

Decision No. 83010

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 and highway)
carriers relating to the transpor-)
tation of cement and related)
products (commodities for which)
rates are provided in Minimum Rate)
Tariff 10).

Case No. 5440
Petition for Modification
No. 89
(Filed December 14, 1973;
amended February 1, 1974
and May 29, 1974)

INTERIM OPINION AND ORDER

By Decision No. 82624 issued March 19, 1974 in this proceeding, the rates and charges set forth in Minimum Rate Tariff 10 (MRT 10) were adjusted to reflect increased costs for the highway transportation of cement within California. Such cost increases included labor, vehicle equipment, and fuel cost factors underlying the then existing level of minimum cement rates. The California Trucking Association requests that the present MRT 10 distance cement rates be made subject to a fuel cost offset increase of 5 percent.

The level of fuel costs found reasonable in Decision No. 82624 was determined from information obtained by petitioner as of December 1973. Since that time petitioner states that cement carriers subject to the provision of MRT 10 have experienced further substantial increases in their fuel costs effective generally as of April 1974. Such further increases in fuel costs are predicated upon a survey conducted by a cost supervisor for petitioner's Transportation Economics Division. The results of the fuel cost

survey are set forth in the cost supervisor's verified statement attached to the petition (Exhibit B). To provide continuity in measuring amounts of fuel cost increases the affiant surveyed the same carrier group from whom fuel cost data employed in Decision No. 82624 were obtained. A summary of the fuel cost survey follows:

TABLE I
Comparative Fuel Costs
December 1973 - April 1974

			December 1973	
<u>Item</u>	<u>Gallons Used</u>	<u>Weighting Factor</u>	<u>Cost Per Gallon</u>	<u>Weighted Cost Per Gallon</u>
<u>NORTHERN TERRITORY</u>				
Les Calkins Trucking	22,816	9.3%	\$.3169	\$.0295
CAP Transport	58,038	23.7	.3160	.0749
Foothill Bulk Transportation	59,829	24.4	.2950	.0720
Miles and Sons Trucking Service	104,403	42.6	.3020	.1287
Cost Per Gallon				<u>\$.3051</u>
<u>SOUTHERN TERRITORY</u>				
Max Binswanger Trucking	328,221	43.4%	\$.2970	\$.1289
Fikse Brothers, Inc.	362,748	47.9	.2920	.1399
Fikse Trucking	1,884	.2	.2920	.0006
TTT, Incorporated	63,928	8.5	.3404	.0289
Cost Per Gallon				<u>\$.2983</u>
Weighted Cost Per Gallon				<u>\$.3010</u>
			April 1974	
<u>NORTHERN TERRITORY</u>				
Les Calkins Trucking	30,400	27.7%	\$.401	\$.1109
CAP Transport	12,448	11.3	.400	.0453
Foothill Bulk Transpor- tation	32,000	29.1	.435	.1266
Miles and Sons Trucking Service	35,104	31.9	.398	.1271
Cost Per Gallon				<u>\$.4099</u>
<u>SOUTHERN TERRITORY</u>				
Max Binswanger Trucking	100,000	52.4%	\$.440	\$.2307
Fikse Brothers, Inc.	78,002	40.9	.480	.2041
Fikse Trucking	-	-	-	-
TTT, Incorporated	12,705	6.7	.429	.0286
Cost Per Gallon				<u>\$.4634</u>
Weighted Cost Per Gallon				<u>\$.4400</u>

A comparison of the December 1973 with the April 1974 overall fuel costs per gallon set forth in Table 1 indicates that the cement haulers have experienced a 13.9 cents per gallon increase in their cost for fuel since the MRT 10 cement rates were last adjusted pursuant to Decision No. 82624. Under the procedures for the computation of fuel cost offset surcharges established by Decision No. 82905 dated May 29, 1974 in Case No. 5432 (Petition 780) et al., a 13.9 cents per gallon increase in the fuel cost factor reflected in the established cement rates produces a fuel offset surcharge of approximately 5 percent which is the basis for the sought relief.

The petitioner's rate proposal is the product of shipper-carrier discussion of the methods for incorporating the fuel cost increases set forth in Table 1. It is explained that the MRT 10 northern and southern territory rate scales reflect the individual needs of tariff users based upon differing transportation and marketing needs. It is the shipper's desire that the individual cement rates be adjusted as distinguished from the surcharge method for fuel cost offset rate relief. It is understood that such tariff procedure will facilitate the shippers' in-house operating procedure. Of equal importance to cement shippers is the effective date of the contemplated amendment of MRT 10. The parties involved request that any tariff changes emanating from this petition be made effective July 1, 1974.

Findings

1. The minimum cement rates established by Decision No. 82624 in MRT 10 reflect an overall weighted fuel cost factor of 30.1 cents per gallon effective December 1973.

2. Petitioner has shown that by April 1974 cement carriers operating under the provisions of MRT 10 had experienced an average increase in their fuel costs of some 13.9 cents per gallon or an overall weighted fuel cost factor of 44.0 cents per gallon.

3. The April 1974 increase in fuel costs demonstrated by petitioner is not reflected in the present level of cement rates named in MRT 10.

4. Under the procedures for the computation of fuel cost offset surcharges established by Decision No. 82905 dated May 29, 1974 in Case No. 5432 (Petition 780) et al., a 13.9 cents per gallon increase in the fuel cost factor reflected in the existing minimum cement rates produces a fuel cost offset surcharge of approximately 5 percent.

5. Petitioner's proposed increase in the individual cement rates of approximately 5 percent, in lieu of an appropriate surcharge pursuant to Decision No. 82905, has been shown to be justified.

6. The increased rates found to be justified herein constitute the just, reasonable, and nondiscriminatory minimum rates for the transportation of cement and related commodities by highway carriers.

The Commission concludes that petitioner's proposed fuel cost offset increase of approximately 5 percent should be granted and MRT 10 amended accordingly. A public hearing is not necessary.

IT IS ORDERED that:

1. Minimum Rate Tariff 10 (Appendix A to Decision No. 44633, as amended) is further amended by incorporating therein, to become effective July 1, 1974, Tenth Revised Page 12-A and Eighth Revised Page 12-B, attached hereto and by this reference made a part hereof.
2. Common carriers subject to the Public Utilities Act, to the extent that they are subject to Decision No. 44633, as amended, are hereby directed to establish in their tariffs the increases necessary to conform with the further adjustments ordered herein.
3. Common carriers maintaining rates on a level other than the minimum rates for transportation for which rates are prescribed in Minimum Rate Tariff 10 are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariff 10 rates.
4. Common carriers maintaining rates on the same level as Minimum Rate Tariff 10 rates for the transportation of commodities and/or for transportation not subject to Minimum Rate Tariff 10 are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariff 10 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 10 are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariff 10 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 July 1, 1974; and as to tariff publications which are authorized but not required, the authority shall expire unless exercised within sixty days after the effective date of this order.

7. 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.

8. In all other respects Decision No. 44633, as amended, shall remain in full force and effect.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 18th
day of JUNE, 1974.

Vernon L. Steiner
President
William Lyons

[Signature]
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Commissioners

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[Signature]

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MINIMUM RATE TARIFF 10

SECTION 2--RATES IN CENTS PER 100 POUNDS								ITEM
NORTHERN TERRITORY RATES								
MILES		RATES		MILES		RATES		
Over	But Not Over	(1) Bulk	(2) Sack	Over	But Not Over	(1) Bulk	(2) Sack	
0	3	11	13	145	150	38	40	
3	5	12	14	150	160	39½	41½	
5	10	12½	14½	160	170	40½	42½	
10	15	13½	15½	170	180	42	44	
15	20	14	16	180	190	43½	45½	
20	25	14½	16½	190	200	45	47	
25	30	16	18	200	210	46½	48½	
30	35	16½	18½	210	220	47½	49½	
35	40	17½	19½	220	230	49	51	
40	45	18½	20½	230	240	50½	52½	
45	50	20	22	240	250	52½	54	
50	55	21½	23½	250	260	53½	55½	
55	60	23	25	260	270	54½	56½	
60	65	23½	25½	270	280	56½	58	
65	70	24	26	280	290	57½	58½	6205
70	75	25	27	290	300	58½	58½	
75	80	25½	27½	300	320	61½	61½	
80	85	27	29	320	340	64	64	
85	90	27½	29½	340	360	66½	66½	
90	95	28½	30½	360	380	69	69	
95	100	29½	31½	380	400	72	72	
100	105	31½	33½	400	420	74½	74½	
105	110	32	34	420	440	77	77	
110	115	32½	34½	440	460	79½	79½	
115	120	33½	35½	460	480	82	82	
120	125	34	36	480	500	84½	84½	
125	130	34½	36½	500	—	(Add to the rate for 500 miles, 5½ cents per 100 pounds for each 25 miles or fraction thereof.)		
130	135	35½	37½					
135	140	36½	38½					
140	145	37	39					
(1) Rates apply on shipments in bulk. (2) Rates apply on shipments in packages.								
♦ Increase, Decision No. 83010								
EFFECTIVE								
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.								
Correction								

SECTION 2--RATES IN CENTS PER 100 POUNDS				ITEM
SOUTHERN TERRITORY RATES				
MILES		RATES		
Over	But Not Over	(1) Bulk	(2) Sack	
0	3	8½	9½	
3	5	8½	10	
5	10	9	10½	
10	15	9½	11	
15	20	10½	12	
20	25	11	12½	
25	30	11½	13	
30	35	12	13½	
35	40	13½	15	
40	45	14½	16	
45	50	16½	17½	
50	60	17½	19	
60	70	19	21	
70	80	20½	22½	
80	90	22½	23½	
90	100	24	25	
100	110	25½	26½	
110	120	26½	28	
120	130	28½	29½	♦ 210
130	140	30½	31	
140	150	32	32½	
150	160	33½	34	
160	170	35½	36	
170	180	37	37	
180	190	38½	38½	
190	200	40	40	
200	220	42½	42½	
220	240	45½	45½	
240	260	47½	47½	
260	280	51	51	
280	300	54½	54½	
300	320	56½	56½	
320	340	58½	58½	
340	360	61½	61½	
360	380	64	64	
380	400	66½	66½	
400	420	69½	69½	
420	440	72	72	
440	460	74½	74½	
460	480	77½	77½	
480	500	80	80	
500	---			
(Add to the rate for 500 miles 5½ cents per 100 pounds for each 25 miles or fraction thereof)				
(1) Rates apply on shipments in bulk. (2) Rates apply on shipments in packages.				
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