

Decision 89 05 005 MAY 10 1989

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
Mailed

In the Matter of the Application of )  
Iron Horse Equipment Corp., a )  
California Corporation (T-129254) )  
for authority to depart from the )  
rates, rules and regulations of )  
Minimum Rate Tariff 7-A in the )  
transportation of bulk sand for )  
the account of Gordon Sand Company )  
under provisions of Section 3666 )  
of the Public Utilities Code. )

MAY 10 1989

Application 89-01-025  
(Filed January 17, 1989)

OPINION

Iron Horse Equipment Corp. (applicant) proposes to charge less than Minimum Rate Tariff (MRT) 7-A rates for the transportation of sand in bulk in dump truck equipment from Marina to Compton for Gordon Sand Company. This authority was initially granted by Decision 86-12-077 dated December 17, 1986 in Application 86-08-002, and was renewed under the authority of SDD 106.

The proposed rate will be \$16.50 per ton, with no surcharge, and a minimum weight of 27 tons per unit of equipment. The proposed rate will only apply on transportation performed with a backhaul from Southern to Northern California, as further described in Appendix A.

Applicant is performing this transportation with Antelope Valley Trucking and Apex Bulk Commodities. The shipper (Gordon Sand Company) has provided a supporting letter dated October 18, 1988, which states that more than 10,000 tons of sand will be moved annually by the three carriers involved.

Applicant has light weight hopper-type equipment based at Adelanto, which is 113 miles from consignee's facility. The equipment has a payload capacity in excess of 28 tons and will haul sand for Gordon Sand Company only when an empty unit is in the vicinity of the point of origin (Marina).

The loading of equipment is performed at carrier's convenience by power equipment operated by the consignor. Unloading is performed at carrier's convenience 24 hours a day by the opening of the bottom discharge valve, which causes the load to drop onto the ground by the force of gravity. Experience indicates that loading and unloading will be performed within the free time allowed by MRT 7-A. Time in excess of allowed free time shall be assessed in accordance with Item 90 of MRT 7-A.

Applicant does not plan to use subhaulers, but if hired, they will be paid 100% of the deviated rate. It is alleged that the transportation will now be more profitable than at the time of the filing of the original request for a deviation, due to reduced labor costs, fuel expenses, and insurance premiums.

Applicant's balance sheet and profit and loss statement are attached to the application, along with statements of revenue and expense on the Gordon Sand Company haul combined with each of the likely backhauls. The cost studies indicate that the planned transportation will be profitable and the Transportation Division has recommended that the application be granted.

Copies of the application were mailed to the California Trucking Association, and the California Dump Truck Owners' Association. Notice of the filing of the application appeared in the Commission's Daily Calendar on January 25, 1989. 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 sand in bulk from Marina to Compton for Gordon Sand Company.

2. Applicant will participate with two other carriers in moving more than 10,000 tons of sand per year.

3. Loading and unloading are accomplished without cost to the applicant.

4. Loading is available at times convenient to applicant and vehicles are unloaded by gravity upon arrival, at any time during any day of the week.

5. If the time required for both loading and unloading exceeds the free time allowed by MRT 7-A, excess charges will be assessed according to Item 90 of MRT 7-A.

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

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

8. No protests have been received.

9. A public hearing is not necessary.

10. 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:

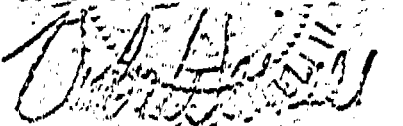
1. Iron Horse Equipment Corp. is authorized to depart from the provisions of MRT 7-A to the extent set forth in Appendix A attached.
2. The authority granted shall expire one year after the effective date of this order.
3. In all other respects, the provisions of MRT 7-A shall apply.

This order is effective today.

Dated MAY 10 1989, at San Francisco, California.

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

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

  
Victor Weissert, Executive Director

JB

APPENDIX A

Carrier: Iron Horse Equipment Corp.

Shipper: Gordon Sand Company.

Commodities: Sand, in bulk, as described in Item 30 of Minimum Rate Tariff 7-A, transported in dump truck equipment.

Rate: \$16.50 per ton.

Minimum Weight: Twenty-seven tons per load.

Origin: Marina, California.

Destination: Compton, California.

Conditions:

1. Applicant does not propose to engage subhaulers in performing the movements listed herein.
2. Multiple stop service will not apply to the movements listed herein.
3. The southbound rates named herein shall apply only in connection with northbound shipments of compatible commodities in the same unit of equipment from Trona, Argus, West End, or Boron, to a destination in Northern California, Northern California being defined as points within the Counties of Alameda, Contra Costa, Madera, Marin, Merced, Sacramento, San Joaquin, San Mateo, Santa Clara, Santa Cruz, or Stanislaus. When the northbound shipment is not over 350 miles, the revenue shall not be less than \$360 per shipment. When the northbound shipment is not over 400 miles, the revenue shall not be less than \$450 per shipment. When the northbound shipment is not over 450 miles, the revenue shall not be less than \$475 per shipment. When the northbound shipment is not over 500 miles, the revenue shall not be less than \$525 per shipment.
4. In all other respects, the provisions of Minimum Rate Tariff 7-A shall apply.

(END OF APPENDIX A)