

ORIGINALDecision No. 68814

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of WESTERN MOTOR TARIFF BUREAU, INC., for and on behalf of highway common carriers and petroleum irregular route carriers, parties to Western Motor Tariff Bureau, Inc., Local Freight Tariff No. 16, Cal.P.U.C. No. 20, for authority to increase certain rates.

Application No. 47082
(Filed October 30, 1964)

In the Matter of the Investigation into the rates, rules, regulations, charges, allowances and practices of all common carriers, highway carriers and city carriers relating to the transportation of petroleum and petroleum products in bulk (commodities for which rates are provided in Minimum Rate Tariff No. 6-A).

Case No. 5436
(Petition for Modification
No. 66)
(Filed October 30, 1964)

Arlo D. Poe and W. J. Knoell, for applicant.
Arlo D. Poe, J. C. Kaspar and H. F. Kollmyer,
for California Trucking Association,
petitioner.
Theodore H. Peceimer and R. A. Lubich, for
the Commission staff.

O P I N I O N

These matters were heard on a consolidated record and were submitted January 5, 1965, before Examiner Thompson at San Francisco. Copies of the pleadings and notice of hearing were served in accordance with the Commission's procedural rules. There are no protests.

All of the evidence was introduced through the testimony of applicant's tariff publishing officer and of petitioner's director of research who was engaged by applicant as consultant. The Commission staff participated but did not offer direct evidence.

By its application, Western Motor Tariff Bureau, Inc., seeks authority to increase the rates for the transportation of liquefied petroleum gas (L.P.G.) for distances not exceeding 50 miles maintained in Section 1 of its Local Freight Tariff No. 16, Cal.P.U.C. No. 20.

By its petition California Trucking Association requests the amendment of Minimum Rate Tariff No. 6-A to provide for increases in demurrage or detention charges, charges for loading and/or unloading of equipment, charges for spreading and charges for extra labor. It also requests the establishment of increased minimum weights for two connected tank vehicles transporting crude oil, residual fuel oil, black oils and refined petroleum products in connection with the minimum charge rule provided in Item No. 190 of Minimum Rate Tariff No. 6-A.

In accordance with their usual practice, applicant and petitioner gave notice to the petroleum industry of their intentions to seek revision of the rates for the transportation of petroleum products, solicited the views of the industry with respect to the proposals and held conferences in which members of the rate committees of applicant and petitioner met with parties interested in the proposals. Following those conferences and after giving consideration to the statements and suggestions of the shippers and other interested persons, applicant and petitioner filed their respective pleadings with the Commission. That procedure indicates a reason why only petitioner, applicant and the Commission staff appeared herein and a reason why there were no protests.

This proceeding stems from the pleadings and the Commission's decision in Western Motor Tariff Bureau, Inc., et al., (1964) 62 Cal.P.U.C. 627, in which, as a result of a petition filed by

California Trucking Association, the Commission made a comprehensive revision of the minimum rates for the transportation of petroleum products and established Minimum Rate Tariff No. 6-A. In that proceeding Western Motor Tariff Bureau, Inc. had filed an application seeking authority to increase, by whatever amounts the Commission found justified for minimum rates, certain rates and charges maintained by applicant that are different from the minimum rates or are for services for which minimum rates have not been prescribed. That pleading did not specify the rates maintained by applicant for the transportation of L.P.G. for distances not over fifty miles. In its decision, the Commission increased the minimum rates for similar services by amounts ranging from 7 percent to 50 percent. It also authorized applicant to increase the rates specified in its application.

The tariff publishing officer stated that the failure to include the aforementioned rates on L.P.G. in its pleading was an oversight and was inadvertent. Applicant contends that the record in the aforementioned proceeding and the Commission's findings in Western Motor Tariff Bureau, Inc., et al., clearly show that the present rates are unreasonably low and that the proposed increases are justified. Evidence was adduced showing that following the decision of the Commission in that proceeding the wage rates of drivers, and certain other items of labor cost, were increased. The present rates became effective in 1959. Applicant presented evidence showing that the labor costs to the carriers have increased 36.7 percent since those rates became effective.

We find that the proposed increases are justified.

The minimum rates in Minimum Rate Tariff No. 6-A became effective June 1, 1964. The cost data introduced in the proceeding

which resulted in the fixing of the minimum rates reflected the wage rates of drivers and helpers on December 1, 1963. On July 1, 1964, pursuant to collective bargaining agreement between the carriers and their drivers and helpers, the wage rates and certain fringe benefit expenses provided for in the agreement were increased. The overall result of those increases is an increase in labor cost of about 4.6 percent.

Petitioner stated that there were comprehensive changes in the minimum rate structure for the transportation of petroleum products in bulk which resulted from the establishment by the Commission of Minimum Rate Tariff No. 6-A and the carriers have not yet had sufficient experience in conducting operations under the rate structure to fully realize the effect of those changes. Petitioner therefore concluded that it would not seek, at this time, general adjustments in the rate structure to reflect the increased labor costs. It pointed out that certain of the minimum rates for accessorial services, namely, demurrage or detention, loading and/or unloading, spreading and providing extra labor, are directly related to labor costs. It here requests that those charges be increased by 4.6 percent.

With respect to the proposed changes in the minimum weights provided in Item No. 190, petitioner contends that the present minimum weight of 44,000 pounds for two connected tank vehicles for the transportation of refined products, black oils, crude oil and residual fuel oil does not adequately reflect the capacities of the vehicles, particularly because of the requirement of the use of the estimated weights per gallon set forth in Item No. 140. An exhibit shows the average weight of 802 loads of refined products and black oil was 54,227 pounds. The average

weight of 58 loads of crude oil was 50,349 pounds. Petitioner proposes a minimum weight of 49,500 pounds for refined products and black oils and 46,000 pounds for crude oil and residual fuel oil.

According to petitioner, there is a need for the adjustment of the minimum weights to more closely reflect the capacities of the vehicles used in performing the service. It proposes that the minimum weights for single units, such as tank trucks and tank semitrailers not be changed at this time. According to petitioner most of the general transportation of petroleum products is performed in two connected tank vehicles and the transportation performed in single units may have special or unusual circumstances.

We take notice of the Federal Internal Revenue Act of 1964 by which the federal income tax rates were reduced and tax credits were provided. The adjustments sought by petitioner, although they are increases in rates, will have very little effect upon the revenues of carriers. Other than in the case of the change in minimum weights, the changes involve rates for detentions, delays and extra labor and such rates are at levels intended to permit the carrier to recover its costs for such detentions, delays and extra labor. With respect to the adjustment in minimum weights, the evidence shows that virtually all shipments exceed the proposed minimum weights so that very little, if any, additional revenue will accrue to the carriers as a result of that proposed change. Essentially the proposal is designed to prevent shippers from tendering partial loads to be transported on the large size pieces of equipment.

With respect to the increases sought in Application No. 47082, the evidence discloses that liquefied petroleum gas shipments

are normally transported at rates other than those involved herein; that most of the shipments transported at these rates are moved by two carriers and that such transportation by those carriers has not been profitable.

We find:

1. The increases proposed in Application No. 47082 are justified.

2. The rates proposed in Petition for Modification No. 66, Case No. 5436, are the just, reasonable and nondiscriminatory minimum rates for the transportation by highway carriers of petroleum products in bulk and for accessorial services and the increases that will result from the establishment of such rates as minimum are justified.

We conclude that Application No. 47082 should be granted and that Minimum Rate Tariff No. 6-A should be amended as requested by petitioner.

O R D E R

IT IS ORDERED that:

1. Western Motor Tariff Bureau, Inc. is authorized to establish the increased rates proposed in Application No. 47082. Tariff publications authorized to be made as a result of the order herein may be made effective not earlier than thirty days after the effective date hereof on not less than thirty days' notice to the Commission and to the public.

2. The authority herein granted shall expire unless exercised within ninety days after the effective date of this order.

3. Minimum Rate Tariff No. 6-A (Appendix A of Decision No. 67154, as amended) is further amended by incorporating therein to

become effective May 8, 1965, the revised pages attached hereto and listed in Appendix A attached hereto.

4. Common carriers, in establishing and maintaining the rates authorized hereinabove, are hereby authorized to depart from the provisions of Section 460 of the Public Utilities Code to the extent necessary to adjust long- and short-haul departures now maintained under outstanding authorizations; such outstanding authorizations are hereby modified only to the extent necessary to comply with this order; and schedules containing the rates published under this authority shall make reference to the prior orders authorizing long- and short-haul departures and to this order.

5. Tariff publications required to be made by common carriers as a result of the order in paragraph 3 hereof may be made effective not earlier than the tenth day after the effective date of this order on not less than ten days' notice to the Commission and to the public and shall be made effective not later than May 8, 1965.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 30th day of MARCH, 1965.

Frederick B. Holbrook
President
George E. Hoover
George E. Hoover
William H. Bennett
Commissioners

APPENDIX A TO DECISION NO. 68814

List of Revised Pages to Minimum Rate Tariff No. 6-A
Authorized by Said Decision

First Revised Page 16

First Revised Page 17

Second Revised Page 18

Second Revised Page 20

First Revised Page 22

(END OF APPENDIX A LIST)

SECTION NO. 1 - RULES AND REGULATIONS (Continued)

Item
No.

DEMURRAGE OR DETENTION CHARGES

1. A charge of \$2.00 for each one-quarter hour, or fraction thereof, shall be assessed for the time carrier's equipment is detained through no fault of the carrier to complete loading or unloading in excess of the free time specified in paragraphs (a), (b) or (c).
 - (a) Applies only in connection with transportation of Refined Petroleum Products, Black Oils and Crude Oil:
 - (1) One hour free loading and one and one-half hours free unloading time shall be allowed.
 - (2) For the purposes of applying this item, two shipments moving under the provisions of Item No. 110 shall be considered to be one shipment.
 - (b) Applies only in connection with the transportation of Liquefied Petroleum Gas:
 - (1) One and one-half hours free loading and two hours free unloading time shall be allowed.
 - (2) For the purposes of applying this item, two shipments moving under the provisions of Item No. 110 shall be considered to be one shipment.
 - (c) Applies only in connection with transportation of Asphalt and Road Oil (See Note 1):
 - (1) Except as otherwise provided in subparagraph (2), one hour free loading time and one and one-half hours free unloading time shall be allowed.
 - (2) When shipments weigh in excess of 48,000 pounds, one hour free loading time and two hours free unloading time.
2. Applies only in connection with the spreading of Asphalt and Road Oil (See Note 1):
 - (a) A charge of \$2.50 for each one-quarter hour, or fraction thereof, shall be assessed for the time carrier's equipment is detained through no fault of the carrier to complete spreading in excess of the free time specified in paragraph (1).
 - (1) One hour free loading time and two hours free unloading time shall be allowed.

0160

NOTE 1.--When shipper or consignee orders load to be delivered at a specifically designated time and carrier has its equipment at destination point at designated time and consignee cannot receive delivery as ordered, free time will commence at the time designated for delivery.

♦ Increase, Decision No. 68814

EFFECTIVE MAY 8, 1965

Issued by the Public Utilities Commission of the State of California,
San Francisco, California.

Correction No. 12

SECTION NO. 1 - RULES AND REGULATIONS (Continued)	Item No.
<p style="text-align: center;">LOADING AND/OR UNLOADING OF EQUIPMENT</p> <p>1. The rates and charges contained in this tariff include the furnishing by carrier, without extra charge, a maximum of one length of cargo hose equipped with coupling for use in loading and/or unloading the shipment. (See Note 1.)</p> <p>2. Provided that a specific request is made prior to dispatch of equipment from the carrier's terminal to load, the following special equipment will be provided at the charges shown:</p> <p>(a) Except as provided in paragraph 3, no more than 5 lengths of cargo hose in addition to that provided in accordance with paragraph 1 will be furnished at an extra charge of \$2.50 per length, except for the first additional length of hose for which no additional charge shall be made. (See Note 1.)</p> <p>(b) Rates provided in this tariff do not include pumping service when rendered with carrier's equipment. When pumping service is performed by the carrier, a charge of 12 cents per 100 pounds will be made computed on the basis of the total billed weight of the shipment.</p> <p>(c) Special fittings and/or nozzles will be furnished by carrier without extra charge, subject to such equipment being on hand and available.</p> <p>3. In the event that carrier is not notified of the need for special equipment as provided in paragraph 2 prior to dispatch of equipment from its terminal to load or in the event that shipper requests a total of more than 6 lengths of hose (See Note 2) the extra equipment provided for in paragraph 2 will be furnished at the charges provided for therein plus the following additional charges for pickup and delivery of the extra equipment:</p> <p>(a) ✓\$5.25 per hour or fraction thereof will be assessed for driver of pickup and delivery equipment, with such time to be computed from the time that driver is dispatched from carrier's terminal until his return thereto.</p> <p>(b) 12 cents per mile will be assessed for actual vehicle mileage traveled in effecting pickup and delivery of the extra equipment provided for in paragraph 2. Said mileage shall include but not be limited to all mileages traveled to and from carrier's terminal.</p> <p>(c) Carrier will furnish shipper with an itemized record showing hours and mileage upon which charges are based.</p>	<p style="text-align: right;">\$170</p>

4. In no event shall any provisions of this item be construed to supersede or to be in lieu of provisions otherwise specifically provided for in this tariff.

NOTE 1.-A length of cargo hose shall be not less than 12 feet or more than 20 feet in length.

NOTE 2.-The furnishing by carrier of more than 6 lengths of cargo hose shall be subject to such extra hose being on hand and available.

⊕ Change)
⊕ Increase) Decision No. 68814

EFFECTIVE MAY 8, 1965

Issued by the Public Utilities Commission of the State of California,
San Francisco, California.
Correction No. 13

SECTION NO. 1 - RULES AND REGULATIONS (Continued)	Item No.																							
<p style="text-align: center;">UNITS OF MEASUREMENT TO BE OBSERVED</p> <p>1. Except as provided in paragraph 2, rates or accessorial charges shall not be quoted or assessed by carriers based upon a unit of measurement different from that in which the minimum rates and charges in this tariff are stated.</p> <p>2. Rates or accessorial charges may be quoted or assessed by carriers based upon a unit of measurement different from that in which the minimum rates and charges in this tariff are stated, provided (1) that the freight charges assessed are not less than those which would have been assessed had the rates and accessorial charges stated in this tariff been applied; and (2) that the carriers' shipping documents contain all the information necessary to compute the freight charges on the basis of the units of measurement provided in this tariff.</p>	180																							
<p style="text-align: center;">MINIMUM CHARGE</p> <p>The minimum charge per shipment shall be the charge at the applicable rate for the minimum weights of property designated in connection with the unit or units of carrier's equipment containing the shipment, as specified below:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th rowspan="2" style="text-align: left;">COMMODITIES (As described in Item No. 30)</th> <th colspan="3" style="text-align: center;">MINIMUM WEIGHT IN POUNDS (Estimated Weight-See Item No. 140)</th> </tr> <tr> <th style="text-align: center;">Tank Truck or Tank Trailer(1)</th> <th style="text-align: center;">Tank Semi- trailer(2)</th> <th style="text-align: center;">Two Con- nected Tank Vehicles</th> </tr> </thead> <tbody> <tr> <td>Refined Petroleum Products and Black Oils (Except residual fuel oils)</td> <td style="text-align: center;">25,000</td> <td style="text-align: center;">40,000</td> <td style="text-align: center;">49,500</td> </tr> <tr> <td>Crude Oil and *residual fuel oils</td> <td style="text-align: center;">25,000</td> <td style="text-align: center;">40,000</td> <td style="text-align: center;">46,000</td> </tr> <tr> <td>Liquefied Petroleum Gas</td> <td style="text-align: center;">19,000</td> <td style="text-align: center;">34,000</td> <td style="text-align: center;">34,000</td> </tr> <tr> <td>Asphalt and Road Oil</td> <td style="text-align: center;">23,250</td> <td style="text-align: center;">43,000</td> <td style="text-align: center;">43,000</td> </tr> </tbody> </table> <p>(1) Including tank semitrailers having a length of less than 28 feet.</p> <p>(2) Tank semitrailers having a length of 28 feet or more.</p>	COMMODITIES (As described in Item No. 30)	MINIMUM WEIGHT IN POUNDS (Estimated Weight-See Item No. 140)			Tank Truck or Tank Trailer(1)	Tank Semi- trailer(2)	Two Con- nected Tank Vehicles	Refined Petroleum Products and Black Oils (Except residual fuel oils)	25,000	40,000	49,500	Crude Oil and *residual fuel oils	25,000	40,000	46,000	Liquefied Petroleum Gas	19,000	34,000	34,000	Asphalt and Road Oil	23,250	43,000	43,000	190
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Asphalt and Road Oil	23,250	43,000	43,000																					
<p style="text-align: center;">MIXED SHIPMENTS</p> <p>1 When two or more commodities for which different rates are provided are included in the same shipment, charges shall be computed at the separate rates upon the individual weights of the different commodities determined in accordance with the provisions of Item No. 140. The minimum charge shall be the highest determined in accordance with the provisions of Item No. 190 for any of the commodities contained in the mixed shipment. In the event a lower charge results by considering such commodities as if they were divided into two or more separate shipments, such lower charge shall apply.</p>	200																							

2. When property consisting of part intrastate and part interstate tonnage is tendered as a single shipment, the intrastate portion may be charged for at the rate which would be applicable on such portion were the entire quantity intrastate in character. In no event shall the aggregate charge on the intrastate and interstate portions be less than the charge herein provided for an intrastate shipment of the same combined quantity. (See Note)

NOTE.-Applies only to volume tender shipments subject to the provisions of Item No. 510.

∂ Change)
* Addition) Decision No. **68814**
◊ Increase)

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San Francisco, California.

Correction No. 14

SECTION NO. 1 - RULES AND REGULATIONS (Continued)	Item No.
<p style="text-align: center;">SHIPMENTS DIVERTED, RETURNED, OR STOPPED IN TRANSIT FOR: PARTIAL LOADING OR UNLOADING</p> <p>(Does not apply to split delivery shipments for which rates and charges are provided in Item No. 230.)</p> <p>1. Charges upon a shipment which at request of consignor or consignee is either diverted or stopped in transit for partial loading or unloading, or any of them, shall be computed at the rate applicable from point of origin to the point where delivery is completed via each of the points where diversion occurs or partial loading or unloading is performed. (Subject to Notes 1, 2, 3, 5 and 7.)</p> <p>2. Charges upon a shipment or a portion of a shipment returned to point of origin or to a point directly intermediate between point of origin and original destination or last point of diversion shall be computed for such return on actual gallonage at one-half of the rate applicable on the outbound movement (subject to minimum charge provided in Item No. 190 applicable to the shipment or portion returned) or the charge computed on the basis provided in paragraph 1 of this item for the round trip movement, or \$21.85, whichever is the lowest. (Subject to Notes 1, 2, 3, 4, 5 and 7.)</p> <p>3. The provisions of paragraph 2 will also apply to the return of contaminated shipments which are not in carrier's possession at time of tender subject to an additional charge of \$6.85, said charge to be in addition to all other applicable charges, and subject to Note 6.</p> <p>NOTE 1.-Charges upon a shipment of Crude Oil transported under the provisions of Item No. 450 shall be computed at the highest rate provided to any point where diversion occurs or delivery is performed.</p> <p>NOTE 2.-Shipments shall be subject to an additional charge of \$6.85 for each stop in transit to partially load or unload.</p> <p>NOTE 3.-Shipments or portions thereof shall be subject to an additional charge of \$4.40 per each diversion. This charge shall be in addition to all other charges provided herein and contemplates that carrier's equipment shall not stand by awaiting diversion instructions for a period of time in excess of one-half hour. Any such time in excess of one-half hour shall be construed to be excess unloading time and charged for at the rates provided in Item No. 160.</p> <p>NOTE 4.-Except as otherwise provided in paragraph 3, applies only on shipments or portions of shipments which have not been unloaded from carrier's equipment.</p> <p>NOTE 5.-A diverted shipment is a shipment on which a point of destination or consignee is changed, or both are changed, after the shipment leaves the point of origin.</p>	<p>Δ 220</p>

NOTE 6.-Applies only to a return shipment made to the plant from which an outbound shipment originates and only in conjunction with such an outbound shipment. Return shipment must be loaded at the precise point of destination of the outbound shipment.

Δ NOTE 7.-Shipments diverted, returned or stopped in transit for partial loading or unloading shall be subject to applicable mileage rates computed from origin to ultimate destination via point or points of diversion, return or stop in transit, whether or not the entire movement takes place within a group. The applicable mileage will be derived from current distance table *and group basing points named in Item No. 300 will not apply except, that in all cases wherein the first point of origin or the last point of destination is located within a group, mileage from first point of origin or to last point of destination shall be computed from or to the basing point in which said first point of origin, or last point of destination is located.

Δ Change, neither)
increase nor reduction) Decision No. 68814
* Addition)

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Correction No. 15

SECTION NO. 1 - RULES AND REGULATIONS (Concluded)	Item No.
<p style="text-align: center;">SPREADING</p> <p style="text-align: center;">(Applies only in connection with transportation of Asphalt or Road Oil.)</p> <p>1. The service of spreading Asphalt or Road Oil shall be performed at the rate of 7 cents per 100 pounds, computed on the basis of the weight of the Asphalt or Road Oil spread. This rate includes only services of a driver or operator of carrier's equipment. Charges for extra labor shall be computed under the provisions of Item No. 250.</p> <p>2. The minimum charge per load shall not be less than \$30.10 for each load transported in two connected tank vehicles, or semitrailer when the semitrailer capacity exceeds 23,250 pounds; and \$25.60 per truck load, trailer load, or semitrailer load when the semitrailer capacity is less than 23,250 pounds.</p>	0240
<p style="text-align: center;">EXTRA LABOR</p> <p style="text-align: center;">(Applies only in connection with transportation of Asphalt or Road Oil.)</p> <p>Extra labor furnished, other than driver or operator of carrier's equipment, shall be charged for at the rate of \$5.00 per man per hour, subject to a minimum charge of 8 hours.</p> <p>*An additional charge of \$1.00 per hour or fraction thereof shall be added to the above charge for time spent spreading.</p>	0250
<p style="text-align: center;">CONNECTING TO MOBILE ROAD MIXERS</p> <p style="text-align: center;">(Applies only in connection with transportation of Asphalt or Road Oil.)</p> <p>A charge of 3 cents per 100 pounds shall be made for service of connecting carrier's equipment to mobile road mixers.</p>	260
<p> / Change) ◊ Increase) * Addition) Decision No. 68814 </p>	
<p>EFFECTIVE MAY 8, 1965</p>	
<p style="text-align: center;"> Issued by the Public Utilities Commission of the State of California, San Francisco, California. Correction No. 16 </p>	