

Decision 82 12 036

DEC 1 1982

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of V. C. BRITTON CO.)
for Authority to haul limestone)
for the Monarch Quarries at a)
rate less than the minimum rate)
tariff under Sections 3666 and)
5195 of the Public Utility Code.)

Application 82-08-48
(Filed August 23, 1982)

OPINION AND ORDER

V. C. Britton Co. (Britton), a corporation, requests authority to assess less than the minimum rates in Minimum Rate Tariff (MRT) 14-A for the transportation of bulk crushed feed grade limestone for Monarch Quarries from Cantil to certain destinations.

The rates per 100 pounds proposed by Britton from Cantil are: (1) 45¢ to Kingsburg, Fresno, and Madera, and (2) 65¢ to Ceres and Livingstone. The MRT 14-A rates for this transportation range from 66¢ to \$1 per 100 pounds. Both the proposed and MRT 14-A rates are subject to a minimum weight of 52,000 pounds.

According to the cost data furnished with the application, the total estimated cost for providing the proposed transportation is 67.8¢ per 100 pounds. This is broken down as follows: 13.6¢ for labor, 8¢ for repairs, 18.5¢ for fuel, and 25¢ for indirect cost. No fixed vehicle cost or vehicle running costs, other than repairs and fuel, are included in the calculation. Even with these infirmities, the total cost shown exceeds the proposed rates.

Public Utilities Code § 3666 requires a finding by the Commission that proposed rates less than minimum rates are reasonable.

Without such a finding, the authority requested by Britton cannot be granted. Here, the estimated cost of providing the service exceeds the revenue that would result from the proposed rates. Since it has not been established that the proposed rates are compensatory, a finding of reasonableness cannot be made.

The application does state that Britton will provide some wheat transportation to Los Angeles for its separate farming company and that it will attempt to obtain additional hauling to the Los Angeles area. It asserts that this will add to the revenue it would earn from the proposed hauls. However, it is only in connection with the round-trip type of transportation that revenue from other transportation is considered in rate deviation requests. Also, the Commission has consistently held that for such round-trip type transportation (1) the total operation must be profitable, (2) the combined traffic must be assured, and (3) the hauls must be so closely related as to constitute an integrated operation. Other than the assertion that Britton will transport some wheat to Los Angeles, the application does not establish any of this.

The Commission's Transportation Division staff has advised that the application does not support the requested rate relief.

We find that it has not been established that the proposed rates are reasonable and conclude that the application should be denied.

IT IS ORDERED that Application 82-08-48 is denied.

This order becomes effective 30 days from today.

Dated DEC 1 1982, at San Francisco,
California.

JOHN E. BRYSON

President

RICHARD D. GRAVELLE

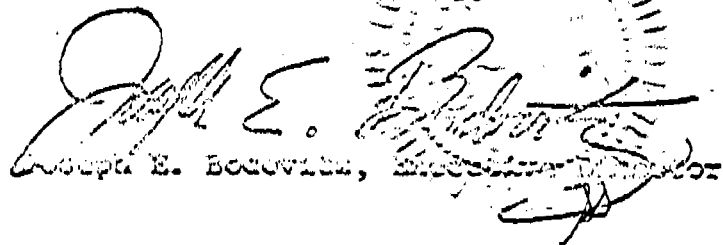
LEONARD M. GRIMES, JR.

VICTOR CALVO

PRISCILLA C. GREW

Commissioners

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


Joseph E. Borovick, Secretary