

Kansas Administrative Regulations

Kansas Corporation Commission

Article 9.—Railroad Rates

82-9-14. Maximum rates.

(a) Rail rates shall not be established below a reasonable minimum. Any rate for transportation by a rail carrier that does not contribute to the going concern value for that carrier is presumed to be not reasonable.

(b) Rail rates which equal or exceed the variable cost of providing the transportation shall be conclusively presumed to contribute to the going concern value of that rail carrier, and therefore shall be presumed not to be below a reasonable minimum.

(c) In determining whether a rate is reasonable, the policy that railroads earn adequate revenues, as well as evidence of the following factors, shall be considered:

(1) the amount of traffic which is transported at revenues which do not contribute to going concern value and efforts made to minimize such traffic;

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

(3) the carrier's mix of rail traffic to determine whether one commodity is paying an unreasonable share of the carrier's overall revenues.

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

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