

ci

Decision No. 83264

ORIGINAL

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 property by vacuum-type
and pump-type tank vehicles
(including transportation for
which rates are provided in Minimum
Rate Tariff No. 13).

Case No. 6008
Petition for Modification No. 25
(Filed December 14, 1973;
amended February 1, 1974
and June 19, 1974)

INTERIM OPINION AND ORDER

Minimum Rate Tariff 13 (MRT 13) provides rates and rules governing the highway transportation of property in vacuum or pump tank equipment. By Decision No. 82726 dated April 16, 1974 in Case No. 6008 the MRT 13 Territory A hourly rates and assessorial helper charge were increased approximately 7 percent to offset increases in labor costs, allied payroll expenses, and fuel costs experienced by the vacuum and pump tank truck carriers generally as of January 1, 1974. By this petition the California Trucking Association (CTA) requests that the charges resulting from the application of the present MRT 13 Territory A hourly rates be made subject to a fuel cost offset surcharge of 2 percent.

The level of fuel costs found reasonable in Decision No. 82726 were determined from information obtained by petitioner as of December 1973 and January 1974. Since that time vacuum or pump tank truck carriers operating under the Territory A hourly rates contained in MRT 13 have experienced further substantial increases in their fuel costs effective generally as of June 1974. Such fuel cost increases are predicated upon a study conducted by a supervisor for CTA's Transportation Economics Division. The results of his study are set

forth in a verified statement attached to the petition. In Decision No. 82726 fuel costs of 36.7 cents per gallon for gasoline and 35.5 cents per gallon for diesel fuel were found justified. To provide continuity in measuring amounts of increase in fuel costs affiant states that he surveyed the same carrier group for the months of May and June 1974 from whom fuel cost data employed in Decision No. 82726 were obtained. The results of the fuel cost survey follow:

TABLE 1
Fuel Cost Survey
May-June 1974

<u>Carrier Surveyed</u>	<u>Gallons Used</u>	<u>Weighting Factor</u>	<u>Base Cost Per Gallon</u>	<u>Weighted Cost per Gallon</u>
<u>Gasoline</u>				
Routh Transportation	8,000	43.5%	\$.330	\$.1436
Chancellor & Ogden, Inc.	-	-	-	-
Crosby & Overton	-	-	-	-
Ott's Vacuum Truck Service	-	-	-	-
W. H. Hutchison & Son	5,400	29.3	.310	.0908
Fix & Brain Vacuum Truck	<u>5,005</u>	<u>27.2</u>	<u>.378</u>	<u>.1028</u>
Weighted Base Cost Per Gallon	18,405			\$.3372
Plus - State & Federal Tax				.1100
Plus - Sales Tax				.0268
Total Weighted Cost Per Gallon				<u>\$.4740</u>
<u>Diesel</u>				
Routh Transportation	-	-%	\$ -	\$ -
Chancellor & Ogden, Inc.	4,494	16.0	.3381	.0541
Crosby & Overton	7,400	26.3	.2860	.0752
Ott's Vacuum Truck Service	9,080	32.3	.3225	.1042
W. H. Hutchison & Son	7,138	25.4	.3010	.0765
Fix & Brain Vacuum Truck	-	-	-	-
Weighted Base Cost Per Gallon	28,112			\$.3100
Plus - Sales Tax				.0186
Plus - State & Federal Tax				.1100
Total Weighted Cost Per Gallon				<u>\$.4386</u>

A comparison of the December 1973-January 1974 weighted fuel costs with those set forth in Table 1 indicates an increase of 8.4 cents per gallon for diesel fuel and 10.7 cents per gallon for gasoline. In addition to the survey of carrier fuel costs summarized in Table 1 the CTA states that it monitors fuel cost changes from other available sources including the Commission's Data Bank and announcements of fuel price changes by major suppliers. The CTA supervisor notes that the Commission's most recent Data Bank fuel cost information pertaining to MRT 13 shows diesel fuel cost of 39.9 cents per gallon for April 1974. Analysis of fuel price changes announced by major suppliers indicates an average increase of 2 cents per gallon per month. Using this average increase in fuel costs for the months of May and June 1974 to bring forward the April 1974 diesel fuel cost information contained in the Data Bank, a June 1974 diesel fuel cost of 43.9 cents per gallon was determined by the CTA supervisor. The survey of actual current fuel expenses for major vacuum truck carriers summarized in Table 1 shows a June 1974 actual weighted cost of 43.86 cents per gallon for diesel fuel. This is almost exactly the same as projected by use of the Data Bank and CTA source materials.

Based upon the gallonage shown in Table 1 the CTA supervisor has determined a single factor fuel cost increase of 9.3 cents per gallon as of June 1974. Employing the procedures established for the computation of fuel cost offset surcharges by Decision No. 82905 dated May 29, 1974 in Case No. 5432 (Petition 780 et al.), a 9.3 cents per gallon increase in the fuel cost factor reflected in the established level of MRT 13 Territory A hourly rates produces a fuel offset surcharge of approximately 2 percent (1.9%) which is the basis for CTA's rate proposal.

Findings and Conclusions

1. MRT 13 Territory A hourly rates were last adjusted as of April 27, 1974 pursuant to Decision No. 82726 dated April 16, 1974. The level of hourly rates thus established reflect vacuum and pump tank truck carrier fuel costs of 36.7 cents per gallon for gasoline and 35.5 cents per gallon for diesel fuel effective generally as of January 1974.

2. Petitioner has shown that by June 1974 vacuum and pump tank truck carriers operating under the minimum hourly rates named in MRT 13 for Territory A had experienced an average increase in their fuel costs of some 9.3 cents per gallon or an overall weighted fuel cost factor of 43.9 cents per gallon.

3. The June 1974 increase in fuel costs demonstrated by petitioner is not reflected in the present level of MRT 13 Territory A hourly rates.

4. Petitioner has properly applied the procedures established by Decision No. 82905 dated May 29, 1974 in Case No. 5432 (Petition 780 et al.) for determining that a 9.3 cents per gallon increase in the fuel cost factor reflected in the present Territory A hourly rates named in MRT 13 produces a fuel cost offset surcharge of approximately 2 percent.

5. Petitioner's proposed fuel cost offset surcharge of 2 percent for application to the charges resulting under the Territory A hourly rates named in MRT 13 has been shown to be justified.

6. The surcharge increase found justified herein will result in just, reasonable, and nondiscriminatory minimum rates and charges for the transportation of property governed thereby.

The Commission concludes that petitioner's proposed fuel cost offset surcharge of 2 percent should be granted and MRT 13 amended accordingly. A public hearing is not necessary.

IT IS ORDERED that:

1. Minimum Rate Tariff 13 (Appendix B of Decision No. 55584, as amended) is further amended by incorporating therein, to become effective August 24, 1974, Supplement 2, 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. 55584, 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 13 are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariff 13 rates.

4. Common carriers maintaining rates on the same level as Minimum Rate Tariff 13 rates for the transportation of commodities and/or for transportation not subject to Minimum Rate Tariff 13 are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariff 13 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 13 are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariff 13 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 August 24, 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. 55584, as amended, shall remain in full force and effect.

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

Dated at San Francisco, California, this 6th
day of AUGUST, 1974.

Vernon L. Stanger
President
William Synovitz

[Signature]

Commissioners

[Signature]

[Signature]

Commissioner D. W. Holmes, being necessarily absent, did not participate in the disposition of this proceeding.

SPECIAL INCREASE SUPPLEMENT

SUPPLEMENT 2

(Cancels Supplement 1)
(Supplement 2 Contains All Changes)

TO

MINIMUM RATE TARIFF 13

NAMING

MINIMUM RATES AND RULES

FOR THE

TRANSPORTATION BY VACUUM-TYPE TANK
VEHICLES AND BY PUMP-TYPE TANK
VEHICLES OF PROPERTY OVER THE PUBLIC
HIGHWAYS WITHIN THE STATE OF
CALIFORNIA

BY

RADIAL HIGHWAY COMMON CARRIERS
HIGHWAY CONTRACT CARRIERS
AND
PETROLEUM CONTRACT CARRIERS

APPLICATION OF SURCHARGES
(See Page 2 of This Supplement)

Decision No.

83264

EFFECTIVE

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

APPLICATION OF SURCHARGES

Except as otherwise provided, compute the amount of charges in accordance with the rates and rules in this tariff, including any surcharges applicable thereto under other supplements to this tariff, and increase the resulting total amount by the following percentages:

- *o(a) Two percent under the Territory A rates;
- (b) Three percent under the Territory B rates.

For purposes of disposing of fractions under provisions hereof, fractions of less than one-half cent shall be dropped and fractions of one-half cent or greater shall be increased to the next higher whole cent.

EXCEPTIONS.--The surcharges herein shall not apply on charges resulting under:

- (a) Item 60
- (b) Paragraph 12 of Item 122, and
- (c) The deduction in the Note in Item 200.

THE END

oChange)
 *Addition) Decision No.
 oIncrease)

83264