

Decision No. 91588

APR 15 1980

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application)
of CAP Transport, 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. 59475
(Filed February 26, 1980)

OPINION AND ORDER

By this application, CAP Transport, 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 enable them to be mixed with cement allowing manufacturers to increase their outputs. Cement manufactured using these products has been favored on some construction projects because the slower drying time of the concrete reduces cracking. 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 railheads in California, where it is unloaded until its final destination is determined. 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/}

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.

The application was listed on the Commission's Daily Calendar of February 27, 1980. 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, Miles & Sons Trucking Service, Inc., Decision 88155, dated November 29, 1977, in Application 57604 and to Les

^{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>Present Rates</u> Minimum Weight 50,000 Pounds			<u>Proposed Rates</u> Minimum Weight 50,000 Pounds
<u>Over</u>	<u>Miles</u> <u>But Not Over</u>	<u>Class 35.3</u> <u>Pozzolan</u>	<u>Class 35</u> <u>Fly Ash</u>		
0	5	40	53	16.75	
45	50	58	78	31.5	
90	100	73	103	51.25	
140	150	84	113	71.75	
220	240	120	143	107.75	

Calkins Trucking, Inc., Decision 90811 dated September 12, 1979 in Application 59061.

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 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. CAP Transport, Inc., 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 APR 15 1980, at San Francisco, California.

President

Richard D. Howell

John E. Bryson

James W. Smith

Commissioners

Commissioner John E. Bryson,
being necessarily absent, did
not participate.

APPENDIX A

Carrier: CAP Transport, 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>Constructive Miles</u>	<u>Rate</u>	<u>Constructive Miles</u>	<u>Rate</u>
0 - 5	16.75	100 - 110	55.25
5 - 10	18.50	110 - 120	59.50
10 - 15	20.00	120 - 130	63.50
15 - 20	21.50	130 - 140	67.50
20 - 25	22.75	140 - 150	71.75
25 - 30	24.75	150 - 160	75.50
30 - 35	26.25	160 - 170	79.50
35 - 40	28.00	170 - 180	83.75
40 - 45	29.50	180 - 190	87.75
45 - 50	31.50	190 - 200	92.00
50 - 60	32.25	200 - 220	100.00
60 - 70	39.25	220 - 240	107.75
70 - 80	43.25	240 - 260	115.75
80 - 90	47.50	260 - 280	124.00
90 - 100	51.25	280 - 300	132.50

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)