

Decision 83 06 024

JUN 1 1983

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of J. C. McClinton)
 Trucking Co., a corporation, for)
 authority to deviate from the)
 otherwise applicable minimum)
 rates in the transportation of)
 Sand.)

Application 82-11-55
 (Filed November 29, 1982;
 amended March 14, 1983)

Application of J. C. McClinton)
 Trucking Co., a California corpo-)
 ration, for authority to deviate)
 from the otherwise applicable)
 minimum rates in the transporta-)
 tion of Sand for the account of)
 Hordis Brothers, Inc. pursuant)
 to Section 3666 of the California)
 Public Utilities Code.)

Application 83-04-02
 (Filed April 1, 1983)

O P I N I O N

J. C. McClinton Trucking Co. (McClinton), a corporation, requests authority to assess less than the minimum rates in Minimum Rate Tariff (MRT) 7-A for the transportation of bulk sand in dump truck equipment from the plant of Crystal Silica Co. at Oceanside as follows:

1. In Application (A.) 82-11-55, as amended, to the plant of Brockway Glass Company Inc. (Brockway) at Pomona, a distance of 81 miles, for Brockway.
2. In A.83-04-02, to the plant of Hordis Brothers, Inc. (Hordis) at Fullerton, a distance of 59 miles, for Hordis.

The proposed rate and MRT 7-A rate, including surcharge, for the Brockway haul are \$6.67 and \$8.50, respectively, per ton and for the Hordis haul are \$5.50 and \$6.36, respectively, per ton. The minimum weight per shipment for both proposed rates is 26 tons and for both minimum rates is 24 tons.

Following is a summary of the information furnished in the two matters:

1. McClinton holds highway common carrier, highway contract carrier, and dump truck carrier operating authorities. It has an office and terminal at Oceanside.
2. McClinton has handled the traffic in issue for Brockway for the past three years and for Hordis for the past eight years. Support letters from Brockway and from Hordis are attached to the respective applications.
3. Tractors with sets of bottom dump trailers are used for the transportation. Loading is by the consignor and is by gravity from an overhead hopper. Unloading at both destinations is by gravity by opening the bottom gates of the trailers. The total time for both is approximately 45 minutes for the Brockway haul and 25 minutes for the Hordis haul.
4. If the proposed rates are authorized, the anticipated number of loads are six to eight per day on a five-day per week basis for the Brockway haul and eight to nine per week for the Hordis haul.
5. McClinton does not anticipate using subhaulers for the proposed transportation.
6. The transportation in issue is desirable. Both hauls are efficient and low-cost operations. The proposed rates will return a reasonable measure of profit.

The revenue and cost data for the proposed Brockway haul are based on a 162-mile round trip, loaded to Brockway and empty return. According to this information, the revenue for this sand haul at the proposed rate would be \$173.42, the total cost for the round trip would be \$127.42, the operating income would be \$46.00 and the operating ratio would be 73.47%.

The revenue and cost data for the proposed Hordis haul are based on a 118-mile round trip, loaded to Hordis and empty return.

According to this information, the revenue for this sand haul at the proposed rate would be \$143.00, the total cost for the round trip would be \$90.48, the operating income would be \$52.52, and the operating ratio would be 63.26%.

As of June 30, 1982, McClinton had assets of \$374,369, liabilities of \$141,188, and a net worth of \$233,181. For the year ended June 30, 1982, it had a total income of \$1,563,464, total expenses of \$1,552,944, and net earnings of \$10,520. Because of investment credits, no federal income tax was due on the earnings.

A.82-11-55 and the amendment to it were listed on the Commission's Daily Calendars of December 3, 1982 and March 17, 1983, respectively, and on its Daily Transportation Calendars of December 3, 1982 and March 18, 1983, respectively. A.83-04-02 was listed on the Commission's Daily Calendar of April 5, 1983 and its Daily Transportation Calendar of April 6, 1983. Copies of each filing were served on the California Trucking Association and the California Dump Truck Owners Association (CDTOA). A formal protest by CDTOA to A.82-11-55 has been withdrawn. There were no other protests to either matter.

We believe that the proposed rates should be authorized. Since there is an immediate need for the relief, the following order should be made effective on the date it is signed.

Findings of Fact

1. The transportation in issue involves unique circumstances.
2. McClinton's costs for this transportation are less than those used to set the rates in MRT 7-A.
3. McClinton does not intend to use subhaulers for the proposed hauls.
4. The proposed rates are compensatory.
5. The proposed rates are reasonable.
6. A public hearing is not necessary.

Conclusions of Law

1. A.82-11-55, as amended, and A.83-04-02 should be granted as set forth in the following order.

2. Since transportation conditions may change, this authority should expire in one year.

3. This order should be effective on the date signed because there is an immediate need for rate relief.

4. Any subhaulers used shall be paid no less than the rates authorized without any deductions.

O R D E R

IT IS ORDERED that:

1. J. C. McClinton Trucking Co., a corporation, may depart from the rates in MRT 7-A by charging not less than the rates in Appendixes A and B.

2. This authority shall expire one year after the effective date of this order unless sooner canceled or extended by order of the Commission.

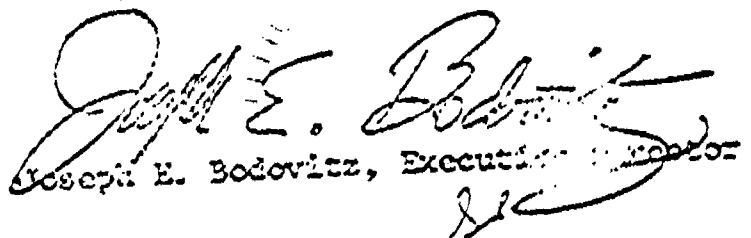
This order is effective today.

Dated JUN 1 1983, at San Francisco, California.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
Commissioners

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


Joseph E. Bodovitz, Executive Director

APPENDIX A

Carrier: J. C. McClinton Trucking Co., a corporation.

Commodity: Sand in bulk.

Origin: Crystal Silica Co., Oceanside.

Destination: Brockway Glass Company, Pomona.

Rate: \$6.67 per ton.

Minimum Weight: 26 tons.

Conditions:

1. Any subhaulers used shall be paid no less than the rate authorized without any deductions.
2. In all other respects, the rates and rules in MRT 7-A apply.

(END OF APPENDIX A)

APPENDIX B

Carrier: J. C. McClinton Trucking Co., a corporation.

Commodity: Sand in bulk.

Origin: Crystal Silica Co., Oceanside.

Destination: Hordis Brothers, Inc., Fullerton.

Rate: \$5.50 per ton.

Minimum Weight: 26 tons.

Conditions:

1. Any subhaulers used shall be paid no less than the rate authorized without any deductions.
2. In all other respects, the rates and rules in MRT 7-A apply.

(END OF APPENDIX B)

Following is a summary of the information furnished in the two matters:

1. McClinton holds highway common carrier, highway contract carrier, and dump truck carrier operating authorities. It has an office and terminal at Oceanside.
2. McClinton has handled the traffic in issue for Brockway for the past three years and for Hordis for the past eight years. Support letters from Brockway and from Hordis are attached to the respective applications.
3. Tractors with sets of bottom dump trailers are used for the transportation. Loading is by the consignor and is by gravity from an overhead hopper. Unloading at both destinations is by gravity by opening the bottom gates of the trailers. The total time for both is approximately 45 minutes for the Brockway haul and 25 minutes for the Hordis haul.
4. If the proposed rates are authorized, the anticipated number of loads are six to eight per day on a five-day per week basis for the Brockway haul and eight to nine per week for the Hordis haul.
5. McClinton does not anticipate using subhaulers for the proposed transportation. SS
6. The transportation in issue is desirable. Both hauls are efficient and low-cost operations. The proposed rates will return a reasonable measure of profit.

The revenue and cost data for the proposed Brockway haul are based on a 162-mile round trip, loaded to Brockway and empty return. According to this information, the revenue for this sand haul at the proposed rate would be \$173.42, the total cost for the round trip would be \$127.42, the operating income would be \$46.00 and the operating ratio would be 73.47%.

The revenue and cost data for the proposed Hordis haul are based on a 118-mile round trip, loaded to Hordis and empty return.