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Decision No. 86512

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
WESTERN MOTOR TARIFF BUREAU, INC., AGENT,
for authority to increase rates in its
Tariff Nos. 16, 18 and 19, containing
rates of participating common carriers
for the transportation of Petroleum and
Petroleum Products in bulk, in the
State of California.

Application No. 56699
(Filed August 19, 1976)

INTERIM OPINION

Applicant Western Motor Tariff Bureau (WMTB) seeks a general increase in the rates named in its Local Freight Tariff No. 16, Cal. P.U.C. No. 20 (liquefied petroleum gases), Local and Joint Freight and Express Tariff No. 18, Cal. P.U.C. No. 24 (general petroleum products), and Local Freight Tariff No. 19, Cal. P.U.C. No. 26 (liquid asphalt, asphalt emulsion, and road oils) on behalf of the carriers participating in those tariffs. According to the application the last general adjustment of the involved rates and charges was made pursuant to authority granted by Decision No. 85367 dated January 20, 1976 and Decision No. 85081 dated October 31, 1975.

By a letter dated August 31, 1976, applicant was informed that the application did not contain sufficient information for the staff to fully analyze the reasonableness of the relief sought. The letter then outlined the information that would be required for such an analysis. Applicant contends that the relief is urgently required if its participating carriers are to avoid serious economic consequences. Reference is made to Petition for Modification No. 194 in Case No. 5436 where similar increases are sought in the minimum rates named in Minimum Rate Tariff No. 6-B (MRT 6-B), and to the delay in concluding that matter.

We are aware of the general economic atmosphere and agree that some relief is urgently necessary for some carriers. We are also aware that the data requested by the staff may take considerable time to prepare. We will therefore authorize on an interim basis, pending hearing and final determination, the relief herein requested, subject to the condition that the tariff filing be accompanied with financial or other data supporting the rate adjustment for each carrier participant. The staff will expeditiously review these data and either accept or reject the filing. The tariff filing rejection will be accompanied by an explanation of deficiency. In the future we expect applications to be filed either by (a) a separate application by individual carriers; or (b) an application on behalf of all common carriers for a uniform increase for each carrier's operation, where data on individual revenue requirements and operating conditions are supplied for each carrier. If this option is chosen, the Commission will grant whatever increase is appropriate for the most profitable carrier; other carriers with less favorable results will still be free to file individually; or (c) separate applications filed by the Western Motor Tariff Bureau on behalf of individual carriers and containing data on individual operating results. Such applications must include an affirmation that the level of rates requested was determined individually by the applicant without consultation or coordination with other carriers and that Bureau tariff agents or employees do not advise the applicant on the level of rates requested. It is our intention to authorize such individually filed rates so long as they do not result in predatory or monopolistic pricing.

By an order entered today in Petition No. 194, Case No. 5436, the minimum rates in MRT 6-B will be increased 1 percent. The minimum rate adjustment and the authority granted herein will permit applicant to file such rates that may appropriately fit the

circumstances of the participating carriers. After hearing, the individual carrier's rates may be adjusted at or above the minimum level depending upon the evidence which should correctly reflect each carrier's operating conditions.

Findings

1. The rates and charges applicable to petroleum and petroleum products in bulk in tank vehicles were last adjusted by Decisions Nos. 85081 and 85367.

2. Increases in operating costs have occurred which are not reflected in the current rates filed by carriers participating in WMTB tariffs.

3. The data required to properly process this application will require a significant amount of time to collect and analyze.

4. The financial condition of some of the carriers involved is such that undue delay in obtaining rate relief could result in deterioration of service or cessation of operations.

5. Interim rate relief, pending hearing and final determination, of not more than 6 percent over the rate level established by Decisions Nos. 85081 and 85367 is justified as maximum rates. Applicant may file such increase on behalf of carriers participating in its tariffs provided that data for each participating carrier supporting the increased rates and charges accompany such filing.

The Commission concludes that the application be granted on an interim basis subject to hearing and final determination to the extent provided in the following order.

The Commission concludes that the effective date of this order should be the date on which it is signed because there is an immediate need for rate relief.

INTERIM ORDER

IT IS ORDERED that:

1. Western Motor Tariff Bureau is authorized to file increased rates of not more than 6 percent in Local Freight Tariff No. 16, Cal. P.U.C. No. 20, applicable to liquefied petroleum gases; Local and Joint Freight and Express Tariff No. 18, Cal. P.U.C. No. 24, applicable to general petroleum products; and Local Freight Tariff No. 19, Cal. P.U.C. No. 26, applicable to liquid asphalt, asphalt emulsion, and road oils. The increases authorized by this decision include the 1 percent increase authorized today in Case No. 5436, Petition for Modification No. 194.

2. The tariff filing authorized by Ordering Paragraph 1 shall be accompanied by data for each participating carrier on whose behalf the filing is made, supporting the increased rates or charges.

3. Tariff publications authorized 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 tenth day after the effective date of this order, on not less than ten days' notice to the Commission and to the public; this authority shall expire unless exercised within sixty days after the effective date of this order.

4. Common carriers are authorized to depart from the Commission's General Order No. 80-A requirements only to the extent necessary in establishing the interim surcharges authorized by this order.

5. Common carriers, in establishing and maintaining the rates authorized by this order, are authorized to depart from the provisions of Sections 460 and 461.5 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.

6. Public hearing shall be scheduled in this proceeding for the receipt of evidence relative to the final disposition of Application No. 56699.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 13th day of OCTOBER, 1976.

I dissent
I have removed my name
William Sycous Jr.
Commissioner

I dissent
Vernon L. Sturgeon
Commissioner

~~*[Signature]*~~ President
~~*[Signature]*~~
~~*[Signature]*~~
Kenneth Vero
Robert B. [unclear]
Commissioners