

HEC/FS

Decision No. 90811 SEP 12 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application)
of Les Calkins Trucking, Inc. for)
the authority, pursuant to the)
provision of Section 3666 of the)
Public Utilities Code, to depart)
from the minimum rates, rules)
and regulations of Minimum Rate)
Tariff 2.)

Application No. 59061
(Filed August 10, 1979)

OPINION AND ORDER

By this application, Les Calkins Trucking, Inc., a corporation, requests authority to deviate from the provisions of Minimum Rate Tariff 2 in connection with the transportation of fly ash and pozzolan for Lassenite Industries, Inc. and Pozzolanic Northwest, Inc. between points in California north of San Luis Obispo, Kern and San Bernardino Counties.

Fly ash and pozzolan are utilized in cement production. Both products have properties that can be mixed with cement allowing manufacturers to increase their outputs. Cement manufactured using these products has been favored on some construction projects because of the slower drying time of the concrete and its being less likely to crack. The cost of fly ash and pozzolan is 50 to 55 percent less than the cost of cement. Use of fly ash and pozzolan as partial substitutes for cement has enabled cost savings in raw materials.

Pozzolan is mined near Hallelujah Junction and Orcutt. Fly ash comes from out-of-state points to rail heads in California, where it is unloaded. Transportation of cement, fly ash and pozzolan must be performed in covered hopper-type units to protect these materials from being blown out while enroute to destination. At destination unloading is accomplished either by pneumatic equipment forcing or blowing the commodities from the trailer to storage facilities or by bottom dumping from hopper-type units.

Applicant has been engaged in the transportation of bulk commodities and possesses the necessary equipment to perform the proposed transportation. Exhibits have been prepared detailing costs developed from applicant's actual operations conducted in the transportation of bulk cement. A table of proposed rates for varying distances travelled has been constructed based upon this cement transportation experience.^{1/} Applicant projects an operating ratio of 91.6 for the traffic under the proposed rates. Shippers supporting the application estimate that 20,000 tons of these materials will be required by the cement producers.

Revenue and expense data submitted by applicant are sufficient to indicate that the transportation involved may reasonably be expected to be profitable under the proposed rates.

^{1/} The minimum rates, including the applicable surcharges, and the proposed rates in cents per 100 pounds for representative shipments of fly ash and pozzolan between various points in Northern California are:

<u>Miles</u>		<u>Present Rates</u> <u>Minimum Weight</u> <u>50,000 Pounds</u>		<u>Proposed Rates</u> <u>Minimum Weight</u> <u>50,000 Pounds</u>
<u>Over</u>	<u>But Not Over</u>	<u>Class 35.3</u> <u>Pozzolan</u>	<u>Class 35</u> <u>Fly Ash</u>	
0	5	42	51	15.5
45	50	57	76	28.75
90	100	71	90	46.0
140	150	82	110	63.75
220	240	105	139	95.25

The application was listed on the Commission's Daily Calendar of August 14, 1979. No objection to the granting of the application has been received.

Similar authority has been granted in the past to Universal Transport System, Inc., Decision 87382, dated May 24, 1977, in Application 56953 and to Miles & Sons Trucking Service, Inc., Decision 88155, dated November 29, 1977, in Application 57604.

In the circumstances, the Commission finds that applicant's proposal is reasonable. A public hearing is not necessary. The Commission concludes that the application should be granted to the extent 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. Les Calkins 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 SEP 12 1979, at San Francisco, California.

John E. Byrne
President
Charles D. ...
James M. ...
Commissioners

APPENDIX A

Carrier: Les Calkins Trucking, Inc.

Commodity: Fly Ash and Pozzolan in Bulk

For: Lassenite Industries, Inc. and Pozzolanic Northwest, Inc.

Between: Points in California North of San Luis Obispo, Kern,
and San Bernardino Counties.

Minimum
Weight: 50,000 pounds

RATES IN CENTS PER 100 POUNDS

<u>Miles</u>	<u>Rate</u>	<u>Miles</u>	<u>Rate</u>
0 - 5	15.5	90 - 100	46.0
5 - 10	17.75	100 - 110	49.5
10 - 15	19.0	110 - 120	53.25
15 - 20	19.75	120 - 130	56.25
20 - 25	21.75	130 - 140	60.0
25 - 30	23.5	140 - 150	63.75
30 - 35	25.0	150 - 160	67.25
35 - 40	26.5	160 - 170	70.75
40 - 45	28.0	170 - 180	74.25
45 - 50	28.75	180 - 190	77.75
50 - 55	30.5	190 - 200	81.25
55 - 60	32.0	200 - 220	88.25
60 - 65	34.0	220 - 240	95.25
65 - 70	35.5	240 - 260	102.25
70 - 80	39.0	260 - 280	109.25
80 - 90	42.5	280 - 300	117.25

Conditions:

1. Surcharges adopted by the Commission, based upon increases in fuel prices, after the effective date of this order shall be applied to these rates.
2. Applicant has stated that subhaulers will not be engaged for this transportation. Therefore, if subhaulers are employed, they shall be paid no less than the rates authorized herein without any deduction for use of applicant's trailing equipment.
3. In all other respects, the rates and rules in Minimum Rate Tariff 2 shall apply.

(END OF APPENDIX A)