

Decision 83 11 024 NOV 2 - 1983

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of HARRISON-NICHOLS)
 COMPANY LTD. for authority to)
 deviate from the minimum rates,)
 rules and regulations of Minimum)
 Rate Tariff No. 7-A, pursuant to)
 the provisions of Section 3666 of)
 the Public Utilities Code, for)
 KERR GLASS MANUFACTURING)
 CORPORATION.)

Application 83-07-07
(Filed July 5, 1983)

O P I N I O N

Harrison-Nichols Company Ltd., a California corporation, holds a dump truck carrier permit which authorizes the transportation of commodities, in bulk, in dump truck equipment.

By this application, authority is requested to deviate from the rate in Minimum Rate Tariff 7-A (MRT 7-A) for the transportation of silica sand from Crystal Silica Company, Oceanside, to Kerr Glass Manufacturing Corporation (Kerr) at Santa Ana. The present rate in MRT 7-A for the transportation is \$5.34 per ton, minimum weight 24 tons. Applicant proposes to charge \$4.35 per ton, with a minimum weight of 27.5 tons.

Kerr is a manufacturer of glass bottles and jars. Its plant is in operation 24 hours a day, 7 days a week. This operation requires constant and reliable deliveries of raw materials used in the production of glass.

Applicant states that this transportation is unique as to the hours and days it can be performed, regardless of weather conditions or the time of year. The proposed transportation of silica sand will be available to applicant 24 hours per day, 7 days per week, approximately 353 days per year. Applicant can maintain maximum use of its equipment for this operation, which justifies the reduced rate.

Applicant will use 2-axle tractors pulling dome covered bottom dump trailers and will haul a minimum load of 27.5 tons, with an average load of 28 tons.

Applicant's equipment will be loaded by overhead hopper by employees of Crystal Silica Company at Oceanside. The loading time is approximately 15 minutes.

The unloading at Kerr's plant takes approximately 30 minutes. The equipment is placed over an underground hopper, where the driver will open the gates on the trailers and discharge the silica sand which is then conveyed to storage bunkers. The loading and dumping facilities are both available 24 hours a day, 7 days a week.

Appendices A and B attached to the application set out in detail applicant's costs of operation and the rate formula used by Commission staff in developing dump truck rates. The costs are developed to show (1) the cost per ton mile, (2) the cost per ton minute, and (3) a combination of the terminal end and non-revenue cost per ton. Applicant estimates that an operating ratio of 91% for each round trip would be fair and reasonable.

Attached to the application is a letter of support from Kerr.

The application was listed on the Commission's Daily Calendar of July 11, 1983. No objection to the granting of the application has been received.

The proposal is not a major action significantly affecting energy efficiency within the meaning of Public Utilities Code (PU) Sections 3502.1 and 3502.2.

Since there is an immediate need for the rate relief, the following order should be made effective on the date it is signed.

Findings of Fact

1. Applicant is authorized to operate as a dump truck carrier.
2. Applicant requests authority to deviate from the minimum rate provided in MRT 7-A for the transportation of silica sand from Crystal Silica Company at Oceanside to Kerr at Santa Ana.

3. Current MRT 7-A rate for this transportation is \$5.34 per ton, minimum weight 24 tons.
4. Applicant proposes to assess a rate of \$4.35 per ton with minimum weight 27.5 tons for this transportation.
5. Kerr operates 24 hours a day, 7 days a week.
6. Deliveries must be made to Kerr on a timely basis to ensure continued operation of its glass plant.
7. Kerr supports the application.
8. The loading and unloading of silica sand will be by mechanical means with minimum assistance by driver.
9. The rate formula used by applicant is the same as used by Commission staff for the development of dump truck rates.
10. An operating ratio of 91% for the transportation will result at the proposed rate.
11. Applicant's transportation involves unique circumstances.
12. Applicant's costs for this transportation are less than those used to set the rates in MRT 7-A.
13. The proposed rate is reasonable.
14. The following order has no reasonable foreseeable impact upon the energy efficiency of highway carriers.
15. A public hearing is not necessary.

Conclusions of Law

1. The application should be granted.
2. This order should be made effective on the date signed because there is an immediate need for rate relief.

O R D E R

IT IS ORDERED that:

1. Harrison-Nichols Company Ltd., a California corporation, may depart from the rates in Minimum Rate Tariff 7-A by charging not less than the rate in Appendix A.
2. This authority shall expire one year after the effective date of this order.

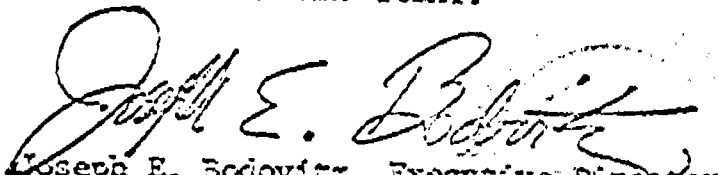
This order is effective today.

Dated NOV 2 1983, at San Francisco, California.

LEONARD M. GRIMES, JR.
President
VICTOR CALVO
PRISCILLA C. CREW
WILLIAM T. BAGLEY
Commissioners

Commissioner Donald Vial, being necessarily absent, did not participate.

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


Joseph E. Bodovitz, Executive Director

APPENDIX A

Carrier: Harrison-Nichols Company Ltd.

Commodity: Silica sand in bulk

Rate: \$4.35 per ton

Minimum Weight: 27.5 tons in 2-axle tractor pulling dome covered bottom dump trailers

From: Crystal Silica Company, Oceanside

To: Kerr Glass Manufacturing Corporation, Santa Ana

Conditions:

1. Carrier has indicated that subhaulers will not be engaged. Therefore, if subhaulers are employed, they shall be paid not less than the rate authorized without any deduction for use of carrier's trailing equipment.
2. In all other respects, the rates and rules in Minimum Rate Tariff 7-A shall apply.

(END OF APPENDIX A)