

ORIGINAL

Decision No. 77153

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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. 96  
(Filed February 27, 1970)

OPINION AND ORDER

Minimum Rate Tariff No. 6-A names minimum rates and rules for the transportation of petroleum and petroleum products in bulk in tank vehicles by petroleum contract carriers between points in the State of California. By this petition, California Trucking Association seeks to revise the vehicle unit volume tender rates in the tariff.

Petitioner proposes to: (1) increase the basic charge per unit of equipment by amounts ranging from \$10.00 to \$50.00 depending upon the time period of the engagement, the commodity transported and the type of equipment furnished; (2) establish a charge of 2 cents per mile for excess mileages traversed under the monthly and yearly vehicle unit rates; (3) increase the hourly rates from \$6.25 to \$6.30 for monthly tenders and from \$6.00 to \$6.20 for yearly tenders and the alternate mileage rates from 23½ to 25 cents for monthly tenders and from 23½ to 24½ cents for yearly tenders for the time that the driver or drivers are assigned to operate the vehicle; (4) cancel the 7-day vehicle unit rates; (5) establish additional charges for equipment which includes meters, pumps and tanks with bottom loaders; and (6) to revise certain requirements governing the application of the vehicle unit rates.<sup>1</sup>

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<sup>1</sup> Petitioner's proposal is set forth in detail in Exhibit A attached to the petition.

Petitioner states that the vehicle unit volume tender rates in Minimum Rate Tariff No. 6-A were established to meet changing circumstances in the distribution of bulk petroleum products and that these rates have attracted new business to for-hire motor carriers, minimized diversion of existing traffic to proprietary facilities and afforded to the shipping public a more efficient and economical method of obtaining for-hire carrier services to meet their distribution needs. Petitioner declares that substantial quantities of bulk petroleum products are transported under such rates.

Petitioner alleges that an intensive review of the aforementioned rates by interested shippers and carriers over the past year has indicated a need for further change to reflect current and foreseeable needs. Petitioner contends that a detailed analysis of the costs and other characteristics of this traffic was made to determine the specific adjustments required to respond to current conditions and that the practice of providing one tariff charge for all equipment supplied is no longer suitable.<sup>2</sup>

Petitioner states that its proposal is designed to eliminate present averaging concepts wherein charges have not been directly related to specific shipper equipment needs nor to the utilization of such equipment. Petitioner asserts that the proposed tariff revisions would substantially minimize such averaging and would provide relatively lower charges for shippers requiring minimal equipment and services as contrasted to shippers requiring more sophisticated equipment and more extensive services. Petitioner declares that the proposed changes have been the subject of public docketing.

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<sup>2</sup>

See Exhibit B attached to the petition.

Copies of the petition were mailed to California Manufacturers Association and various petroleum shippers and carrier representatives on or about February 27, 1970. The petition was listed on the Commission's Daily Calendar of March 3, 1970. No objection to the granting of the petition has been received.

The Transportation Division staff has reviewed the petition and the supporting data included therein and recommends that the sought revisions be granted by ex parte order.

In the circumstances, it appears, and the Commission finds, that the proposed revisions are reasonable, the resulting minimum rates and charges will be just, reasonable and nondiscriminatory minimum rates and charges for the transportation involved and, to the extent that said rates and charges will result in increases, such increases are justified. The Commission further finds that the transition from the present tariff provisions to the tariff provisions authorized herein requires that all existing volume tenders be terminated with June 30, 1970; that a proration of applicable charges be authorized so that no shipper will suffer any penalty from such termination; and that all tenders applicable on and after July 1, 1970, be contracted and billed under the tariff provisions authorized herein. A public hearing is not necessary. The Commission concludes that the petition should be granted.

IT IS ORDERED that:

1. Minimum Rate Tariff No. 6-A (Appendix A of Decision No. 67154, as amended) is hereby further amended by incorporating therein to become effective July 1, 1970, the original and revised pages attached hereto and listed in Appendix A, also attached hereto, which pages and appendix by this reference are made a part hereof.

2. Common carriers subject to the Public Utilities Act, to the extent that they are subject also to Decision No. 67154, as amended, are hereby directed to establish in their tariffs the rates and provisions necessary to conform with the further adjustments ordered herein.

3. Common carriers subject to the Public Utilities Act, to the extent that they are subject also to Decision No. 67154, as amended, and petroleum contract carriers are directed to:

- (a) terminate all existing volume tender agreements with June 30, 1970;
- (b) prorate the portions of periods specified in their existing volume tender agreements, which are prior to July 1, 1970, at the rates and charges specified in said agreements; and
- (c) contract and bill all tenders applicable on and after July 1, 1970, at the rates and charges authorized herein.

4. Tariff publications required to be made by common carriers as a result of the order herein shall be filed not earlier than the effective date of this order and shall be made effective July 1, 1970, on not less than ten days' notice to the Commission and to the public; and tariff publications which are authorized but not required to be made by common carriers as a result of the order herein may be made effective not earlier than July 1, 1970, and not later than August 30, 1970, on not less than ten days' notice to the Commission and to the public.

5. Common carriers, in establishing and maintaining the rates and charges 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 and charges published under this authority shall make reference to the prior orders authorizing long- and short-haul departures and to this order.

6. In all other respects Decision No. 67154, as amended, shall remain in full force and effect.

This order shall become effective twenty-four days after the date hereof.

Dated at San Francisco, California this 28<sup>th</sup> day of April, 1970.

William S. Lyons, Jr.  
President  
August  
J. M. ...  
...  
...  
Commissioners

C. 5436 (Pet. 96) - ams

APPENDIX A TO DECISION NO. 77153

LIST OF ORIGINAL AND REVISED PAGES TO MINIMUM RATE TARIFF 6-A  
AUTHORIZED BY SAID DECISION

EIGHTH REVISED PAGE 37

ELEVENTH REVISED PAGE 38

EIGHTH REVISED PAGE 38-A

ORIGINAL PAGE 38-B

EIGHTH REVISED PAGE 39

FOURTH REVISED PAGE 39-A

(END OF APPENDIX A LIST)

SECTION 4--VEHICLE UNIT RATES

ITEM

DAILY VEHICLE UNIT VOLUME TENDER RATES

The rates in this item will apply for the transportation of all commodities except Asphalt and Road Oils, as described in Item 30, and those commodities requiring pressurized equipment from any origin points to points of destination located within 250 miles of the first point of origin when performed subject to and in accordance with the provisions of Items 520 and 521.

The provisions of this item apply only when, prior to the transportation of the property, the shipper has requested verbally or in writing that the transportation be performed under the provisions of this item and charges are prepaid, providing that if requested verbally the shipper shall place a confirming written request in the United States mail the same day as verbally requested. (For form of agreement, see Item 530.)

RATES  
 (Vehicle Unit Rates)

Per Day

The basic charge per equipment unit shall be (see Note 1)----- \$40.00

PLUS

an additional charge of \$6.40 per hour (see Notes 2, 3 and 4) or \$.30 per mile, whichever produces the higher total charge, for all time that a driver or drivers are assigned to operate the vehicle.

500

PLUS

an additional charge per mile of:

First 50 miles -----	\$ .25
Next 100 miles -----	\$ .22½
Over 150 miles -----	\$ .20

NOTE 1.--No allowance shall be made to the shipper for any nonproductive or lost time except that if the unit of equipment is inoperable for a period exceeding four hours in any day awaiting replacement or repair, the calendar period shall be extended for any such time exceeding four hours.

NOTE 2.--In the event that a driver is unable to complete a shipment because of an excess of hours of service and must layover en route as required by law, a charge of \$6.30 per hour, minimum 8 hours, will be assessed in addition to all other time that a driver or drivers are assigned to operate the vehicle.

NOTE 3.--Subject to a minimum charge based on 20 hours for each engagement that a driver or drivers are assigned to operate the vehicle.

\*NOTE 4.--If equipment includes bottom loading capability or pumps or meters, the following additional charge shall be assessed per day:

Per meter -----	\$2.50
Per pump -----	\$1.00
Per tank with bottom loader -----	\$2.00

Change )  
 \* Addition ) Decision No. 77153  
 o Increase )

EFFECTIVE

Correction 149

ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA,  
 SAN FRANCISCO, CALIFORNIA

SECTION 4--VEHICLE UNIT RATES (Continued)

ITEM

INCENTIVE UNIT VOLUME TENDER RATES  
 (Items 510, 511 and 512)

1. The rates in Items 510, 511 and 512 will apply for the transportation of all commodities as described in Item 30 between any points located within 250 miles of first point of origin when performed subject to and in accordance with the provisions of Items 520 and 521.

2. The provisions of Items 510, 511 and 512 apply only when, prior to the transportation of the property, the shipper has requested verbally or in writing that the transportation be performed under the provisions of these items and that charges are to be prepaid and has elected either a monthly or yearly tender. In the event request is made verbally, the shipper shall place a confirming written request in the United States mail the same day that the verbal request is made. (For form of agreement, see Item 530.) Agreements for yearly tenders must commence with the first day of a calendar month. Total charges are the aggregate totals of charges determined pursuant to the charges of Items 510, 511 and 512.

RATES  
 (Vehicle Unit Rates)

The basic charge per equipment unit shall be (See Notes 1 and 2)

Per Month	Per Month on Yearly Tender
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A. Applies to all commodities except those moving in pressurized equipment and shipments of Asphalt and Road Oil -----	\$600.00	\$500.00
B. Applies only to commodities moving in pressurized equipment or to shipments of Asphalt and Road Oil (Subject to Note 3) -----	\$750.00	\$625.00

50  
510

PLUS

2 cents per each mile in excess of 10,000 miles per month

NOTE 1.--No allowance shall be made to the shipper for any nonproductive or lost time, except that if the unit of equipment is inoperable for a period exceeding four hours in any day awaiting replacement or repair the calendar period shall be extended for any such time exceeding four hours.

NOTE 2.--If equipment includes bottom loading capability or pumps and/or meters, the following additional charges shall be assessed per month:

Per Meter -----	\$50.00	Not to exceed \$500.00 per year.
Per Pump -----	\$20.00	Not to exceed \$200.00 per year.
Tanks with bottom loader - Per compartment -----	\$16.00	

NOTE 3.--Rates subject to this note will not apply to shipments requiring spreading service or requiring delivery to mobile road mixers.

NOTE 4.--All charges under yearly tender shall be assessed on a calendar month basis.

(Continued in Item 511)

Change ) Decision No. **77153**  
 Increase )

EFFECTIVE

Correction 150

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 SAN FRANCISCO, CALIFORNIA



SECTION 4--VEHICLE UNIT RATES (Continued)	ITEM						
<p style="text-align: center;">INCENTIVE UNIT VOLUME TENDER RATES (Continued)                      (Items 510, 511 and 512)</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;"><u>Monthly Tender</u></th> <th style="width: 20%; text-align: center;"><u>Yearly Tender</u></th> </tr> </thead> <tbody> <tr> <td>                     Subject to the provisions of Paragraphs 1 and 2 in Item 510 an additional charge (see Exception) shall be assessed computed on the period of tender elected per hour (see Notes 1 and 2) or \$.25 per mile on monthly tender or \$.24½ per mile on yearly tender, whichever produces the higher total charge, for all time that a driver or drivers are assigned to operate the vehicle. -----                 </td> <td style="text-align: center; vertical-align: bottom;">\$6.30</td> <td style="text-align: center; vertical-align: bottom;">\$6.20</td> </tr> </tbody> </table> <p>EXCEPTION: Will not apply to any period of time for which charges are made under the provisions of Paragraph 5, Item 520.</p> <p>NOTE 1.--In the event that a driver is unable to complete a shipment because of an excess of hours of service and must layover enroute as required by law, a charge of \$6.30 per hour, minimum 8 hours, will be assessed in addition to all other time that a driver or drivers are assigned to operate the vehicle.</p> <p>NOTE 2.--Subject to a minimum charge based on 20 hours for each day that a driver or drivers are assigned to operate the vehicle.</p> <p>NOTE 3.--All charges under yearly tender shall be assessed on a calendar month basis.</p> <p style="text-align: center;">(Continued in Item 512)</p>		<u>Monthly Tender</u>	<u>Yearly Tender</u>	Subject to the provisions of Paragraphs 1 and 2 in Item 510 an additional charge (see Exception) shall be assessed computed on the period of tender elected per hour (see Notes 1 and 2) or \$.25 per mile on monthly tender or \$.24½ per mile on yearly tender, whichever produces the higher total charge, for all time that a driver or drivers are assigned to operate the vehicle. -----	\$6.30	\$6.20	511
	<u>Monthly Tender</u>	<u>Yearly Tender</u>					
Subject to the provisions of Paragraphs 1 and 2 in Item 510 an additional charge (see Exception) shall be assessed computed on the period of tender elected per hour (see Notes 1 and 2) or \$.25 per mile on monthly tender or \$.24½ per mile on yearly tender, whichever produces the higher total charge, for all time that a driver or drivers are assigned to operate the vehicle. -----	\$6.30	\$6.20					
<p>                     ◊ Change        )                      * Addition     )                      ◊ Increase     )                 </p> <p style="margin-left: 100px;">Decision No.    <b>77153</b></p>							
EFFECTIVE							
Correction 151	ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.						

SECTION 4--VEHICLE UNIT RATES (Continued)	ITEM
<p style="text-align: center;">INCENTIVE UNIT VOLUME TENDER RATES (Concluded) (Items 510, 511 and 512)</p> <p>Subject to the provisions of Paragraphs 1 and 2 in Item 510, an additional charge shall be assessed on a per mile, per unit basis for the duration of all tender agreements except that on a yearly tender the charge shall be assessed on a per mile, per unit, per calendar month basis, as follows: (See Paragraph 14 in Item 521)</p> <p style="margin-left: 40px;">First 5,000 miles \$.20 (See Note) Next 5,000 miles \$.15 Over 10,000 miles \$.13</p> <p>NOTE.--Subject to a minimum charge of \$1,000 per unit per month when applied in connection with rates per month or rates per month on yearly tender.</p>	*o 512
<p>* Addition     )     Decision No.     <b>77153</b> o Increase     )</p>	
EFFECTIVE	
Correction 152	ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.

SECTION 4--VEHICLE UNIT RATES (Continued)

ITEM

VOLUME TENDER QUALIFICATIONS  
(Applies only in connection with items making reference hereto.)  
(Items 520 and 521)

1. Each engagement shall commence at time of arrival of carrier's equipment at point of origin and shall terminate at the expiration of the calendar period requested in advance by the shipper or when released by the shipper within the requested calendar period, provided that the engagement shall not be deemed to be terminated until carrier's equipment is returned or charges are paid for return of carrier's equipment to the first point of origin of the engagement.

2. As used in Section 4, the following definitions of calendar periods shall apply:

- (a) DAY means 24 consecutive hours.
- ◊ (b) MONTH, when used in connection with monthly tenders, means 30 consecutive days.
- ◊ (c) YEAR means 12 consecutive calendar months.

3. As used in Section 4, "unit of carrier's equipment" means any power unit, tank trailer or tank semitrailer, or any combination of such highway vehicles operated together as a single unit. It also includes any of such vehicles used in the replacement of the unit of carrier's equipment, or a portion thereof, which has become inoperable while engaged in transportation under this item.

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4. Mileages applicable in connection with this item shall be actual mileages, and shall include all miles operated for any purpose during the period of engagement.

5. Charges for time used in excess of the calendar period requested shall be computed as follows: (1) At the rate of \$7.50 per hour or fraction thereof plus 30 cents per mile until delivery of the product is completed; (2) At the rate of 45 cents per mile for return of equipment from the point of final delivery to the first point of origin of the engagement. Said charge based on actual mileage shall apply whether or not carrier's equipment is physically returned to first point of origin of the engagement.

\*6. The mileage charge contained in Item 511 will apply for all miles required to exchange drivers at other than the first point of origin.

67. Carrier will provide internal cargo tank cleaning if requested by the shipper during any volume tender period subject to an additional charge of \$15.00 for the cleaning of each unit of carrier's equipment. In addition thereto, carriers will also assess the applicable mileage and hourly charges set forth herein.

(Continued in Item 521)

(1) The provisions of former Paragraph 7 transferred to Fourth Revised Page 39-A in new Paragraph 8.

◊ Change	)	
* Addition	)	Decision No. 77153
◊ Increase	)	

EFFECTIVE

ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA,  
SAN FRANCISCO, CALIFORNIA.

Correction 153

SECTION 4--VEHICLE UNIT RATES (Continued)

ITEM

VOLUME TENDER QUALIFICATIONS (Concluded)  
(Applies only in connection with items making reference hereto.)  
(Items 520 and 521)

8. When transportation is performed under the provisions of this item, the following rules will not apply:

- \*\*
- Item 160--Demurrage or Detention Charges
- Item 170--Paragraph 2(b)--Pumping Charge
- Item 190--Minimum Charge
- Item 210--Issuance of Shipping Documents
- Item 220--Shipments Diverted, Stopped in Transit for Partial Loading or Unloading
- Item 225--Shipments Returned
- \*Item 270--Internal Cargo Tank Cleaning

9. All required tolls, ferry, special permits and weighmaster fees shall be in addition to the rates and charges otherwise applicable.

10. A shipping document shall be issued by the carrier to the shipper for each engagement for transportation. The form of shipping document in Item 610 will be suitable and proper. A copy of each shipping document shall be retained and preserved by the issuing carrier for a period of not less than three years from the date of issuance.

6521

11. The charge for collecting and remitting amounts collected on C.O.D. shipments transported under the provisions of this item shall be \$3.00 per collection.

12. When pumping service is performed by the carrier, an additional charge of \$3.00 per hour shall be made as follows:

- oA. For the first two (2) hours on daily tenders;
- oB. For the first ten (10) hours on monthly tenders;
- oC. For the first one hundred (100) hours on yearly tenders;
- PLUS
- o An additional \$1.00 per hour or fraction thereof for all additional hours.
- oMinimum charge for pumping service shall be the charge for one (1) hour.

13. In the event that a yearly tender is terminated prior to completion, the total charges may be alternatively determined at the basis provided for monthly tenders, plus a termination charge equal to the basic charge for one month.

14. When the total loaded miles exceed the total empty miles of the tender, an additional charge of \$.05 per mile will be made for each excess loaded mile traveled by the unit.

(1) Paragraph 8 transferred from Seventh Revised Page 39.

- o Change )
- o Increase )
- \* Addition )
- \*\* Allowance for Delivery )
- After Hours Eliminated )

Decision No. 77153

EFFECTIVE

ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA,  
SAN FRANCISCO, CALIFORNIA.

Correction 154