

Decision No. 88487 FEB 7 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION STATE OF CALIFORNIA

In the Matter of Application)
of George Lange Trucking, Inc.)
Pursuant to Public Utilities)
Code Section 3666, For Authority)
to Depart from Minimum Rate)
Tariff 15 in the Transportation)
of Wine for Paul Masson Vineyards)
from Saratoga to San Jose)

Application No. 57746
(Filed December 16, 1977)

OPINION AND ORDER

By this application, George Lange Trucking, Inc. (Lange), a California corporation, requests authority to deviate from the provisions of Minimum Rate Tariff 2 in connection with the transportation of wine from Saratoga to San Jose for Paul Masson Vineyards.

Applicant states that it has been serving the involved shipper for a number of years. As this transportation involves regular and consistent movements, certain procedures have been established which have resulted in efficiencies and economies not generally present in the usual transportation performed by other carriers. Such efficiencies and economies are derived by less waiting time involved at origin and destination and better loading and unloading methods.

According to applicant this transportation involves the shuttle of wine from the Paul Masson bottling plant in Saratoga to that company's aging cellars located in San Jose, a distance of 11 miles from the bottling plant. Paul Masson stages shipment on skid sheets which lie on mechanically operated rollers installed at its bottling plant loading dock. Specially designed trailers equipped with power operated rollers are furnished by the shipper at no expense to applicant. By using this automated dock and trailing equipment, staged shipments of 900 or more cases are rolled as a single unit onto the trailer and loading is accomplished within 3 to 5 minutes of the time the trailer is backed up to the dock. The reverse procedure is used for unloading at San Jose.

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The applicant says that he has been informed that Paul Masson intends to ship 5,400,000 cases of wine between the involved points during 1978.

The applicant avers that it has transported the involved traffic for a period of 10 years pursuant to the monthly vehicle unit rates provided in Minimum Rate Tariff 15. Lange has employed three power units in this service, operating all three on an 8-hour day shift and one on an 8-hour night shift. This mode of operation would continue if this application is granted. Applicant further states that experience indicates that each truck averages six round trips per shift.

Applicant contends that because of the large volume of freight there is fast loading and unloading, quick equipment turn around time, and the fact that the distance from origin to destination is traveled primarily on freeways, the applicant can transport the considered traffic profitably at rates less than the otherwise applicable commission minimum rates.

Applicant has been informed that at the present rates, Paul Masson is not receiving an adequate return on the substantial investment it made three years ago in power assisted dock and trailing equipment. Paul Masson has expressed to applicant its intention to resort to proprietary carriage unless the relief here requested is granted. Paul Masson desires that rates be based on a per-case unit of measurement because its marketing and budgeting is based on per-case costs. This results in a reduction of about 20% from the current rates.

The application was listed on the Commission's Daily Calendar of December 20, 1977. No objection to the granting of the application has been received.

Revenue and expense data submitted in the application are sufficient to determine that the transportation involved may reasonably be expected to be profitable under the proposed rates.

The Commission concludes that the application should be granted as set forth in the ensuing order and the effective date of this order should be the date hereof because there is an immediate need for this rate relief.

IT IS ORDERED that:

1. George Lange Trucking, Inc., a corporation, is authorized to perform the transportation shown in Appendix A attached hereto and by this reference made a part hereof at not less than the rates set forth therein.

2. The authority granted herein shall expire one year after the effective date of this order unless sooner cancelled, modified or extended by further order of the Commission.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 7th
day of FEBRUARY, 1978.

Robert Batzianich

President

William Lyons J.

Vernon L. Strigens

Charles D. Chandler

Clarence T. Deliaich

Commissioners

APPENDIX A

Carrier: George Lange Trucking, Inc.
Shipper: Paul Masson Vineyards
Origin: Paul Masson Vineyards
Bottling Plant, 13150 Saratoga Avenue
Saratoga
Destination: Paul Masson Vineyards
Aging Cellars - 915 Story Road
San Jose
Commodity: Wine
Rate in Cents Per Case: 4.1
Minimum Load: 900 cases per unit of equipment consisting of
a tractor and trailer. (Approximately 34,200 pounds)

Conditions:

1. Applies only in connection with straight shipments of wine transported in shipper owned trailers equipped with power operated cargo rollers furnished by the shipper at no expense to the carrier.
2. Shipments shall be mechanically loaded by shipper and unloaded by consignee without assistance of, or expense to, the carrier.
3. Rates shall include an allowance of twenty minutes for loading and twenty minutes for unloading. For delays in excess of the time allowance the charges shall be assessed for each period or fraction thereof as follows:

Charge in Cents
For each 15 minutes or fraction
375

4. Applicant has not indicated that subhaulers will be engaged nor have any costs of subhaulers been submitted. Therefore, if subhaulers are employed they shall be paid not less than the rates authorized herein without any deduction for use of trailing equipment.
5. Except as otherwise provided herein, the rules and regulations of Minimum Rate Tariff 2 shall govern, except that surcharge provisions shall not apply.

(END OF APPENDIX A)