

R4-13 PROCEDURE FOR DETERMINING FUEL SURCHARGES BY FERRY OPERATORS

- (a) Any passenger ferry operating as a common carrier as defined by G.S. 62-3(6) may apply pursuant to NCUC Rule 4-4 for approval of a fuel surcharge.
 - (b) The application shall specify the fuel cost per gallon expressed to three decimal places that is proposed to be used as the basis of determining the fuel surcharge. In addition, although no single data point or price index will be mandated by this procedure, the application shall include documentation of its fuel prices during, at least, the previous six months and/or government or industry fuel cost forecasts in support of the fuel cost per gallon proposed by the applicant.
 - (c) The surcharge shall be computed in the manner set forth in Exhibit A of the Commission's Order issued January 28, 2009 in Docket No. A-100, Sub 0, unless otherwise ordered by the Commission. The base period used for computing the surcharge shall be the calendar year 2004 or the test year from the ferry operator's most recent rate case, whichever is later. If calendar year 2004 is used, the base period cost shall be calculated by dividing the total annual expense for the purchase of fuel in calendar year 2004 to operate the ferries by the number of gallons purchased during that period.
 - (d) Applications for a fuel surcharge increase may be filed no more frequently than every three months. Applications for a fuel surcharge shall be considered at the Commission's Staff Conference within two weeks of the date of filing. Upon approval of the surcharge, the ferry operator may implement the surcharge, effective the first day of the month following the ferry operator's filing the revised tariff rate schedules reflecting the surcharge with the Chief Clerk of the Commission.
 - (e) If the ferry sells an annual pass or other approved means of paying for transportation that are not individual single- or round-trip tickets, the surcharge shall apply only to the price of such passes sold following the approval of any surcharge and shall be equivalent to the approved surcharge at the time of sale multiplied by the projected average number of trips per passholder in the class of such passholders during the valid period of the pass. For purposes of calculating the number of customers, it will be assumed that each passholder travels the average number of trips (to be reflected in the number of customers) by all passholders in the class of such passholders during the valid period of the pass, calculated using historic ridership data.
 - (f) Any ferry operator implementing a fuel surcharge shall establish a fuel tracking account to account for the difference between the amount of fuel costs collected from customers as compared to the amount of fuel costs incurred by the carrier. A quarterly report on the activity recorded in a fuel tracking account shall be filed with the Commission within 45 days after the end of each calendar quarter in the manner set forth in Exhibit B of the Commission's Order issued January 28, 2009, in Docket No. A-100, Sub 0, unless otherwise ordered by the Commission. The balance of the fuel tracking account shall be considered in determining the amount of the fuel surcharge after the initially approved fuel surcharge.
 - (g) Applications or petitions for changes in the fuel surcharge may be filed by the ferry operator, the Public Staff, the Attorney General, or other interested parties.
 - (h) Copies of any application for a surcharge and for change in the surcharge shall be served upon the Public Staff, the Attorney General, and other party requesting a copy. Persons desiring a copy who notify the Chief Clerk of the Commission in writing shall be placed on a service list.
- (NCUC Docket No. A-100, Sub 0, 01/29/09.)

EXHIBIT A

FORMULA TO DETERMINE FUEL SURCHARGE
AND FUEL COMPONENT OF RATES
FOR FERRY OPERATORS

FUEL SURCHARGE:

- A. Proposed Fuel Cost per Gallon for Surcharge \$ _____
- B. Base Period Cost per Gallon \$ _____
- C. Increase in Fuel Cost per Gallon (A – B) \$ _____
- D. Gallons Purchased in Base Period _____

E.	Annualized Increase in Cost of Gallons Purchased (C x D)	\$_____
F.	Balance in Fuel Tracking Account	\$_____
G.	Amount Used for Computing Surcharge (E + F)	\$_____
H.	Number of Customers in Base Period	_____
I.	Computed Surcharge per Customer (G/H)	\$_____

FUEL COMPONENT OF RATES:

A.	Proposed Fuel Cost per Gallon for Surcharge	\$_____
B.	Gallons Purchased in Base Period	_____
C.	Annualized Fuel Costs (A x B)	\$_____
D.	Balance in Fuel Tracking Account	\$_____
E.	Tracked Fuel Costs (C + D)	\$_____
F.	Number of Customers in Base Period	_____
G.	Fuel Cost Component of Rates (E/F)	\$_____

EXHIBIT B

[Name of Ferry Operator]
Quarterly Fuel Surcharge Tracking Report

For the Reporting Quarter Ended _____

A.	Balance at the beginning of the quarter – Under (Over) Collection	\$_____
B.	Fuel costs paid to vendors:	
1.	Gallons purchased	_____
2.	Actual fuel costs paid	\$_____
C.	Fuel costs collected from customers:	
1.	Number of customers	_____
2.	Fuel cost component of rates	X \$_____
3.	Fuel costs collected	\$_____
D.	Under (Over) Collection of fuel costs for the quarter [B-C]	\$_____
E.	Balance at the end of the quarter – Under (Over) Collection [A+D]	\$_____

CERTIFICATION

I hereby certify that the information contained in this report is true to the best of my knowledge and belief.

Authorized Signature and Title

Date

Contact Person (Print Clearly)

(____)_____
Telephone Number

NOTE: Providing false information to the Commission is punishable by fine and/or imprisonment pursuant to G.S. 62-310 and 62-326.