

Decision No. 80554

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application Under the)	Shortened Procedure
Shortened Procedure Tariff)	Tariff Docket
Docket to Modify Increased)	Application No. 53503
Switching Charges Authorized)	(Filed August 3, 1972)
in Decision No. 68038.)	
And Related Matters)	Cases Nos. 5432, 5433, 5436,
)	5437, 5438, 5439, 5440,
)	5441, 5603, 5604 and 7857

OPINION AND ORDER

By Decision No. 68038, dated October 13, 1964, this Commission authorized California railroads¹ to publish increased switching rates and charges to the same level as was authorized by the Interstate Commerce Commission (I.C.C.) on May 4, 1964 in Docket Ex Parte No. 223 (as reported in 322 I.C.C. 560).

The increased switching charges as authorized by the I.C.C. were published in the form of a \$7.50 per car charge to intra-terminal switching and one \$7.50 per car charge where a switching charge is a combination of two or more factors. In connection with inter-terminal switching, applicant published an additive of \$5.00 per car or \$2.50 per car wherever originating or terminating lines charge was stated in cents per ton.

By this application, Pacific Southcoast Freight Bureau, through its Tariff Publishing Officer, W. O. Gentle, seeks authority on behalf of the railroads, to convert and publish in various tariffs the currently authorized per car additive switching charges to a net ton basis at the I.C.C. Docket Ex Parte 262 level.

¹ The railroads are listed in Exhibit A attached to the application.

The proposed conversion would result in both increases and reductions.

Applicant states that it becomes a near physical impossibility to incorporate proper increases within the multiplicity of switching charges stated in cents per ton when consideration must be given to reflecting increases under Ex Parte general increases of dollars and cents per car. It avers that increases stated in dollars and cents per car additives to the charges stated in cents per ton can never reflect the normal or simplified publication of stating the switching charges under a single factor rate or charge.

Applicant declares that the proposed conversion will result in slight increases or reductions in charges in connection with movements loaded above or under a weight of 97,300 pounds, however, these increases should average out with the advantages of such adjustment being beneficial to all concerned. In support thereof applicant introduces the following table to exemplify:

Tons	111 cents per net ton (1)	Present (1)		Proposed	Difference
		Total Including \$9.73 per car additive		Total using rate of 131 cents per net ton (111+20 cents)	
45	\$49.95 per car	\$59.68 per car		\$58.95 per car	-73 cents
46	51.06 "	60.79 "		60.26 "	-53 cents
47	52.17 "	61.90 "		61.57 "	-33 cents
48	53.28 "	63.01 "		62.88 "	-13 cents
49	54.39 "	64.12 "		64.19 "	+ 7 cents
50	55.50 "	65.23 "		65.50 "	+27 cents
51	56.61 "	66.34 "		66.81 "	+47 cents
52	57.72 "	67.45 "		68.12 "	+67 cents

- (1) Rates and charges from Item 2430 of Southern Terminal Tariff 230K, Zone 1 to Zone 1 of 111 cents per 2,000 pounds plus the intra-terminal additive of \$9.73 per car.

Applicant contends that carriers and shippers alike have found that the present charges are cumbersome from an accounting standpoint, and in connection with pricing, shippers find it difficult to quote prices because of the weight factor involved. It also contends that problems have arisen concerning the interpretation and application as to subsequent Ex Parte increases.

Applicant asserts that the proposed conversion of the per car additive into a net ton factor and then incorporated into the basic net ton switching charge, will permit the incorporation of past as well as any future increases, reflecting a normal or simplified publication of stating switching charges under a single rate. It also asserts that this will be consistent with incorporating increases in compliance with directives of regulatory bodies.

Applicant points out that increases resulting from the proposed conversion of rates and charges would not increase by as much as one percent the California intrastate gross revenue of applicants.

The application was listed on the Commission's Daily Calendar of August 8, 1972. No objection to the granting of the application has been received.

Commission staff analysis discloses that the proposed conversion of the present additive to a rate in cents per ton will result in a simpler publication and also will be easier for carriers to apply and for shippers to understand. While some increases will occur, the benefits appear to be greater from the publication, application and accounting points of view. The staff recommends that the application be granted by ex parte order.

In the circumstances, it appears, and the Commission finds, that increases resulting from conversion of the switching charges as proposed in the application are justified. A public hearing is not necessary. The Commission concludes that the application should be granted.

Pursuant to paragraph (E) (2) (e) of Rule 23.1 of the Commission's Rules of Practice and Procedure, no findings regarding compliance with the Federal Economic Stabilization Act are required for Shortened Procedure Tariff Docket filings seeking carrier rate adjustments under Rule 25 thereof.

IT IS ORDERED that:

1. W. O. Gentle, Tariff Publishing Officer for Pacific Southcoast Freight Bureau, on behalf of the carriers listed in Exhibit A of the application, is hereby authorized to publish in the tariffs listed in Exhibit B of the application charges as specifically proposed in said application.

2. Tariff publications authorized to be made as a result of the order herein shall be filed not earlier than the effective date of this order and may be effective not earlier than thirty days after the effective date of this order on not less than thirty days' notice to the Commission and to the public.

3. Common carriers maintaining, under outstanding authorizations permitting the alternative use of rail rates, rates below the specific minimum rate levels otherwise applicable for the transportation involved herein, are hereby authorized and directed to increase such rates, on not less than thirty days' notice to the Commission and to the public, to the level of the rail rates established pursuant to Ordering Paragraph 1 hereof, or to the level of the specific minimum rates, whichever is lower.

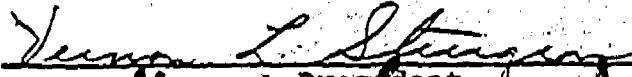



To the extent such common carriers have maintained such rates at differentials above previously existing rail rates, they are authorized to increase such rates by amounts authorized in paragraph 1 hereof; provided, however, that such increased rates may not be lower than the rates established by the rail lines pursuant to the authority granted in paragraph 1 hereof nor higher than the otherwise applicable minimum rates. Such adjustments shall be made effective not earlier than the effectiveness of the increased rail rates and not later than thirty days after the effectiveness of said increased rail rates.

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.

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

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

Dated at San Francisco, California, this 3rd day of October, 1972.


President



Commissioners