

Decision 89 09 085 SEP 27 1989

**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 petroleum )  
coke and sand and aggregate )  
materials on behalf of CalMat Co. )  

---

Application 89-05-033  
(Filed May 16, 1989)

OPINION

Dalton Trucking, Inc. (applicant) is a California corporation operating out of Fontana, California. A certified copy of its Articles of Incorporation is retained in Commission File No. T-98782.

Applicant operates as a dump truck carrier, highway contract carrier, highway common carrier, certificated cement common carrier, specialized heavy duty carrier, and agricultural carrier. This application is concerned with applicant's dump truck operation. More than 100 dump trucks are used by applicant in hauling throughout southern California.

This application involves the transportation of sand and aggregate materials from any one of six points of origin to the Industrial Asphalt (IA) plants in either Wilmington or Los Angeles. The trucks will then be used to backhaul petroleum coke from the greater Los Angeles Metropolitan Harbor area to the California Portland Cement Co. (CPC) plant at Colton. The rates charged for each movement will be combined as described more fully in succeeding paragraphs.

Applicant has entered negotiations with CalMat Co. (CalMat) and has developed a cooperative rate schedule between two wholly owned CalMat subsidiaries: CPC and IA.

Upon approval of this application by the Commission, applicant plans to transport sand and aggregate materials on behalf of IA from the Inland Empire and Irwindale areas to their plants in Los Angeles and Wilmington at the various rates described below in Table A. A reciprocal rate, dependant upon the "front haul" rate, would then be charged to CPC for "backhaul" movements of petroleum coke from the Texaco refinery in Wilmington and/or any petroleum coke terminal in the surrounding greater metropolitan harbor area to the CPC plant in Colton.

TABLE A

Rate Line	Origination	Destination	PUC	(A) IA Rate	(B) CPC Rate
1	CalMat "Durbin" plant	IA Los Angeles	\$2.63	\$2.44	\$5.56
2	Livingston Graham, El Monte	IA Los Angeles	2.63	2.44	5.56
3	Owl Rock, Lytle Creek	IA Los Angeles	6.07	4.00	4.00
4	CalMat, San Bernardino	IA Los Angeles	6.53	4.00	4.00
5	CalMat, "Reliance" plant	IA Los Angeles	2.81	2.53	5.47
6	CalMat, Upland	IA Los Angeles	4.42	4.00	4.00
7	CalMat "Durbin" plant	IA Wilmington	\$3.87	3.06	4.94
8	Livingston Graham, El Monte	IA Wilmington	3.87	3.06	4.94
9	Owl Rock, Lytle Creek	IA Wilmington	7.44	4.00	4.00
10	CalMat, San Bernardino	IA Wilmington	7.51	4.00	4.00
11	CalMat "Reliance" plant	IA Wilmington	4.06	3.15	4.85
12	CalMat, Upland	IA Wilmington	6.35	4.00	4.00
13	Harbor Area to CalMat Colton ONLY no Front Haul		8.32	N/A	5.75

Table Note: All rates are expressed in dollars per ton. The PUC column is the current Minimum Rate Tariff (MRT) 17-A, Item 60 rate for the front haul movement (Column A). Rate line 13 shows the MRT 7-A, Item 325 rate for the return movement. The following example demonstrates how to read Table A: The Industrial Asphalt rate for movement of sand and aggregate from CalMat Durbin to IA Los Angeles is rate #1A or \$2.44 per ton. The reciprocal rate for the movement of petroleum coke from the harbor area to CPC, Colton is rate #1B or \$5.56 per ton and is dependent and conditional upon rate #1A. Rates are only applicable when transported as part of a contiguous round trip movement in the same equipment for the same rate line.

The combination of each IA front haul rate with its respective CPC backhaul rate will equal \$8.00 for the combined movement with the exception of rate line 13 which is a one-way movement of petroleum coke from the harbor area to CPC.

Each CalMat subsidiary is to be billed independently for its movements. CalMat requires this procedure as a method of maintaining separate cost centers.

Applicant expects that the transportation will total 50,000 tons per year for Industrial Asphalt movements and another 50,000 tons per year for CPC.

Loading is to be performed by the shippers by use of overhead hoppers or front end loaders at no cost to the applicant. All loads of petroleum coke are then to be covered with form fitting tarps. Scaling facilities are located at the loading site and will be provided at no cost to the applicant. Loading facilities are available at least 5 days per week, generally 12 hours per day from 6:00 a.m. to 6:00 p.m. Unloading is performed primarily by discharge over a drive on grizzly hopper. Unloading facilities at Colton are available at least 5 days per week, 24 hours per day.

In the event of loading or unloading delays beyond a combined total of 40 minutes for any leg of these movements, applicant will charge IA or CPC at a rate of \$20 per hour or portion thereof. Charges will be assessed to whichever of the applicants caused the delay(s).

Applicant will not use subhaulers to perform this transportation.

Applicant's current fleet is adequate to perform the services required.

It is alleged that initiating the proposed service will benefit the applicant and both shippers. Cost justification is summarized in an appendix attached to the application. The cost

study indicates that transportation at the proposed rate will be compensatory.

Copies of the application were mailed to the California Carriers Association, the Associated Independent Owner Operators, the California Dump Truck Owners Association, and the California Trucking Association. The filing of the application was noted in the Commission's Transportation Calendar on May 22, 1989. There have been no protests or requests for hearing.

The Transportation Division has advised that it has reviewed the application and that it should be granted by ex parte order.

Findings of Fact

1. Applicant seeks to assess rates less than the minimum rates set forth in the MRT 7-A for the transportation of sand and aggregate materials from any one of six points of origins to the IA plants in either Wilmington or Los Angeles, and the transportation of petroleum coke as a backhaul from the greater Los Angeles Metropolitan Harbor Area to the CPC plant at Colton.

2. Applicant will be transporting 50,000 tons per year on the IA movements and 50,000 tons per year for CPC.

3. Loads will be weighed and loaded without cost to applicant. Loading can be completed on 5 days of the week, over a 12-hour period. All loads of petroleum coke will be covered by form-fitting tarpaulins prior to being dispatched.

4. Unloading is performed by gravity and facilities are available at least 5 days per week and 24 hours per day.

5. If there are loading or unloading delays beyond a combined total of 40 minutes, applicant will charge IA or CPC at a rate of \$20 per hour or portion thereof. Charges will be assessed to whichever of the shippers caused the delay.

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

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

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 the order should be today.
3. Since transportation conditions may change, 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 unless sooner canceled or extended by order of this Commission.
3. In all other respects, the provisions of MRT 7-A shall apply.

This order is effective today.

Dated SEP 27 1989, at San Francisco, California.

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

*Wesley Franklin*

WESLEY FRANKLIN, Acting Executive Director

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

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

APPENDIX A  
Page 1

Carrier: Dalton Trucking, Inc.

Commodity: Sand and aggregate materials.

Transportation:

Group A

These movements have a destination of Industrial Asphalt's plant at 2715 East Washington Blvd., Los Angeles, CA.

Movement A1	Origin:	CalMat-Durbin
	Proposed Rate:	\$2.44/ton
Movement A2	Origin:	Livingston Graham/El Monte
	Proposed Rate:	\$2.44/ton
Movement A3	Origin:	Owl Rock/Lytle Creek
	Proposed Rate:	\$4.00/ton
Movement A4	Origin:	CalMat/San Bernardino
	Proposed Rate:	\$4.00/ton
Movement A5	Origin:	CalMat/Reliance
	Proposed Rate:	\$2.53/ton
Movement A6	Origin:	CalMat/Upland
	Proposed Rate:	\$4.00/ton

Group B

These movements have a destination of Industrial Asphalt's plant at 1601 N. Alameda Street, Wilmington, CA.

Movement B1	Origin:	CalMat-Durbin
	Proposed Rate:	\$3.06/ton
Movement B2	Origin:	Livingston Graham/El Monte
	Proposed Rate:	\$3.06/ton
Movement B3	Origin:	Owl Rock/Lytle Creek
	Proposed Rate:	\$4.00/ton
Movement B4	Origin:	CalMat/San Bernardino
	Proposed Rate:	\$4.00/ton

APPENDIX A  
Page 2

Movement B5	Origin:	CalMat/Reliance
	Proposed Rate:	\$3.15/ton
Movement B6	Origin:	CalMat/Upland
	Proposed Rate:	\$4.00/ton

Minimum Weight: 24 tons.

Conditions:

1. These rates will be effective only when the transportation covered is combined with a contiguous backhaul movement of petroleum coke from the Texaco refinery at 2160 East Sepulveda Blvd., Wilmington, and/or any petroleum coke terminal in the surrounding greater metropolitan harbor areas to CalMat in Colton.
2. Should this transportation be performed by subhaulers, such subhaulers shall be compensated at rates not less than those named in this appendix.
3. A maximum of 40 minutes will be allowed for loading and unloading combined. If it requires more than 40 minutes, applicant will charge either IA or CPC at a rate of \$20.00 per hour or portion thereof. Charges will be assessed to whoever caused the delay.

APPENDIX A  
Page 3

The rates to be charged for the transportation of petroleum coke are lower than the applicable rates listed in Item 325 of MRT 7-A. The proposed movements and rates are therefore listed as follows:

Commodities: Petroleum coke.

Movement: Texaco refinery, Wilmington to California Portland Cement Co., Colton.

Rate #1: \$4.00/ton

Condition: Rate is effective only when performed as part of a contiguous round trip movement of sand and aggregate materials for Industrial Asphalt as follows:

Owl Rock, Lytle Creek to Los Angeles  
Owl Rock, Lytle Creek to Wilmington  
CalMat, San Bernardino to Los Angeles  
CalMat, San Bernardino to Wilmington  
CalMat, Upland to Los Angeles  
CalMat, Upland to Wilmington

Rate #2: \$5.56/ton

Rate is effective only when performed as part of a contiguous round trip movement of sand and aggregate materials for Industrial Asphalt as follows:

CalMat, Durbin to Los Angeles  
Livingston Graham, El Monte to Los Angeles

Rate #3: \$4.94/ton

Condition: Rate is effective only when performed as part of a contiguous round trip movement of sand and aggregate materials for Industrial Asphalt as follows:

CalMat, Durbin to Wilmington  
Livingston Graham, El Monte to Wilmington

Rate #4: \$5.47/ton



APPENDIX A  
Page 4

Condition: Rate is effective only when performed as part of a contiguous round trip movement of sand and aggregate materials for industrial Asphalt as follows:

CalMat, Reliance to Los Angeles

Rate #5: \$4.85/ton

Condition: Rate is effective only when performed as part of a contiguous round trip movement of sand and aggregate materials for Industrial Asphalt as follows:

CalMat, Reliance to Wilmington

(END OF APPENDIX A)