-axle bottom dump equipment.
2. Applicant has indicated that subhaulers will not be engaged for this transportation. If subhaulers are used they shall be paid no less than the rate authorized herein with no deduction for use of applicants trailing equipment.
3. In all other respects, the rates and rules in Minimum Rate Tariff No. 17-A shall apply.

(END OF APPENDIX A)