

DEC 19 1990

Decision 90-12-052 December 19, 1990

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Rocky Mountain Motor
 Tariff Bureau, Inc., (RMB), Agent,
 seeking relief from the terms of
 Rules 7.1(a), 7.2(a), and 7.4 of
 General Order 147-B, authorizing
 publication of a ZIP Code Tariff on
 behalf of named Highway Common
 Carrier(s) between points in
 California and for authority to
 depart from the provisions of
 Sections 452 and 454 of the Public
 Utilities Code of the State of
 State of California to the extent
 necessary to permit publication of
 the proposed tariff.

ORIGINAL

Application 90-08-052
 (Filed August 22, 1990;
 amended September 28, 1990)

O P I N I O N

By this application Rocky Mountain Motor Tariff Bureau, Inc., Agent (RMB), requests authority to publish and file its tariff Cal. P.U.C. 8, to apply initially for the account of Overnite Transportation Company (Overnite) and thereafter for any future members of RMB who may choose to participate in this tariff. Authority is sought to depart from General Order (GO) 147-B, and from §§ 452 454, and 460 of the Public Utilities (PU) Code to the extent necessary.

RMB acts as a tariff publishing agent for highway common carriers holding certificated operating authorities issued by this Commission. Cal. P.U.C. 8 is a ZIP Code based rate tariff which can be used by carriers to assess class rates on a five-digit ZIP Code basis. Unlike existing ZIP Code based tariffs currently on file in California, the proposed tariff will not use Distance Table 8 (DT 8) as a source from which mileages are used to determine rates. Rather, Cal. P.U.C. 8 is a tariff which uses a rate basis system for setting forth minimum charges and class

rates. Rates and charges are shown for various rate bases, which in turn are determined based upon ZIP Code geographical relationships.

In support of its request, RMB asserts generally as follows:

1. Carriers participating in RMB tariffs on an interstate basis, acting under collective interstate procedures, were the first to establish a five-digit ZIP Code based, formula driven, class rate structure. Implementation of this concept has greatly improved rate application and information distribution, including rating and billing practices, on a computerized basis.
2. Use of micro-computer application techniques has facilitated the storage of RMB interstate rates on a single floppy disk - a large improvement for subscribers using personal computers for rate determinations.
3. RMB believes that this same concept can readily be extended to California intrastate service, and will be beneficial to both carriers and shippers. RMB's floppy disk product, CAL-RATE, as well as a magnetic tape, will be available to participants in the tariff upon request.
4. The tariff will apply initially only in connection with a single carrier, Overnite. Overnite's current rates in connection with California transportation are within the Commission's zone of reasonableness. Exhibit B to the application contains a comparison of all traffic handled by Overnite during February 1990, rated at the Commission's transition level, with that rated under Cal. P.U.C. 8, and shows the net impact of rates assessed under the latter tariff. The great majority of bills rated under the proposed tariff are identical to those previously accepted and approved by the Commission. Overall impact of the use of Cal. P.U.C. 8 on this traffic amounts to a reduction of about .01%. No

shipment charge on sampled traffic returned less than 65.5 cents per mile, nor increased more than 10%, with three exceptions.

5. Exhibit C, attached to the application, shows that under the proposed tariff seven rate blocks contain rates which return less revenue per mile than Rule 7.1(a), GO 147-B, requires (65.5 cents on LTL shipments rated at 12,000 pounds). However, the rates are exactly the same as the Commission's previously approved transition level. Thus, while the proposed tariff contains this technical violation, the rates appear reasonable because rates applied by any carrier subject to the previously approved transition level will not change. Further, none of Overnite's sampled traffic moved under those rates.
6. Regarding Rule 7.2(a), providing that rates shall not increase by more than 10% over previously effective rates, the sampled traffic showed only three instances in which the 10% rule was exceeded. Where only 3 of 624 shipments exceeded the Rule 7.2(a) provision, the impact is de minimis, and relief from Rule 7.2(a) appropriate.
7. Rule 7.4 provides that common carrier rates established or decreased pursuant to Rules 7.1(a) or 7.2(b) shall be accompanied by the Floor Price Certification form set forth in the GO. Relief from Rule 7.4 is therefore required since, as noted, some of the rate blocks in the 10,000 pound minimum weight brackets do not return 65.5 cents per mile, thus precluding completion of the Price Floor Certification Form.

RMB asserts that its proposal is not a major action significantly affecting energy efficiency within the meaning of (PU) Code §§ 3502.1 and 3502.2.

Notice of filing of the application and the amendment, which sought authority to depart from PU Code § 460 regarding long-and-short haul departures, appeared in the Commission's Daily

Transportation Calendar. No objection to the application, as amended, has been received. Our Transportation Division Staff has furnished an Advice of Participation advising that it has no objection to the ex parte granting of the application. In the circumstances, the application, as amended, should be granted.

Findings of Fact

1. GO 147-B names rules specifying certain rate levels and procedures which must be observed by highway common carriers and highway contract carriers. Rule 2 of the GO provides for departure from the rules contained therein after the Commission finds that such departure is reasonable and necessary.

2. RMB proposes to file its tariff Cal. P.U.C. 8, naming rates on levels slightly different from those specified by GO 147-B. The tariff will apply initially only in connection with transportation performed by a single carrier - Overnite Transportation. However, RMB proposes that other carriers may be added as participants in the tariff as they request permission to do so.

3. Rates in RMB Tariff Cal. P.U.C. 8 are developed on a ZIP Code basis, providing users with a simplified rating system which allows them the opportunity to more efficiently manage and monitor their transportation costs.

4. While there are departures in Cal. P.U.C. 8 from rate levels specified by GO 147-B, specifically in connection with the requirements of Rules 7.1(a), 7.2(a), and 7.4, the net revenue impact of those departures is de minimis.

5. Transportation Division Staff recommends the ex parte granting of the application, as amended. No objection to the application has been received.

6. The departures from GO 147-B authorized by this order are reasonable and necessary.

Conclusions of Law

1. The application, as amended, should be granted.
2. Since there is an immediate benefit available to the participating carrier and the public, the effective date of this order should be today.

O R D E R

IT IS ORDERED that:

1. Rocky Mountain Motor Tariff Bureau, Inc., Agent (RMB), may file, on 5 days' notice, its tariff Cal. P.U.C. 8, as shown in Exhibit A to the application.
2. Rates and charges named in RMB's Cal. P.U.C. 8 may be applied by highway common carriers who may, in the future, comply with GO 147-B rules and be shown as participants therein.
3. RMB is authorized to depart from the provisions of General Order 147-B, and from §§ 452, 454, and 460 of the Public Utilities Code to the extent necessary to implement the authority granted by this decision.

This order is effective today.

Dated December 19, 1990, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY

[Signature]
JOHN B. OHANIAN, Executive Director