

Decision 89 06 039 JUN 21 1989

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
George Kishida, Inc. (T-80,974), for )  
authority to depart from the rates, )  
rules and regulations of Minimum )  
Rate Tariff 7-A in the transporta- )  
tion of rock and sand, in bulk, in )  
dump truck equipment, for Owens- )  
Illinois, Inc., under provisions )  
of Section 3666 of the Public )  
Utilities Code. )

Application 89-02-001  
(Filed March 6, 1989)

OPINION

George Kishida, Inc. (applicant) is a California corporation located in Lodi, California. A copy of its Articles of Incorporation is part of Commission File T-80,974. Applicant holds a permit authorizing state-wide operation as a dump truck carrier, in addition to authority as a highway common carrier, highway contract carrier, agricultural carrier, tank truck carrier, and vacuum truck carrier.

Applicant is requesting authority to deviate from the rates in Minimum Rate Tariff 7-A (MRT 7-A) on the transportation of silica sand in bulk (described in Item 40 of MRT 7-A) from the facilities of Owens-Illinois, Inc. located at Ione, California, to O.I. Brockway at Oakland, California. The Brockway plant in Oakland is specifically identified as the O.I. Brockway plant, which is now operated by Owens-Illinois, Inc. Applicant is proposing a rate of \$8.63 per ton subject to a minimum weight of 26 tons per unit. Applicant will not apply a surcharge on this rate.

Minimum rates for this transportation are provided in Item 320 of MRT 7-A. Rates are based on a minimum weight of 24 tons per unit and vary according to the distance traveled. Distances are actually highway mileage computed in accordance with

paragraph 1 in Item 150 of MRT 7-A. The resulting charge for the transportation from Ione to the O.I. Brockway plant in Oakland, a distance of 104 miles, is approximately \$9.14 per ton. This charge includes a base rate of \$8.94 per ton plus a surcharge of 2.2%. The surcharge is provided in Supplement No. 28 to MRT 7-A.

Applicant will be transporting 20,000 tons of sand per year, or about 3 loads per day, 5 days a week. Applicant's vehicles are capable of transporting more than 27 tons per load. The shipper, who is also the consignee, has requested that 26 tons be loaded on each unit.

Applicant's trucks are dispatched from Lodi, which is within 20 miles of the Owens-Illinois pit site in Ione. Drivers transport several loads before returning to Lodi. This limits empty miles and reduces carrier costs. Other carriers are transporting sand for the shipper at less than the MRT 7-A rates. If this application is denied, the Ione-Brockway haul will be transferred to another carrier who is authorized to charge a lower rate.

Loading is accomplished with a belt-type loader in 5 minutes. The pit at Ione is available on weekdays during standard working hours. Unloading requires only 5 minutes and the facilities are available 24 hours a day. Applicant has been moving this traffic and its records show that an average round trip is completed in 5.17 or 5.25 hours, including loading, driving time, and unloading.

Appendices to the application include applicant's balance sheet and a profit and loss statement. Operating costs and projected revenue are provided on the proposed transportation, with revenue of \$224.38 based on a 5-hour cycle, and expense of \$175.27, for a net of \$49.11, and an operating ratio of 78.1%.

A supporting letter from the shipper is attached to the application.

Applicant alleges that subhaulers will not be employed to perform this transportation.

Notice of the filing of the application was given in the Commission's Daily Calendar on March 9, 1989, and copies of the application were mailed to the California Trucking Association, California Dump Truck Owners 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 Owens-Illinois in Ione to O.I. Brockway in Oakland, California.
3. The proposed rate will be \$8.63 per ton on a minimum weight of 26 tons. There will be no surcharge.
4. The shipper has provided a letter in support of the application.
5. Applicant will be transporting approximately 20,000 tons of sand per year.
6. Loading and unloading can be completed in 5 minutes and facilities for either are available on a daily basis.
7. Cost data submitted with the application indicates that transportation performed at the proposed rate will be compensatory.
8. The proposed rate is reasonable.
9. A public hearing is not necessary.

Conclusions of Law

1. The application should be granted.
2. Under Public Utilities 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. George Kishida, 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 JUN 21 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 Weisser, Executive Director  
PP

APPENDIX A

Carrier: George Kishida, Inc.

Shipper: Owens-Illinois, Inc.

Commodities: Silica sand as described in Item 40 of MRT 7-A.

Rates: \$8.63 per ton.

Minimum Weight: 26 tons per load.

Origin: Owens-Illinois site, Ione.

Destination: Owens-Illinois, Inc. plant (formerly Brockway Glass Plant), Oakland, California.

Conditions:

1. If subhaulers are used, they shall be paid not less than the rates provided in this appendix.
2. In all other respects, the provisions of MRT 7-A shall apply to this transportation.

(END OF APPENDIX A)