

Decision 91-02-037 February 21, 1991

FEB 27 1991

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation  
for the purpose of considering and  
determining minimum rates for  
transportation of sand, rock, gravel,  
and related items in bulk, in dump  
truck equipment between points in  
California as provided in Minimum  
Rate Tariff 7-A and the revisions  
or reissues thereof.

**ORIGINAL**

Case 5437

Petition for Modification 348  
(Filed September 6, 1990)

Case 9819

Petition for Modification 130  
(Filed September 6, 1990)

Case 9820

Petition for Modification 41  
(Filed September 6, 1990)

Case 5433

Petition for Modification 81  
(Filed September 6, 1990)

Case 5330

Petition for Modification 123  
(Filed September 7, 1990)

And Related Matters.

ORDER MODIFYING FUEL SURCHARGES

This decision reduces by approximately 40% the fuel surcharges authorized by D.90-10-066. These surcharges will expire on May 2, 1991. A hearing will be held on March 13, 1991 to determine the usefulness of additional sources of fuel cost information as well as consider other issues enumerated in this order.

### Background

Iraq's invasion of Kuwait and the resulting events in the Middle East caused fuel costs for trucking companies to increase significantly. In response to this emergency situation, the Commission authorized temporary surcharges to the rates contained in Minimum Rate Tariffs (MRTs) in D.90-09-052, D.90-09-053, and D.90-09-054, in order to reflect these sharply higher fuel costs. The temporary fuel surcharges were later revised and extended by D.90-10-066, D.90-12-085 (as modified by D.90-12-124), and D.91-02-021.

Most recently, D.91-02-021 extended the fuel surcharges through February 22, 1991. In addition, D.91-02-021 ordered parties to file, no later than February 14, 1991, new information on fuel costs with the Docket Office and also provide a copy of their filing to the Transportation Division Director by the same date.

The Commission has received responses from four parties to the request for new information on fuel costs.

On February 12, 1991, the Associated General Contractors of California (AGCC) filed the "Submission of the 'Oil Price Information Service' (OPIS) Fuel Survey as Directed by D.91-02-021 Which Extended Fuel Surcharges Authorized by D.90-10-066". In its filing, AGCC suggested that the Commission use the Oil Price Information Service (OPIS) as the basis for the Commission to modify fuel surcharges.

On February 13, 1991, the California Dump Truck Owners Association (CDTOA), California Moving and Storage Association (CMSA), and California Carriers Association (CCA) filed the "Second Amendment to their Petition for Modification of Decisions 90-12-024 and 91-02-021". This filing included the results of the CDTOA/CMSA/CCA fuel surveys conducted in early February 1991. The surveys showed a fuel cost of \$1.30 per gallon, which is a decline in fuel costs from the level of \$1.50 per gallon that was the basis

of the fuel surcharges established in D.90-10-066 and later extended through February 22, 1991. These fuel costs exclude recent new state and federal fuel taxes. Fuel costs still remained above the level of \$1.04 per gallon that prevailed just prior to the Middle East crisis. The petitioners calculated the fuel cost surcharge reduction to be 43 percent. On the basis of the continuing high level of fuel costs, the petitioners asked that the temporary fuel surcharge be extended, but at a lower level.

On February 14, 1991, the California Trucking Association (CTA) made a filing which stated, based upon a February 4, 1991 survey of livestock transportation motor carriers, the average price of diesel fuel was \$1.28 per gallon.

On February 14, 1991, the Division of Ratepayer Advocates (DRA) filed a "Submission of Updated Fuel Cost Information". DRA cited the fuel price of \$1.29 for the February 8, 1991 Lundberg Survey and the fuel price of \$1.18 for the January 27, 1991 Commission Dump Truck Fuel and Oil Survey. These fuel prices exclude recent new state and federal fuel taxes. DRA stated that all available indicators support reductions in current surcharges by amounts of as much as fifty percent. DRA recommended that the surcharges be reduced as soon as possible to reflect current fuel prices.

### Discussion

Our reasons for authorizing fuel surcharges for MRTs remain, although the surcharges should be lower than the existing levels. The war in the Middle East continues, and fuel costs remain above where they were prior to Iraq's invasion of Kuwait.

We recognize that fuel costs have declined since D.90-10-066. In the past, we relied on the CDTOA/CMSA/CCA survey in establishing the surcharges. Different classes of carriers have experienced different fuel cost increases since August 1, 1990. The slight variance in net fuel cost increase experienced by

carriers will have a minimal impact on the overall fuel surcharge being considered in this proceeding. A weighted average price for fuel paid for carriers would provide the best measure of price increase.

The most recent CDTA/CMSA/CCA survey available to us was conducted in early February 1991. That survey showed fuel costs to have declined to \$1.30 per gallon which is 43 percent below the level used to establish the current surcharges. The staff has determined that, within the range of fuel prices between \$1.04/gallon and \$1.50/gallon, the effects of fuel prices on the Minimum Rate Tariffs are linear. Accordingly, we will authorize the following fuel surcharges based upon a fuel price of \$1.30 per gallon:

<u>Case-Petition</u>	<u>MRT</u>	<u>Calculated Surcharge</u>	<u>Authorized Surcharge</u>
<u>Dump Trucks:</u>			
C.5437-348	7-A Distance Rates	4.00%	4.0%
	Hourly Rates	3.48	3.5
C.9819-130	17-A	3.26	3.5
C.9820-41	20	3.26	3.5
<u>Livestock:</u>			
C.5433-81	3-A	3.93	4.0
<u>Household Goods:</u>			
C.5330-123	4-C Distance Rates	2.02	2.0
	Hourly Rates	0.94	1.0

Note: Each authorized surcharge has been rounded to the nearest 0.5% for ease of administration.

In D.91-02-021 we agreed with AGCC and DRA that additional sources of information besides the fuel cost surveys conducted by the petitioners might be useful for determining the appropriate level of fuel surcharges. Accordingly, a hearing has been set for March 13, 1991 by Administrative Law Judge (ALJ) Anand

Garde to consider this and other issues. The Commission now directs the ALJ to consider at the hearing the following:

1. Should the Commission continue to issue decisions every 45 to 60 days to account for changes in fuel prices?
2. Should the Commission adopt an indexing procedure which will:
  - a. Adjust rates in MRTs whenever fuel prices change by 10 cents/gallon?
  - b. Adjust rates in MRTs every 3 months, based upon the current fuel price?
  - c. Adjust rates in MRTs every three months based on average fuel price for previous 12-month period?
3. Which fuel price survey should be relied upon to adjust rates in MRTs?
4. How should the Commission determine the end of the fuel crisis due to events in the Middle East by using:
  - a. Some event or level of fuel price per gallon?
  - b. Some other criteria?

The hearing on March 13, 1991 will provide evidence for us to consider the issues stated above in a decision at our April 24, 1991 Meeting. To allow for the time of mailing that decision, we will allow the fuel surcharges authorized today to expire on May 2, 1991.

### Findings of Fact

1. The invasion of Kuwait by Iraq and the resulting events in the Middle East have resulted in higher fuel costs for trucking companies.

2. On February 12, 1991, the Associated General Contractors of California (AGCC) filed the "Submission of the 'Oil Price Information Service' (OPIS) Fuel Survey as Directed by D.91-02-021 Which Extended Fuel Surcharges Authorized by D.90-10-066".

3. On February 13, 1991, the California Dump Truck Owners Association (CDTOA), California Moving and Storage Association (CMSA), and California Carriers Association (CCA) filed the Second Amendment to their Petition for Modification of Decisions 90-12-024 and 91-02-021.

4. A survey conducted by CDTOA/CMSA/CCA in early February 1991, shows that fuel costs have declined since D.90-10-066, to a level of \$1.30 per gallon.

5. On February 14, 1991, the California Trucking Association (CTA) made a filing which stated, based upon a February 4, 1991 survey of livestock transportation motor carriers, the average price of diesel fuel was \$1.28 per gallon.

6. On February 14, 1991, the Division of Ratepayer Advocates (DRA) filed a Submission of Updated Fuel Cost Information.

7. In the past, the Commission relied on the CDTOA/CMSA/CCA survey in establishing the surcharges.

8. Different classes of carriers have experienced different fuel cost increases since August 1, 1990.

9. The slight variance in net fuel cost increase experienced by carriers will have a minimal impact on the overall fuel surcharge being considered in this proceeding.

10. A weighted average price for fuel paid for carriers would provide the best measure of price increase.

11. The surcharges authorized by D.90-10-066, D.90-12-085 D.90-12-124 and D.91-02-021 will extend through February 22, 1991.

12. Requiring surcharges to terminate on a date certain will ensure close Commission review of fuel price fluctuations and their impact on permitted carriers.

13. A hearing will be held on March 13, 1991 to determine the usefulness of additional sources of fuel cost information as well as consider other issues enumerated in this order.

Conclusions of Law

1. The fuel surcharges for MRTs 3-A, 4-C, 7-A, 17-A, and 20 should be modified.

2. The fuel surcharges should be based upon a fuel price of \$1.30 per gallon.

3. The fuel surcharges should expire on May 2, 1991.

IT IS ORDERED that:

1. Minimum Rate Tariff (MRT) 3-A (Appendix A to D.55587, as amended) is further amended by incorporating Supplement 32 included in Appendix A.

2. MRT 4-C (Appendix D to D.87-01-066, as amended) is further amended by incorporating the attached Supplement 5 included in Appendix A.

3. MRT 7-A (Appendix B to D.82061, as amended) is further amended by incorporating Supplement 39 included in Appendix A.

4. MRT 17-A (Appendix C to D.80578, as amended) is further amended by incorporating Supplement 52 included in Appendix A.

5. MRT 20 (Appendix A to D.81799, as amended) is further amended by incorporating Supplement 36 included in Appendix A.

6. These supplements shall expire on May 2, 1991.

7. The Executive Director shall serve a copy of this decision on each subscriber to MRTs 3-A, 4-C, 7-A, 17-A, and 20.

8. A hearing shall be held on March 13, 1991 to determine the usefulness of additional sources of fuel cost information as well as consider other issues enumerated in this order.

This order is effective today.

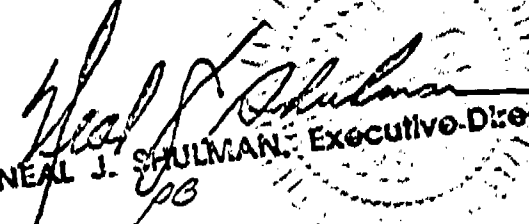
Dated February 21, 1991, at San Francisco, California.

PATRICIA M. ECKERT  
President  
G. MITCHELL WILK  
JOHN B. O'HANIAN  
Commissioners

I abstain.  
DANIEL WM. FESSLER  
Commissioner

I abstain.  
NORMAN D. SHUMWAY  
Commissioner

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

  
NEAL J. SHULMAN, Executive Director



APPENDIX A  
EMERGENCY FUEL SURCHARGE SUPPLEMENT

EMERGENCY FUEL SURCHARGE SUPPLEMENT

§(E) SUPPLEMENT 32

(Cancels Supplement 31)

(Supplements 27 and 32 Contain All Changes)

TO

MINIMUM RATE TARIFF 3-A

MAKING

MINIMUM RATES AND RULES

FOR THE

TRANSPORTATION OF LIVESTOCK OVER THE

PUBLIC HIGHWAYS WITHIN THE

STATE OF CALIFORNIA

BY

HIGHWAY COMMON CARRIERS

HIGHWAY CONTRACT CARRIERS

AND

LIVESTOCK CARRIERS

§(E) APPLICATION OF SURCHARGE

Except as otherwise provided, compute the amount of charges in accordance with the rates and rules in this tariff, and increase the amount so computed by four (4) percent. (SEE EXCEPTION)

In computing the amount of the charges, fractions of less than one-half (1/2) cent shall be dropped and fractions of one-half (1/2) cent or greater shall be increased to the next higher whole cent.

EXCEPTION: The surcharge herein shall not apply to:

1. Item 110 - Accessorial Charges;
2. Items 170 and 180 - Split Pickup and Split Delivery;
3. Item 200 - Stopping in Transit; and
4. Item 210 (Railhead-to-railhead Charges Only).

§(E) Expires May 2, 1991

§ Change )  
o Reduction ) Decision 91-02-037

EFFECTIVE FEBRUARY 22, 1991

Issued by the  
PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
Governor Edmund G. "Pat" Brown Building  
505 Van Ness Avenue  
San Francisco, California 94102

EMERGENCY FUEL SURCHARGE SUPPLEMENT

§6(E) SUPPLEMENT 5

(Cancels Supplement 4)

(Supplement 5 Contains All Changes)

TO

MINIMUM RATE TARIFF 4-C

NAMING

MINIMUM RATES AND RULES

FOR THE

TRANSPORTATION OF USED PROPERTY, NAMELY:

HOUSEHOLD GOODS, PERSONAL EFFECTS AND

OFFICE, STORE AND INSTITUTIONAL FURNITURE,

FIXTURES AND EQUIPMENT OVER THE

PUBLIC HIGHWAYS WITHIN THE

STATE OF CALIFORNIA

BY

HOUSEHOLD GOODS CARRIERS

§6(E) APPLICATION OF SURCHARGE

Except as otherwise provided, compute the amount of charges in accordance with the rates and rules in this tariff, and increase the resulting total as follows:

1. By one (1) percent on charges computed at rates set forth in Item 320; and
2. By two (2) percent on charges computed at rates set forth in Items 300, 310, 330, 380 and 390.

The surcharge authorized herein shall be computed to the nearest five (5) cents. In computing the surcharge, two and one-half (2-1/2) cents shall be considered as being nearer to the next five cents.

§6(E) Expires May 2, 1991

Δ Change )  
Δ Reduction ) Decision 91-02-037

EFFECTIVE FEBRUARY 22, 1991

Issued by the  
PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
Governor Edmund G. "Pat" Brown Building  
505 Van Ness Avenue  
San Francisco, California 94102

EMERGENCY FUEL SURCHARGE SUPPLEMENT

§6(E) SUPPLEMENT 39

(Cancels Supplement 38)

(Supplements 9, 33, 35, 36 and 39 Contain All Changes)

TO

MINIMUM RATE TARIFF 7-A

NAMING

MINIMUM RATES AND RULES

FOR THE

TRANSPORTATION OF PROPERTY IN DUMP TRUCK

EQUIPMENT BETWEEN POINTS IN CALIFORNIA

BY

HIGHWAY CONTRACT CARRIERS

AGRICULTURAL CARRIERS

AND

DUMP TRUCK CARRIERS

§6(E) APPLICATION OF SURCHARGE

Except as otherwise provided, compute the amount of charges in accordance with the rates and rules of this tariff, and increase the amount so computed as follows:

1. By four (4) percent on charges computed at rates provided in Items 290, 300, 310, 320, 325, 330, 340, 490 and 510.
2. By three and five-tenths (3.5) percent on charges computed at rates provided in Items 390 and 400.

For purposes of disposing of fractions under provisions hereof, fractions of less than one-half (1/2) cent shall be dropped and fractions of one-half (1/2) cent or greater shall be increased to the next higher whole cent.

§6(E) Expires May 2, 1991

of Change )  
o Reduction ) Decision 91-02-037

EFFECTIVE FEBRUARY 22, 1991

Issued by the  
PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
Governor Edmund G. "Pat" Brown Building  
505 Van Ness Avenue  
San Francisco, California 94102

EMERGENCY FUEL SURCHARGE SUPPLEMENT

§6(E) SUPPLEMENT 52

(Cancels Supplement 51)

(Supplements 6, 13, 27, 29, 46, 48, 49 and 52 Contain All Changes)

TO

MINIMUM RATE TARIFF 17-A

NAMING

MINIMUM RATES AND RULES

FOR THE

TRANSPORTATION OF PROPERTY

IN DUMP TRUCK EQUIPMENT FROM

DEFINED PRODUCTION AREAS TO DESIGNATED DELIVERY ZONES

AND POINTS IN SOUTHERN CALIFORNIA

BY

HIGHWAY CONTRACT CARRIERS

AND

DUMP TRUCK CARRIERS

§6(E) APPLICATION OF SURCHARGE

Except as otherwise provided, compute the amount of charges in accordance with the rates and rules of this tariff, and increase the amount so computed by three and five-tenths (3.5) percent. (SEE EXCEPTION)

For purposes of disposing of fractions under provisions hereof, fractions of less than one-half (1/2) cent shall be dropped and fractions of one-half (1/2) cent or greater shall be increased to the next higher whole cent.

EXCEPTION: The surcharge herein shall not apply to:

1. Paragraphs (b) and (c) in Item 120 - Application of Tariff--Rates;
2. Item 170 - Accessorial Charges (At Origin);
3. Item 180 - Accessorial Charges (At Destination);
4. Items 200 and 220 (Railhead-to-railhead charges only);
5. Item 280 - Collect on Delivery (C.O.D.) Shipment; and
6. Item 570 - Tarp Labor Charge.

§(E) Expires May 2, 1991

Change )  
Reduction ) Decision 91-02-037

EFFECTIVE FEBRUARY 22, 1991

Issued by the  
PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
Governor Edmund G. "Pat" Brown Building  
505 Van Ness Avenue  
San Francisco, California 94102

EMERGENCY FUEL SURCHARGE SUPPLEMENT

§6(E) SUPPLEMENT 36

(Cancels Supplement 35)

(Supplements 2, 7, 30, 32, 33 and 36 Contain All Changes)

TO

MINIMUM RATE TARIFF 20

HAHNG

MINIMUM ZONE RATES AND RULES

FOR THE

TRANSPORTATION OF ROCK, SAND AND GRAVEL

IN FOUR- AND FIVE-AXLE DUMP TRUCK EQUIPMENT FROM

DEFINED PRODUCTION AREAS TO DESIGNATED DELIVERY ZONES

AND DISTANCE RATES

IN NORTHERN CALIFORNIA

BY

DUMP TRUCK CARRIERS

§6(E) APPLICATION OF SURCHARGE

Except as otherwise provided, compute the amount of charges in accordance with the rates and rules of this tariff, and increase the amount so computed by three and five-tenths (3.5) percent. (SEE EXCEPTION)

For purposes of disposing of fractions under provisions hereof, fractions of less than one-half (1/2) cent shall be dropped and fractions of one-half (1/2) cent or greater shall be increased to the next higher whole cent.

EXCEPTION: The surcharge herein shall not apply to:

1. Items 180 and 190 - Accessorial Charges;
2. Item 195 - Tarp Labor Charge;
3. Items 200 and 220 (Railhead-to-railhead charges only); and
4. Item 280 - Collect on Delivery (C.O.D.) Shipment.

§6(E) Expires May 2, 1991

§ Change )  
§ Reduction ) Decision 91-02-037

EFFECTIVE FEBRUARY 22, 1991