

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of George Kishida,)
 Inc., a California corporation,)
 for authority to depart from the)
 rates, rules and regulations of)
 Minimum Rate Tariff 2 pursuant)
 to the provisions of Section 3666)
 of the Public Utilities Code, for)
 the transportation of ground)
 silica sand from Johns-Manville,)
 Stockton, California to Johns-)
 Manville, Pittsburg, California.)

Application No. 58533
 (Filed December 18, 1978)

OPINION AND ORDER

By this application, George Kishida, Inc., a California corporation, requests authority to deviate from the provisions of Minimum Rate Tariff 2 in connection with the transportation of ground silica sand for Johns-Manville from Stockton to Pittsburg.¹

The applicant has developed a loaded round-trip operation for Johns-Manville. The movements are from Byron to Stockton and Stockton to Pittsburg. The applicant requests a rate deviation on the Stockton to Pittsburg traffic. Applicant proposes a rate of \$3.50 per ton subject to a minimum weight of 55,000 pounds per unit of equipment. The rate on the movement of unprocessed silica sand between Byron and Stockton is \$2.13 per ton minimum weight 24 tons (MRT 7-A).

The application was listed on the Commission's Daily Calendar of December 24, 1978.

A formal protest to the granting of the application has been received from the California Carriers Association (CCA). CCA alleges that the application errs in estimating time spent in loading and unloading operations. Also, fuel consumption has been understated.

¹The unloading and elevation of the ground silica sand at Pittsburg is accomplished by the use of pneumatic equipment supplied by the consignee. This usage of pneumatic equipment excludes the subject transportation from MRT 7-A.

Staff analysis of these allegations may result in the following cost increases:

- (1) Increase in loading time of approximately 15 minutes -
Labor/equipment = \$18.93 per hour - 15 min. = \$4.73
 - (2) Increase in unloading time of approximately 15 minutes -
Labor/equipment = \$18.93 per hour - 15 min. = \$4.73
 - (3) Increase in fuel consumption -
@4.5 miles per gallon = 4.70 gallons x .519 = \$ 2.44
- Total cost increase per trip = \$11.90

From Exhibit A, Page 1 of the application:

Applicant's net revenue based on two (2) trips per day for this transportation is shown to be \$38.58 with an 80 operating ratio. After deducting \$23.80, the alleged additional expense (2 trips) detailed above, the staff projects a net revenue of \$14.78 with an operating ratio of 92 for this segment of the traffic.

Further, Paragraph XII of the application describes a movement for the same shipper which is transported during the "empty cycle" of the traffic which is the subject of this application. This transportation is between Byron and Stockton and is rateable under Minimum Rate Tariff 7-A. The additional revenue for the "empty cycle" is approximately \$117.15 (2 trips). This should increase the applicant's projected net revenue to approximately \$113.00 for the two (2) complete trips.

Revenue and expense data submitted by the applicant indicate that the transportation may reasonably be expected to be profitable under the proposed rate. The order which follows will provide for the reduction, as requested, based on loaded two-way movements.

In the circumstances, the Commission finds that the proposal is reasonable. The formal protest filed by the California Carriers Association may be valid as to the applicant's understatement of operating times and costs, but the measure of understatement

is a moot point when the total per trip movement for Johns-Manville is considered. Therefore, a public hearing is not necessary. The Commission concludes that the application should be granted as set forth in the ensuing order. Because there is an immediate need for this rate relief, the effective date of this order should be the date hereof.

IT IS ORDERED that:

1. George Kishida, 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 27th
day of FEBRUARY, 1979.

John E. Bryan
President
George L. Sturgeon
Richard D. Brock
Philip J. Friedrich
Edward J. Harris
Commissioners

APPENDIX A

George Kishida, Inc., a corporation, is authorized to transport ground silica sand from Stockton to Pittsburg for Johns-Manville at a rate of \$3.50 per ton subject to a minimum weight of 55,000 pounds (27½ tons) subject to the following conditions:

1. Applicant has submitted cost data for subhaulers who will be engaged in the traffic. If the following subhaulers are employed they shall be paid the rate authorized herein computed in accordance with the provisions set forth in Items 126 and 210 of Minimum Rate Tariff 7-A.

T-110,604	Gary Grimes	T- 93,636	Mickey Shirakawa
T- 97,007	Albert Berchtold	T- 93,641	Jim Yamauchi
T-123,308	John C. Boggs	T- 93,642	Wesley Lawce
T- 54,012	Ramon Gonzalez	T- 81,692	Bill Yamada
T- 94,417	Gene Pate	T-122,362	Adrian Polk
T- 82,318	Louis J. Rivera	T- 97,574	Kenneth Cossins
T-123,427	Jerry M. Silva	T-117,674	Ramon B. Gonzalez, Jr.
T- 93,627	Donald Hieb	T-124,178	Chatin B. Soule
T-123,428	Walter C. Webb	T-118,685	Eugene Quarton
T- 93,630	Tom Kirui	T-119,697	Joe Utz
T- 93,629	Fred H. Kaida		

2. If any other subhaulers are employed, they shall be paid not less than the rates authorized herein without any deduction for use of applicant's trailing equipment.

3. The rate authorized herein shall not apply unless the carrier's unit of equipment utilized in the above transportation is tendered a movement from Byron to Stockton for each movement from Stockton to Pittsburg.

4. In all other respects, the rates and rules set forth in Minimum Rate Tariff 2 shall apply.

(END OF APPENDIX A)