

PENNSYLVANIA PUBLIC UTILITY COMMISSION  
Uniform Cover and Calendar

1. <u>REPORT DATE:</u> July 11, 1984	:	2. <u>BUREAU AGENDA NO.</u> AUG-84-TNR-1110*
3. <u>BUREAU:</u> Non-Rail Transportation	:	
4. <u>SECTION(S):</u> Technical Review	:	5. <u>PUBLIC MEETING DATE:</u> August 27, 1984
6. <u>APPROVED BY:</u> Director: Ernst 7-2154 Supervisor: Bigelow/Marzolf 3-5945	:	
7. <u>MONITOR:</u> Commissioner Cawley	:	
8. <u>PERSON IN CHARGE:</u> Honegger 7-4386	:	
9. <u>DOCKET NO.:</u> A-00102306, F.1, Am-D	:	

10. (a) CAPTION (abbreviate if more than 4 lines)  
(b) Short summary of history & facts, documents & briefs  
(c) Recommendation

(a) Application of Klapec Trucking Company, a corporation of the Commonwealth of Pennsylvania, Oil City, Venango County, for amendment to its common carrier certificate: SO AS TO PERMIT the transportation of property for Witco Chemical Corporation, from points in the city of Bradford, McKean County, Petrolia Borough, Butler County; Conewango Township, Warren County; and Plum Borough and Richland Township, both in Allegheny County; to points in said city, boroughs and townships; and from said city, boroughs and townships to other points in Pennsylvania and vice versa.

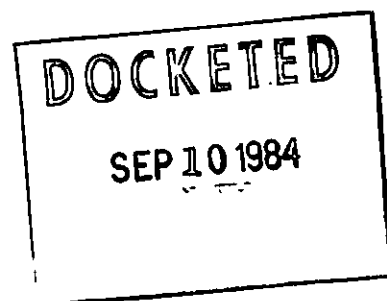
(b) Two protests were filed to the application and these were subsequently withdrawn when Klapec submitted four restrictive amendments as more specifically described in the attached proposed order. Klapec is presently serving Witco in interstate commerce and desires to integrate this transportation with intrastate authority. The applicant has demonstrated that a need exists for the service sought herein and that it has the experience, equipment and resources necessary to render said transportation.

(c) The Bureau of Non-Rail Transportation recommends that the Commission adopt the proposed order, approving the application, as amended.

BH:nm

11. MOTION BY:	Commissioner Chm. Taliaferro	Commissioner Johnson - Yes
		Commissioner Cawley - Yes
SECONDED:	Commissioner Shane	Commissioner Fischl - Yes

CONTENT OF MOTION: Staff recommendation adopted.





COMMONWEALTH OF PENNSYLVANIA  
 PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 P. O. BOX 3265, HARRISBURG, Pa. 17120

September 7, 1984

IN REPLY PLEASE  
 REFER TO OUR FILE  
 A-00102306  
 F. 1, Am-D

John A. Pillar, Esquire  
 1500 Bank Tower  
 307 Fourth Ave.  
 Pittsburgh, PA 15222

Application of Kalpec Trucking Company, a corporation of the  
 Commonwealth of Pennsylvania

Dear Sir:

Enclosed, herewith, is supplemental order modifying  
 Certificate of Public Convenience issued by the Commission in  
 the above entitled proceeding.

The applicant will not be permitted to operate or engage in  
 any transportation granted by the enclosed order until he has  
 complied with the following tariff requirement:

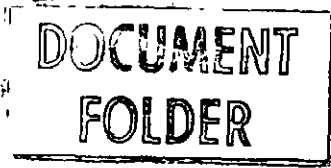
Prepare and file a tariff, instructions  
 for which are enclosed.

Motor carriers operating without complying with the above  
 requirement will be subject to the penalty provisions of the  
 Public Utility Law.

Commission regulations require compliance with the above  
 requirement within sixty (60) days of the date of this letter.  
 Failure to comply within the sixty (60) day period will cause  
 the Commission to rescind the action of August 27, 1984,  
 and dismiss the application without further proceedings.

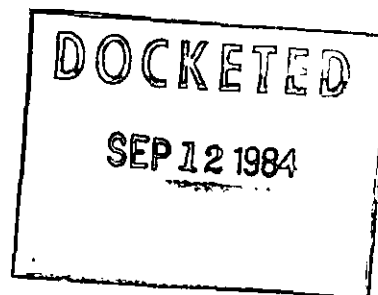
If you foresee any problems in obtaining the necessary re-  
 quirement within the specified time period, please contact the  
 Pennsylvania Public Utility Commission--Service Section.

Very truly yours,



jr  
 Encls.  
 Cert. Mail  
 cc: Applicant  
 R. D. #1  
 673 North Seneca Street  
 Oil City, PA 16301

Jerry Rich  
 Secretary



PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA 17120

Public Meeting held August 27, 1984

Commissioners Present:

Linda C. Taliaferro, Chairman  
Michael Johnson  
James H. Cawley  
Frank Fischl  
Bill Shane

Application of Klapec Trucking Company, a corporation of the Commonwealth of Pennsylvania, for amendment to its common carrier certificate, which grants the right, inter alia, to transport iron and steel, iron and steel articles, and supplies, materials and equipment used or useful in the manufacture and distribution of iron and steel and iron and steel articles, for Electralloy Corporation, between points in Pennsylvania: SO AS TO PERMIT the transportation of property for Witco Chemical Corporation, from points in the city of Bradford, McKean County, the borough of Petrolia, Butler County, the township of Conewango, Warren County, the borough of Plum, Allegheny County, and the township of Richland, Allegheny County, to points in the said city, boroughs and townships; and from points in said city, boroughs and townships, to other points in Pennsylvania, and vice versa.

A-00102306  
F. 1  
Am-D

DOCKETED

SEP 12 1984

\_\_\_\_\_  
John A. Pillar for the applicant.  
Christian V. Graf for R. T. Merryman Trucking, Inc.  
Ronald W. Malin for Crossett, Inc.



\_\_\_\_\_  
O R D E R

BY THE COMMISSION:

This matter comes before the Commission by an application filed February 22, 1984. Public notice of the application appeared in March 31, 1984 edition of the Pennsylvania Bulletin. R. T. Merryman Trucking, Inc. and Crossett, Inc. entered protests. The scope of authority was

subsequently limited to preclude transportation in bulk of refined petroleum products; fertilizer, sand and stone in an area 100 miles of Conemaugh, Somerset County; coal, solid fuels, lime, limestone, sand and clay in an area 60 miles of Curwensville, Clearfield County; and bulk property for R. T. Merryman Trucking, Inc. and Merryman Enterprises. As a result of these restrictions, protests were withdrawn. The application, as amended, now stands unopposed and the record is certified to the Commission for its decision without an oral hearing. The record consists of verified statements submitted by the applicant and one supporting shipper.

A statement of support on behalf of the applicant has been submitted by J. Bernard Klapec, president of Klapec Trucking Company, the applicant in the instant proceeding (Klapec or applicant). Mr. Klapec is thoroughly familiar with his company's operation and is authorized to testify on its behalf.

Klapec presently holds extensive intrastate operating authority for the transportation of various bulk and non-bulk materials throughout Pennsylvania and has interstate rights from eight northwestern Pennsylvania counties to points in the continental United States. Service has been provided in the past to Witco Chemical Corporation (Witco or shipper), under this interstate authority. Although some overlap of rights may result from the grant of the proposed transportation, service is limited to a sole shipper and minimal duplication may result. The applicant is aware that such duplication which may result from a grant of the application is not severable by sale or transfer.

Klapec maintains its terminal on a two-acre site at 673 North Seneca Street, Oil City, Venango County, Pennsylvania 16301. These facilities consist of a four-bay maintenance garage, two storage buildings and an office at which billing, dispatching and business functions are conducted. The applicant's staff consists of 25 drivers, three full-time mechanics and three office employees. Drivers maintain communications with terminal dispatching units by telephone, upon completion of delivery of a load. This reduces empty backhauls and offers greater flexibility to the carrier.

The applicant's fleet of equipment which it owns and operates consists of 18 tractors and 40 trailers which include flatbed, dump and pneumatic tank units, and drop-deck and lowboy trailers. In addition, Klapec owns and operates eight tri-axle straight trucks (three dump and five flatbed). Some of this equipment is presently used by Klapec in providing interstate service for Witco. Should the instant application be favorably considered, the applicant intends to purchase or lease van trailer equipment ideally suited for the transportation of packaged petroleum products.

To ensure safe operating conditions, all of the above equipment is subject to regular service and safety checks. Drivers are instructed to conduct visual checks of vehicles before and after each haul. All drivers are required to meet Federal requirements for safe operations.

Insurance coverage is maintained in accordance with amounts required by this Commission and the Interstate Commerce Commission. Safety meetings are periodically conducted and insurance brochures designed to promote safety are posted in the applicant's terminal. Klapec intends to continue its good safety record and to comply with all regulatory requirements.

In the service proposed herein, the carrier intends to transport packaged petroleum products. In addition, crude petroleum products would be transported in bulk in tractor pneumatic tank trailers. Klapec stands ready to offer service 24 hours a day, seven days a week, in truckload, less-than-truckload or multiple-delivery-type service. The applicant also has the capability of stationing trailer equipment at Witco's facilities for ready loading and unloading. In short, Klapec stands ready to offer the shipper any transportation service option it or its customers may require.

An unaudited balance sheet submitted by the applicant for the year ending December 31, 1983, reveals total current assets of \$435,910 and total assets of \$970,714; total current liabilities are \$34,476 and total liabilities are \$433,012. Net income for this period amounted to \$106,339.

Klapec anticipates that institution of operations pursuant to the instant application will increase equipment utilization and result in an overall increase in efficiency. All the shipper's facilities are within 85 miles of the applicant's terminal and Witco's main sites in McKean and Butler Counties are located less than 50 miles from Klapec's terminal. The applicant intends to coordinate and integrate the proposed service with its interstate authority in order to reduce empty backhauls. Klapec believes this will promote improved service to the shipper and its other customers and result in more balanced operations.

George L. Keller has been employed by Witco Chemical Corporation, the shipper herein, since 1956 and presently serves as its central regional traffic manager. He is responsible for all of the shipper's transportation needs in the area encompassed in the instant application and is authorized to testify in support of Klapec.

Witco refines, manufactures and distributes petroleum and petroleum products. Its office and main refinery are domiciled at 77 North Kendall Avenue, Bradford, Pennsylvania 16701. Two other refineries are located in North Warren, Warren County and Petrolia, Butler County, and another facility is in Richland Township, Allegheny County. In addition, Witco has two independent packagers in Plum Borough, Allegheny County and Conewango Township, Warren County.

The shipper requires outbound transportation of such commodities as motor oil, wax, grease, white oil, petroleum, sulfonate and other types of petroleum and petroleum products, shipped in drums, packages, pails and cartons. Twenty-five daily shipments are presently sent from Witco's Bradford site; 15 from Petrolia; eight from Richland Township and four from an independent packaging facility in Plum Borough. In addition, about three weekly shipments leave the packaging facility in Conewango Township. Outbound traffic is destined for distribution and jobber sites throughout the Commonwealth. Representative destination points are cited as Butler, Greensburg, Harrisburg, Erie, Johnstown, Lancaster, Philadelphia, Reading, Glenshaw, Lititz, Scranton and York. Daily inbound shipments of grease in drums and weekly shipments of petroleum oil are also required by Witco. In addition, inbound commodities such as salt, motors and packaging materials are received by the shipper at its various sites about five times monthly from suppliers in Pennsylvania at representative points of origin such as Philadelphia, Reading, Erie and Pittsburgh. Shipments of bulk crude petroleum arrive from well sites located in McKean, Warren and Venango Counties, and are transported in tractor tank-trailer equipment. Packaged petroleum is handled primarily by van trailers and truckload quantities in multi-delivery service. Intra-plant transportation between grease plants, refineries and packaging sites is also a necessity. The shipper estimates that five percent of its total shipping needs will be handled by Klapec should the proposed authority be granted.

The shipper believes that the applicant has demonstrated its ability to meet its requirements through past interstate service for Witco. Kalpec's facilities are conveniently located in close proximity to the shipper and can thus be responsive to its needs. Approval of the authority herein sought will enable Witco to meet peak demand periods which existing carriers cannot normally handle.

#### DISCUSSION AND FINDINGS

Klapec Trucking Company has extensive common carrier authority primarily in western Pennsylvania for a variety of commodities. The applicant now seeks expansion of its rights so that it may serve Witco Chemical Corporation in the transportation of property between Witco's various refining, manufacturing and packaging sites in McKean, Butler, Warren and Allegheny Counties, and from these points to other destinations in Pennsylvania and vice versa. The entering of two protests prompted the applicant to limit the authority proposed in this proceeding with restrictive amendments one of which excluded the transportation of bulk refined petroleum in tank vehicles. This should not affect the proposed operation since service will be required for commodities in drums, packages, pails and cartons and only crude petroleum from well sites will be transported in bulk. The applicant is further restricted from transporting property for R. T. Merryman Trucking, Inc. and Merryman Enterprises, and specified commodities within radial areas of Conemaugh, Somerset County; and Curwensville, Clearfield County.

Klapec has long experience in the trucking industry and was first certificated by this Commission as a sole proprietor on January 26, 1956. The business was subsequently transferred into a corporate entity, certificated on March 12, 1981. The applicant will require no additional equipment or capital outlay incidental to the proposed operation. While its fiscal position is sound, the increased level of vehicle utilization will affect its fiscal standing favorably. Klapec has established its fitness to handle the additional transportation requested herein.

The supporting shipper has demonstrated a need for intra-plant, outbound and inbound service for commodities related to all phases of the petroleum industry. Klapec is presently rendering interstate service for the shipper and its terminal facility is located in close proximity to the shipper's sites. We believe, based on the record before us, that the applicant should have the opportunity to integrate its current service with intrastate transportation and provide the shipper with the transportation desired.

We find:

1. That the applicant is fit, willing and able to provide the proposed service, as amended.

2. That the applicant has demonstrated a need exists for the proposed service, as amended.

3. That approval of the application, as amended, is an accommodation and convenience to the public; THEREFORE,

IT IS ORDERED: That the application, as amended, be and is hereby approved and that the certificate issued on March 12, 1981, as amended, be further amended to include the following right:

To transport, as a Class D carrier, property for Witco Chemical Corporation, from points in the city of Bradford, McKean County, the borough of Petrolia, Butler County, the township of Conewango, Warren County, and the borough of Plum and the township of Richland, Allegheny County, to points in the said city, boroughs and townships; and from points in said city, boroughs and townships, to other points in Pennsylvania, and vice versa;

subject to the following conditions:

- (1) That no right, power or privilege is granted to transport refined petroleum products, in bulk in tank vehicles.


- (2) That no right, power or privilege is granted to transport fertilizer, sand and stone between points within an airline distance of one-hundred (100) statute miles of the limits of the township of Conemaugh, Somerset County.
- (3) That no right, power or privilege is granted to transport coal, solid fuels, limestone, lime, sand and clay between points within an airline distance of sixty (60) statute miles of the limits of the borough of Curwensville, Clearfield County.
- (4) That no right, power or privilege is granted to transport property in bulk for R. T. Merryman Trucking, Inc. and Merryman Enterprises.

IT IS FURTHER ORDERED: That the authority granted herein, to the extent that it duplicates authority now held by or subsequently granted to the carrier, shall not be construed as conferring more than one operating right.

IT IS FURTHER ORDERED: That the applicant shall not engage in any transportation granted herein until it shall have complied with the requirements of the Pennsylvania Public Utility Code and the rules and regulations of the Commission relating to the filing and acceptance of a tariff establishing just and reasonable rates.

IT IS FURTHER ORDERED: That in the event said applicant has not, on or before sixty (60) days from the date of service of the order, complied with the requirements hereinbefore set forth, the application shall be dismissed without further proceedings.

BY THE COMMISSION,

  
Jerry Rich  
Secretary

(SEAL)

ORDER ADOPTED: August 27, 1984

ORDER ENTERED: **SEP** 7 1984

PS Form 3811, July 1983

A. 102306 F1, Am-D Order

**SENDER: Complete items 1, 2, 3 and 4.**

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1.  Show to whom, date and address of delivery.  
 2.  Restricted Delivery.

3. Article Addressed to:  
*Christian V. Kraft, Esq.*

4. Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail	<input type="checkbox"/> Insured <input type="checkbox"/> COD	Article Number <b>44280</b>
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Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee  
 X

6. Signature - Agent  
 X *Sam Binder*

7. Date of Delivery  
 SEP 12 1984

8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT

PS Form 3811, July 1983

A. 102306 F1, Am-D Order

**SENDER: Complete items 1, 2, 3 and 4.**

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1.  Show to whom, date and address of delivery.  
 2.  Restricted Delivery.

3. Article Addressed to:  
*John A. Pillar, Esq.*

4. Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail	<input type="checkbox"/> Insured <input type="checkbox"/> COD	Article Number <b>44279</b>
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Always obtain signature of addressee or agent and **DATE DELIVERED.**

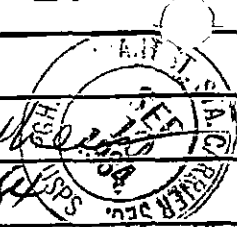
5. Signature - Addressee  
 X

6. Signature - Agent  
 X *Jan M...*

7. Date of Delivery  
 9-10-84

8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT



PS Form 3811, July 1983

A. 102306 F1, Am-D Order

**SENDER: Complete items 1, 2, 3 and 4.**

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1.  Show to whom, date and address of delivery.  
 2.  Restricted Delivery.

3. Article Addressed to:  
*Ronald St. Malin, Esq.*

4. Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail	<input type="checkbox"/> Insured <input type="checkbox"/> COD	Article Number <b>44278</b>
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Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee  
 X *Judy Lapp*

6. Signature - Agent  
 X

7. Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT

