

ORIGINAL

Decision No. 82862

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 relat-
ing to the transportation of motor
vehicles and related items
(commodities for which rates are
provided in Minimum Rate Tariff
No. 12).

Case No. 5604
Petition for Modification
No. 41
(Filed December 14, 1973;
amended February 1 and 5, 1974
and March 15, 1974)

INTERIM OPINION AND ORDER

In Case No. 5604 (Petition 41) et al., the California Trucking Association sought a method for adjusting the Commission's several minimum rate tariffs to reflect the accelerating changes in fuel prices occasioned by the current energy crisis. By Decision No. 82453 issued February 5, 1974 in this proceeding, the Commission established an interim fuel cost offset surcharge of 3 percent which became effective February 11, 1974 in connection with Minimum Rate Tariff 12 (MRT 12).

By Decision No. 82543 dated March 12, 1974 in Case No. 5604, the rates for the transportation of motor vehicles in secondary movement contained in MRT 12 were adjusted to reflect a cost offset rate increase as of April 12, 1974. In authorizing this cost offset adjustment the Commission found:

"6. Decision No. 82453...authorized an interim surcharge increase of 3 percent on the rates and charges in MRT 12. That surcharge increase duplicates, in part, the offset increase sought herein insofar as it relates to fuel costs. The interim surcharge approved in Decision No. 82453 should be canceled and the relief granted therein should be incorporated in the surcharge supplement authorized in this proceeding. The revenue increase authorized herein to compensate for fuel cost increases is based on an average fuel price per gallon of 19.4 cents before taxes."

Petitioner contends that truckaway carriers subject to MRT 12 have sustained further substantial increases in fuel costs. It is requested that the 3 percent interim fuel cost offset surcharge previously in effect in MRT 12 be restored with certain modifications. Petitioner requests the sought relief be granted by ex parte order. Factual information in support of the petition is set forth in a verified statement prepared by a cost supervisor for petitioner's Transportation Economics Division.

The affiant states that studies conducted during the month of February 1974 indicate that the fuel costs of the same group of carriers employed in the studies underlying the present level of MRT 12 rates have increased from 19.4 cents per gallon to 28.7 cents per gallon before taxes. The affiant also makes the following pertinent observations:

"The Appendix to Commission staff Exhibit 780-13 sets forth the effect of fuel prices upon surcharges to the Commission's minimum rate tariffs. It will be noted...that a 5¢ per gallon fuel increase creates a 1½% surcharge in Minimum Rate Tariff 12. Since Decision 82543 considered a cost of 19.4 cents per gallon and current cost is 28.7 cents, the carriers have incurred an increase of 9.3 cents per gallon. Using the staff formula of a 1½% surcharge for each 5 cent increase in fuel cost per gallon, the affected carriers require a 3% surcharge.

"In summary, procedures have been recommended by the Commission's staff to recognize and respond to the emergencies arising from the current world wide energy crisis, as those emergencies affect the California trucking industry. By Decision 82543, the Commission followed their staff suggestions by recognizing fuel cost increases in a general offset proceeding and allowing a specific cost per gallon to be reflected in specific tariff rates.

"The staff also recommends...that the Commission respond to additional fuel cost changes intermediate to other proceedings involving tariff changes. . . . The factual justification herein reflects methodology...found reasonable by the Commission in the most recent cost offset proceeding, namely Case 5604, Petition 37. The justification herein also reflects Commission staff recommendation as to the mechanics of determining a correct tariff surcharge predicated upon fuel costs."

Findings

1. The cost offset increase in Minimum Rate Tariff 12 rates authorized by Decision No. 82543 reflects fuel cost increases based on an average fuel price per gallon of 19.4 cents before taxes.

2. Petitioner has shown that the average fuel price per gallon for the test carrier group employed in the studies underlying the level of minimum rates established by Decision No. 82543 has increased to 28.7 cents as of February 1974.

3. Petitioner's sought reinstatement of a 3 percent interim fuel cost offset surcharge in connection with charges resulting under the provisions of Minimum Rate Tariff 12 has been shown to be justified to the extent provided in the order herein.

4. The increased minimum charges resulting under the application of the 3 percent interim surcharge found justified herein are, and for the future will be, the just, reasonable, and nondiscriminatory minimum charges to be observed by highway carriers engaged in the truckaway transportation of motor vehicles in secondary movement.

Conclusions

1. Minimum Rate Tariff 12 should be further amended by the establishment of a 3 percent interim fuel cost offset surcharge.

2. Common carriers should be authorized to depart from the long- and short-haul provisions of Section 460 of the Public Utilities Code and the Commission's tariff circular requirements only to the extent necessary to publish the interim fuel cost offset surcharge required herein.

3. To the extent not granted herein the interim relief sought in the second amendment to Petition 41 should be denied.

IT IS ORDERED that:

1. Minimum Rate Tariff 12 (Appendix A of Decision No. 50218, as amended) is further amended by incorporating therein, to become effective May 25, 1974, Supplement 10 attached hereto and by this reference made a part hereof.

2. Common carriers subject to the Public Utilities Code, to the extent that they are subject to Decision No. 50218, as amended, are directed to establish in their tariffs the increases necessary to conform with the further adjustments ordered by this decision.

3. Common carriers maintaining rates on a level other than the minimum rates for transportation for which rates are prescribed in Minimum Rate Tariff 12 are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariff 12 rates.

4. Common carriers maintaining rates on the same level as Minimum Rate Tariff 12 rates for the transportation of commodities and/or for transportation not subject to Minimum Rate Tariff 12 are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariff 12 rates.

5. Common carriers maintaining rates at levels other than the minimum rates for the transportation of commodities and/or for transportation not subject to Minimum Rate Tariff 12 are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariff 12 rates.

6. Tariff publications required or authorized to be made by common carriers as a result of this order shall be filed not earlier than the effective date of this order and may be made effective not earlier than the first day after the effective date of this order, on not less than one day's notice to the Commission and to the public; such tariff publications as are required shall be made effective not later than May 25, 1974; and as to tariff publications which are authorized but not required, the authority shall expire unless exercised within thirty days after the effective date of this order.

7. Common carriers are hereby authorized to depart from the Commission's tariff circular requirements only to the extent necessary in establishing the interim surcharge authorized by this order.

8. Common carriers, in establishing and maintaining the rates authorized by this order, are 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.

9. In all other respects, Decision No. 50218, as amended, shall remain in full force and effect.

10. To the extent not granted herein the interim sought in the second amendment to Petition 41 in Case No. 5604 is denied.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 15th day of MAY, 1974.

William S. Quinn President

[Signature]
[Signature]
Commissioners

I abstain

[Signature], Commissioner

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.

SUPPLEMENT 10
(Cancels Supplement 9)
(Supplements 8 and 10 Contain All Changes)

TO
MINIMUM RATE TARIFF 12
NAMING
MINIMUM RATES AND RULES
FOR THE
TRANSPORTATION OF MOTOR VEHICLES
(As Described Herein)
IN SECONDARY MOVEMENT
BY
TRUCKAWAY SERVICE
OVER THE PUBLIC HIGHWAYS WITHIN THE
STATE OF CALIFORNIA
BY
RADIAL HIGHWAY COMMON CARRIERS
AND
HIGHWAY CONTRACT CARRIERS

♦APPLICATION OF SURCHARGE

Compute the amount of charges under the rates named in Section 3 of this tariff, including any surcharges applicable thereto under other supplements to this tariff, and increase the resulting total amount by three (3) percent, dropping fractions of less than one-half cent and increasing fractions of one-half cent or greater to one cent.

♦ Increase, Decision No. 82862

EFFECTIVE

Issued by the
PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
State Building, Civic Center
San Francisco, California 94102