

**PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA  
in the city of Charleston on the 27<sup>th</sup> day of June 2023.

CASE NO. MC G.O. 56.4 (REOPENED)

In the matter of Emergency Fuel Surcharge for  
Certificated Common Carriers of Passengers and  
Property of Motor Vehicle.

**COMMISSION ORDER**

The Commission approves fuel cost surcharges. The surcharges authorized by this Order will be effective July 1, 2023 through December 31, 2023, unless otherwise ordered by the Commission. Previously authorized surcharges are not extended by this Order and therefore expire effective June 30, 2023, by terms of prior Commission Orders. Staff will continue to monitor fuel prices and update the Commission as the situation warrants, including a revised recommended surcharge if there is an increase or decrease in fuel prices greater than twenty percent.

**BACKGROUND**

The Commission historically has issued semi-annual Orders approving and implementing fuel surcharges for common carriers by motor vehicle.<sup>1</sup> In prior semi-annual Orders, the Commission required Staff to file a further memorandum requesting a reopening of this case and recommending revised surcharges, if necessary, based on fuel volatility represented by a twenty percent or greater increase or decrease in the price of regular grade gasoline, diesel fuel, or both, between semi-annual orders. The surcharges authorized by the December 27, 2022 Commission Order reflect the normal semi-annual review period and are based on the fuel cost projections reevaluated by Staff for the period January 1, 2023 through June 30, 2023. The current surcharges are in effect through June 30, 2023, and expire after that date.

On June 15, 2023, Commission Staff filed a Final Joint Staff Memorandum. Staff recommended that the Commission decrease the current surcharge for the

---

<sup>1</sup> See: In re Emergency Fuel Surcharge for Certificated Common Carriers of Passengers and Property of Motor Vehicle, Case No. MC G.O 56.4 (2004-present), <http://www.psc.state.wv.us/WebDocket>.

use of gasoline and diesel fuel based on new data. Staff explained that it reviewed historical gasoline and diesel pricing data from the West Virginia Oil Marketers and Grocers Association (WVOMGA) and from the American Automobile Association (AAA). Staff explained further that it reviewed historical data from the Energy Information Association (EIA) and price forecasts for June 2023 through December 2023, released by the EIA on June 8, 2023. Staff used historical state and EIA price data to adjust the EIA forecasts to be specific to West Virginia.

The resulting forecasted West Virginia average price for the period of June 2023 through December 2023, is \$3.34 per gallon for regular grade gasoline, which is lower than the \$3.45 gasoline price that was the basis for the current fuel surcharge. The forecast price is \$3.89 per gallon for diesel fuel which is lower than the \$4.81 per gallon which was the basis for the current surcharge. Staff recommended that the Commission enter an Order approving the following surcharges:

1. Certified carriers of solid waste to implement an across-the-board maximum fuel surcharge of 7.69 percent which is lower than the current fuel surcharge of 10.25 percent;
2. Taxi and limousine operators to implement an across-the-board maximum fuel surcharge of 19.56 percent which is lower than the current fuel surcharge of 20.61 percent; and
3. Wrecker operators to implement an across-the-board maximum fuel surcharge of 8.05 percent for third-party tows in lieu of the current fuel surcharge of 10.61 percent.

Staff Memorandum June 15, 2023.

Staff stated that the Commission should authorize the taxicab companies to reflect the surcharge (i) by rounding, to the nearest cent, the charge for the initial (flag drop) part of the trip and (ii) by rounding, to the nearest cent, the charge for each additional distance increment of the taxicab trip.

Staff also stated that the recommended fuel surcharge to be implemented by wrecker operators would apply only to charges for the actual tow or equipment used that is powered by fuel. The surcharge should not apply to tariff charges that are not related to equipment powered by fuel, such as storage or additional manpower riding in the vehicle.

Staff recommended that the Commission authorize the surcharges effective July 1, 2023, to remain in effect through December 31, 2023, or until further

Commission Order. Staff also recommended that the Commission continue to require that solid waste carriers and taxi and limousine operators submit a fuel surcharge supplement form. Staff asserted that the fuel surcharge supplement forms enabled Staff to identify errors and assist motor carriers with correcting those errors.

### **DISCUSSION**

The Commission historically has recognized that fuel costs of motor carriers are a significant portion of total costs, are sometimes volatile, and largely are outside the control of the motor carriers. In view of these characteristics of fuel costs, the Commission established an expedited process to review changes in fuel costs, both upward and downward, and to incorporate those changes in motor carrier rates without the need for full rate cases. The Commission has modified its procedure from time to time, leading to the present simplified procedure employed in General Order 56.4. See e.g., General Orders 56.1, 56.2, and 56.3.

The present methodology is based on the use of a historical level of average fuel costs previously built into rates, relative to the revenue of the major categories of motor carriers subject to the rate making jurisdiction of the Commission: solid waste carriers, taxicabs, and towing initiated by non-owners of towed vehicles (Third-party Tows). Effective each January and July, the Commission determines projected fuel costs over a future six-month period and calculates a fuel cost recovery rate surcharge increment relative to the changes in projected fuel cost from the historical base level of fuel costs.

On December 27, 2022, the Commission entered an Order authorizing fuel cost recovery surcharges to remain in effect through June 30, 2023. The cost basis for the current fuel surcharges was \$3.45 per gallon for regular gasoline and \$4.81 per gallon for diesel fuel. December 20, 2022 Staff Memorandum. The cost basis for the new fuel surcharges authorized herein are \$3.34 per gallon for regular grade gasoline and \$3.89 per gallon for diesel fuel. June 15, 2023 Staff Memorandum.

The surcharges authorized in this Order will be effective from July 1, 2023, through December 31, 2023, or until further Commission Order.

Staff should continue to monitor fuel prices and the Commission will continue to make adjustments in its semi-annual General Orders. If there is a twenty percent or greater increase or decrease in the price of either regular grade gasoline, diesel fuel, or both between our semi-annual orders, Staff should file a further memorandum requesting a reopening of this case and recommend adjustments to the fuel surcharges based on that increase or decrease in price.

As required in the past, carriers that choose to implement these discretionary surcharges may not implement any surcharge set forth in this Order prior to filing with the Commission Tariff Office three copies of the form reflecting the fuel surcharge supplement applicable to the tariff of the carrier. Carriers may use the applicable form attached to this Order as Attachment A. Previously authorized fuel surcharges will expire on June 30, 2023. Previously authorized fuel surcharges are not extended beyond that date.

The Commission will direct the Executive Secretary to open a separate docket for this fuel surcharge order for the purpose of receiving the returned Attachment A form to be styled MCFS 2023B. The completed Attachment A form should also be included in the current respective tariffs of each carrier as an addendum and previously filed fuel surcharge tariff attachments will be cancelled.

The "Fuel Surcharge Supplement to Carrier's Tariff", appended to this Order as Attachment A, page 1, includes a space for solid waste carriers to calculate the appropriate residential rate. In the past, incorrect calculations of this rate resulted in cumulative errors and the need for refunds. The information collected through this form will help Staff and the Commission detect errors.

### **FINDINGS OF FACT**

1. The Commission historically has approved and implemented fuel surcharges for common carriers by motor vehicle.
2. The surcharges authorized by the most recent Commission Order are in effect through June 30, 2023, or until further Commission Order.
3. On June 15, 2023, Staff filed a memorandum recommending fuel surcharges.
4. The forecasted West Virginia average price for regular grade gasoline for the period of June 2023 through December 2023, is \$3.34 per gallon. This is a decrease from the previously forecasted price of \$3.45 for gasoline. The forecasted West Virginia average price for diesel fuel for the period of June 2023 through December 2023, is \$3.89 per gallon. This is a decrease from the previously forecasted price of \$4.81 for diesel fuel.

### **CONCLUSIONS OF LAW**

1. The Staff recommendations for the decreased fuel surcharges for Solid Waste Carriers, Taxicabs, Limousines, and Third party towing are reasonable and should be approved.

2. No surcharge is to take effect unless and until the carrier files three copies of the Attachment A form reflecting the fuel surcharge supplement applicable to the tariff of the carrier with the Commission Tariff Office.

3. The Staff recommendation to authorize taxicab companies to reflect the surcharge (i) by rounding, to the nearest cent, the surcharge for the initial (flag drop) part of the trip, and (ii) by rounding, to the nearest cent, the charge for each additional distance increment of the taxicab trip, is reasonable and should be approved.

4. The Staff recommendation that the fuel surcharge to be implemented by wrecker operators would apply only to the actual charges for the tow or equipment used that is powered by fuel and, therefore, should not be applied to tariff charges that are not related to equipment powered by fuel, such as storage or additional manpower in the vehicle, is reasonable and should be approved.

5. Based on the forecasted increased costs of regular grade gasoline and diesel fuel, the following fuel surcharges should be approved for common carriers by motor vehicles:

Haulers of solid waste and/or infectious medical waste.	7.69%
Transporters of passengers, including but not limited to, taxicab and limousine companies.	19.56%
Wrecker companies for towing services with respect to their rates for third-party tows.	8.05%

6. If there is a twenty percent or greater increase or decrease in the price of either regular grade gasoline, diesel fuel, or both between our semi-annual reviews of fuel costs, it is reasonable to require Staff to file a further memorandum requesting a reopening of this case and recommend revised surcharges based on that increase or decrease in price.

7. Previously authorized fuel surcharges shall expire on June 30, 2023, and are not extended beyond that date.

## ORDER

IT IS THEREFORE ORDERED that the following fuel surcharges are approved for common carriers by motor vehicles:

Haulers of solid waste and/or infectious medical waste.	7.69%
Transporters of passengers, including but not limited to, taxicab and limousine companies.	19.56%
Wrecker companies for towing services with respect to their rates for third-party tows.	8.05%

These surcharges apply as of July 1, 2023, to all tariff rates on file for the motor carriers set forth above and to all state-wide rates charged by wrecker companies for third-party tows provided that the carrier has filed a completed and accurate Fuel Surcharge Supplement, and will remain in effect through December 31, 2023, or until further Commission Order. These surcharges do not apply to contract carriers, nor do they apply to Medicaid rates.

IT IS FURTHER ORDERED that taxicab companies shall reflect the surcharge (i) by rounding, to the nearest cent, the surcharge for the initial (flag drop) part of the trip and (ii) by rounding, to the nearest cent, the charge for each additional distance increment of the taxicab trip.

IT IS FURTHER ORDERED that wrecker operators shall apply the fuel surcharge only to the actual charges for the tow or equipment used that is powered by fuel.

IT IS FURTHER ORDERED that carriers may not implement any of the surcharges set forth in this Order prior to filing with the Commission Tariff Office three copies of the form reflecting the fuel surcharge supplement applicable to the carrier. Carriers may use the applicable form attached to this order as Attachment A. Previously authorized fuel surcharges shall expire on June 30, 2023, and are not extended beyond that date.

IT IS FURTHER ORDERED that if there is a twenty percent or greater increase or decrease in the price of either regular grade gasoline, diesel fuel, or both after July 1, 2023, but before December 2023, Staff shall file a further

memorandum requesting a reopening of this case and recommend revised surcharges based on that increase or decrease in price.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission will open a separate docket, MCFS 2023B, to receive the Attachment A forms filed for this fuel surcharge Order. The Executive Secretary will place a copy of this Order in the docket that is opened to receive the Attachment A forms.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this order by electronic service on all common carriers by motor vehicle that have filed an e-service agreement, and by United States First Class Mail on all common carriers by motor vehicle that have not filed an e-service agreement, and on Commission Staff by hand delivery.

A True Copy, Teste,

A handwritten signature in cursive script that reads "Karen Buckley".

Karen Buckley, Executive Secretary

NET/lcw  
mcgo564cab.doc

**FUEL SURCHARGE SUPPLEMENT TO CARRIER'S TARIFF**

DATE \_\_\_\_\_

NAME OF MOTOR CARRIER \_\_\_\_\_

ADDRESS \_\_\_\_\_  
\_\_\_\_\_

TELEPHONE NO. \_\_\_\_\_

CONTACT PERSON \_\_\_\_\_

CERTIFICATE NO. \_\_\_\_\_

I hereby file a fuel surcharge supplement to the tariff of the above carrier, in the amount of \_\_\_\_\_%, as authorized by the Public Service Commission of West Virginia, in M.C. General Order No. 56.4 dated June 27, 2023, I understand that this surcharge will expire by the terms of the Commission Order on December 31, 2023, unless otherwise ordered by the Commission. I further understand that the fuel surcharge does not take effect until this form is received by the Commission and properly filed. I certify that the legal entity or individual actually responsible, by contract or otherwise, for the payment of the fuel charges will receive the full increase in revenue to be derived from the proposed surcharge.

**Solid Waste Carriers Only:**

Current Authorized Residential Tariff Rate <u>excluding fuel surcharge</u>	\$ _____
New Fuel Surcharge Amount (Residential Tariff Rate times	
New Fuel Surcharge Percentage)	\$ _____
New Residential Rate (Residential Tariff Rate plus	
New Fuel Surcharge Amount)	\$ _____

**Taxicab Companies Only:**

New Rates Reflecting the Applicable Surcharge Rounded to the Nearest Cent.

Initial Charge (Flag Drop) \_\_\_\_\_

Additional Distance Increments

(describe) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Position with Carrier



**FUEL SURCHARGE SUPPLEMENT TO**  
**WRECKER COMPANY'S TARIFF**

DATE \_\_\_\_\_

NAME OF MOTOR CARRIER

\_\_\_\_\_  
ADDRESS

\_\_\_\_\_  
TELEPHONE NO.

\_\_\_\_\_  
CONTACT PERSON

I hereby file a fuel surcharge supplement to the tariff of the above carrier, in the amount of 8.05%, as authorized by the Public Service Commission of West Virginia, in M.C. General Order No. 56.4 dated June 27, 2023. I understand that the surcharge will apply only to the actual charges for the tow or equipment used that is powered by fuel and, therefore, will not be applied to tariff charges that are not related to equipment powered by fuel, such as storage or additional helpers in the vehicle. I further understand that this surcharge will expire, by the terms of the Commission Order, on December 31, 2023, unless otherwise ordered by the Commission. I acknowledge that the fuel surcharge does not take effect until this form is received by the Commission and properly filed. I certify that the legal entity or individual actually responsible, by contract or otherwise, for the payment of fuel charges will receive the full increase in revenue to be derived from the proposed surcharge.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Position with the Wrecker Company