

Kansas Administrative Regulations

Kansas Corporation Commission

Article 9.—Railroad Rates

82-9-8. Zone of rate flexibility.

(a)(1) Any rail carrier may raise any rate subject to the limitations described in 49 U.S.C. Sec. 10707a as in effect on September 23, 1983. Base rates increased by the quarterly rail cost adjustment factor shall not be investigated or suspended.

(2) In addition, any railroad may increase any rate by 6% per annum until October 1984. Railroads not earning adequate revenues, as defined by the interstate commerce commission, after that period, may raise rates 4% per year. Neither the 6% or 4% increase shall be suspended. If either increase results in a revenue to variable cost ratio that equals or exceeds 190%, the rate may be investigated either upon the commission's own motion or on complaint of an interested party. The preceding standards regarding the regulation of intrastate rail rates are adopted by the commission to conform to the staggers rail act of 1980.

(b) In determining whether or not to investigate the rate, the following shall be considered:

(1) the amount of traffic which the railroad transports at revenues which do not contribute to going concern value and efforts made to minimize that traffic;

(2) the amount of traffic which contributes only marginally to fixed costs and the extent to which rates on that traffic can be changed to maximize the revenues from that traffic;

(3) the impact of the challenged rate on national energy goals;

(4) state and national transportation policy; and

(5) the revenue adequacy goals incorporated in the interstate commerce act, as in effect on September 23, 1983.

(6) Increased rates resulting from application of the rail cost adjustment factor (RCAF) are conclusively presumed lawful so long as they do not exceed the adjusted base rate.

(Authorized by K.S.A. 66-106; implementing K.S.A. 1989 Supp. 66-146; effective May 1, 1984; amended May 1, 1985; amended Oct. 29, 1990.)

***** Authenticated Kansas Administrative Regulation *****