

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Delegation of)	DOCKET A-042090
Authority to the Secretary of the)	
Commission Pursuant to RCW)	ORDER 03
80.01.030)	
)	ORDER RESCINDING DELEGATION
)	OF AUTHORITY TO SECRETARY OF
)	COMMISSION TO AUTHORIZE
)	TEMPORARY FUEL SURCHARGES
.....)	

BACKGROUND

- 1 On April 27, 2005, the Utilities and Transportation Commission (Commission) issued Order 02 in this docket, delegating authority to the Secretary of the Commission (Secretary), pursuant to RCW 80.01.030, to order temporary fuel surcharges for auto transportation companies, commercial ferries, and household goods companies. The Commission granted petitions for fuel surcharges on less than statutory notice and without customer notice, provided the petitions complied with certain requirements. The fuel surcharges were effective for a period of one month.

- 2 The expedited process by which the Commission authorized fuel surcharges simplified the administrative burden for both the companies and the Commission. The Commission found that, in 2005, rapidly rising and fluctuating fuel prices created an unmet financial burden on the companies.

- 3 The companies petitioned for and the Commission granted more than 245 separate fuel surcharges under the expedited process. Auto transportation companies requested ninety-three percent of the surcharges. Commercial ferries requested seven percent. No commercial ferry has requested a fuel surcharge since 2008. No household goods company sought a fuel surcharge.

- 4 Fuel prices have remained relatively stable since June 2009, and are predicted to remain so for the foreseeable future, given current economic conditions and a weaker demand. The steep month-to-month changes seen through June of 2009 are no longer present. Consequently, the need for a simplified, expedited process by which the Commission authorized fuel surcharges no longer exists.

- 5 Continued granting of short-term fuel surcharges may result in rates that are not fair, just, reasonable and sufficient. Historically, fuel costs account for approximately seven to nine percent of a company's total operating expenses. Without periodic examination of those operating expenses, single-item adjustments to rates may result in rates that are not in the public interest.
- 6 In the absence of the simplified process established in Order 02, companies wishing to increase rates must show that the proposed rates are just, fair, reasonable, and sufficient, as required by RCW 81.28.010. The minimum requirements for a general rate increase requested by an auto transportation company are found in WAC 480-30-426. Alternatively, a company may petition the Commission for an exemption to the rules as allowed in WAC 480-07-110.
- 7 In order to allow affected companies sufficient time to plan, Staff recommends that the expedited process remain in place through November 30, 2010.
- 8 In summary, Staff recommends that the authority delegated to the Secretary to authorize fuel surcharges be rescinded effective November 30, 2010.

FINDINGS AND CONCLUSIONS

- 9 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts and affiliated interests of public service companies, including auto transportation companies, commercial ferry companies and household goods carriers. *RCW 80.01.040, RCW 81.01, RCW 81.04, RCW 81.08, RCW 81.12, RCW 81.16, RCW 81.28, RCW 81.68, RCW 81.80, and RCW 81.84.*
- 10 (2) This matter came before the Commission at its regularly scheduled meeting on September 30, 2010. Upon considering testimony, Staff's recommendation to rescind Order 02, effective November 30, 2010, is rejected in favor of an effective date of January 31, 2011.
- 11 (3) In April of 2005, the Commission issued Order 02 in this docket delegating authority to the Secretary of the Commission, pursuant to RCW 80.01.030, to order temporary fuel surcharges for auto transportation companies, commercial

ferries, and household goods companies.

- 12 (4) The Commission issued Order 02 as an administrative convenience in response to rapidly rising and fluctuating fuel prices experienced at that time. Currently fuel prices have leveled out and become relatively stable. Therefore, the rationale for Order 02 no longer exists.
- 13 (5) RCW 81.28.010 requires that, "[a]ll charges made for any service rendered or to be rendered in the transportation of persons or property, or in connection therewith, by any common carrier subject to regulation by the commission as to rates and service, or by any two or more such common carriers, must be just, fair, reasonable, and sufficient." It is in the public interest to rescind Order 02 to allow an opportunity to determine whether rates charged by auto transportation companies, commercial ferries, and household goods companies satisfy the statutory requirement.

ORDER

THE COMMISSION ORDERS:

- 14 (1) Order 02 in Docket No. A-042090, dated April 27, 2005, delegating authority to the Secretary of the Commission, pursuant to RCW 80.01.030, to order temporary fuel surcharges for auto transportation companies, commercial ferries, and household goods companies, is rescinded effective January 31, 2011.

DATED at Olympia, Washington, and effective September 30, 2010.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFFREY D. GOLTZ, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner