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COMMONWEALTH OF MASSACHUSETTS



**DEPARTMENT OF
PUBLIC UTILITIES**
TRANSPORTATION OVERSIGHT DIVISION
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BULLETIN

March 7, 2008

To: Towing Companies holding a Certificate of Compliance issued by the Department
Massachusetts Chiefs of Police
Statewide Towing Association

From: Transportation Oversight Division

RE: Fuel Price Surcharge - Amendment to 220 CMR 272.03

The Department of Public Utilities, after consideration of a petition filed by the Statewide Towing Association, has authorized the establishment of a fuel price surcharge to become effective March 7, 2008. The fuel price surcharge has been added to 220 CMR 272.03 (see attached) which explains how the monthly surcharge will be calculated. An example of the fuel price surcharge application appears on the reverse side of this bulletin.

The updated monthly fuel surcharge will be made available on the fourth Monday of each month and will become effective on the first day of the following month.

To obtain this information, please contact the Department at 617-305-3512 or log on to the Department's website at WWW.MASS.GOV/DPU/.

FUEL PRICE SURCHARGE NOTICE

The fuel surcharge effective for the month of MARCH, 2008 is 5.0%.

The surcharge is to be applied only to **fuel consumption operations**. The surcharge may be added to involuntary tows such as police ordered or trespass tows on a voluntary basis. The surcharge is applicable only to the following categories:

- 1) The current maximum tow rate of \$90.00
- 2) The current charge of \$3.00 per mile but only after the first five miles have been exceeded.
- 3) The provisions of Note 1 which allow a charge of \$35 for each additional 30 minutes minutes after the first hour at the tow scene. **THIS CHARGE SHALL NOT APPLY TO TRESPASS TOWS OR SNOW REMOVAL TOWS.**

Example No. 1 - Tow not exceeding five miles - $\$90.00 \times 5\% = \4.50

Tow charge.....	\$90.00
Surcharge (\$90.00 X 5%).....	<u>\$ 4.50</u>
Total Tow charge.....	\$94.50

Example No. 2 - Ten mile round trip tow plus 1 ½ hour at the tow scene.

Tow charge (includes 1 st hour at scene).....	\$90.00
5 extra miles at \$3.00 per mile.....	\$15.00
30 extra minutes at scene @ \$35.....	<u>\$35.00</u>
Sub Total	\$140.00
Surcharge (\$140.00X5%).....	<u>\$ 7.00</u>
Total Tow charge.....	\$147.00

The surcharge WILL NOT apply to storage charges.

The surcharge WILL NOT apply to any non-fuel consuming services.

ATTACHMENT

220 CMR 272.00: RATES FOR THE TOWING OF MOTOR VEHICLES

Section

- 272.01: Definitions
- 272.02: Application of Maximum Charges
- 272.03: Maximum Charges and Notes

272.01: Definitions

Commercial Motor Vehicle means a motor vehicle or combination of motor vehicles used to transport passengers or property. This will include: a bus or van used in commerce, having the manufacturer's rated seating capacity of at least nine passengers and a driver, a truck used to transport property, or any other vehicle which may display a plate other than a passenger or motorcycle plate.

Passenger Automobile means a motor vehicle capable of transporting not more than eight passengers and a driver displaying a passenger or motorcycle plate.

Service Vehicle means the vehicle used to tow or transport the disabled vehicle.

Service and/or Waiting Time means elapsed time the Service Vehicle is waiting to provide service at the scene, winching and/or utilizing Service Vehicle equipped industry standard tools or equipment.

272.02: Application of Maximum Charges

Rates stated herein are not intended to apply to towing which results from a call made by a police officer or other public employee at the request of the owner/operator to transport the vehicle to a location other than the carrier's garage.

If, at the scene, the owner/operator should request that the vehicle be transported to a location other than the carrier's garage, the maximum tow rate may not apply.

272.03: Maximum Charges and Notes

Maximum rates and charges for the towing and transportation of motor vehicles when said transportation is ordered by the police or other

public authority pursuant to M.G.L. c. 159B, § 6B or for trespass pursuant to M.G.L. c. 266, § 120D.

TABLE 1

TRANSPORTATION OF PASSENGER AUTOMOBILES,
MOTORCYCLES, MOTOR BIKES, MOTOR SCOOTERS

The charges established by 220 C.M.R. 272.00 are uniform regardless of day of week or time of day. The maximum charge for towing up to five miles under Table 1 may not exceed \$90.00 which includes one hour of Service and/or Waiting Time to be computed from the time of arrival at the scene. (If service exceeds one hour refer to Note 1. The use of Note 1, however, for a trespass tow or snow removal tow is prohibited.) A surcharge per mile of \$3.00 is established for miles towed in excess of five miles.

Up to Five Miles: MAXIMUM CHARGE OF \$90.00 PER TOW

All passenger automobiles, motor cycles, motor bikes, motor scooters and all vehicles capable of being transported by crane and dolly or on a ramp truck.

Rate per Mile Over Five Miles: \$3.00 per mile

When additional labor is required and supplied; and is necessary to remove the disabled vehicle from the scene; or is required by the police or other public authority, the following charge will apply:

Rate per Man Hour: \$32.00 or any fraction thereof.

Additional labor is to be computed from time of leaving the carrier's garage until return thereto.

Minimum Charge - One hour.

ADDITIONAL CHARGES

If the carrier has to employ any extraordinary or additional services outside of its capabilities (renting cranes, bulldozers, specialized labor, etc.) the maximum charge will be exactly equal to those charges which have been levied by the outside organization on the tow carrier.

NOTES 1, 2, 3, 4, 5, and 6 apply.

TABLE 2
(COMMERCIAL MOTOR VEHICLES ONLY)

Rates and charges shown herein apply only to the towing of the commercial motor vehicle. Those services necessary to the recovery of a disabled commercial motor vehicle shall be established by the tow company. The term "Recovery" will include, but not be limited to, the following services: Wrecker working, winching, waiting time, clean up time and the provisions of special equipment needed to place the disabled commercial vehicle in position to be towed.

Commercial Motor Vehicles

Up to Five Miles: Maximum Charge of \$90.00 per Tow

Rate per Mile Over Five Miles: \$4.25 per mile

NOTES 2, 3, and 6 apply.

FUEL PRICE SURCHARGE

(1) When the average cost of diesel fuel in New England exceeds \$1.7606 per gallon, as determined herein, the Department will authorize a fuel surcharge. The Department will calculate the fuel surcharge as a factor that may be multiplied by the sum of those applicable rates and charges relating to fuel-burning operations of the service vehicles (i.e., basic tow rate, rate for tows in excess of five miles, and Note 1 charges).

(2) The Department will obtain the retail on-highway price per gallon of diesel fuel for New England as reported by the Energy Information Administration of the U.S. Department of Energy on its website, www.eia.doe.gov, for the first three Mondays of each month ("Retail Prices").

(3) The Department will calculate the average cost of diesel fuel by taking the average of the Retail Prices as determined above ("Average Cost").

(4) To determine the appropriate fuel surcharge factor, the Department will divide the Average Cost by \$1.7606 to produce a multiplication factor ("Fuel Multiplication Factor" or "FMF"). The Fuel Multiplication Factor is then multiplied by \$4.91, the embedded cost of fuel in the basic tow rate, to arrive at the current fuel cost per basic tow ("Current Fuel Cost"). The Current Fuel Cost is then divided by the fuel-adjusted basic tow revenue requirement, which is the sum of the \$90 basic tow rate, plus the product of the Fuel Multiplication Factor multiplied by \$4.91, minus the embedded fuel cost of \$4.91 ("Fuel-Adjusted Revenue Requirement"). Dividing the Current Fuel Cost by the Fuel-Adjusted Revenue Requirement and subtracting the current embedded 5.5 percent yields a fuel surcharge factor ("Fuel Surcharge Factor") that may be applied in the next month to the sum of the applicable rates and charges relating to fuel-burning operations of the service vehicles (i.e., basic tow rate, rate for tows in excess of five miles, and Note 1 charges). This formula is mathematically represented as: $((\$4.91 \times \text{FMF}) \div (\$90.00 + ((\$4.91 \times \text{FMF}) - \$4.91))) - .055 = \text{Fuel Surcharge Factor}$.

(5) On the fourth Monday of each month (or the next business day if this falls on a holiday) preceding a month in which the Department will authorize a surcharge, the Transportation Division will issue an Administrative Order setting forth the amount of the Fuel Surcharge Factor effective for the following calendar month by:

- (a) posting on the Department's website the Fuel Surcharge Factor and the month and year for which it applies, where it will remain at least until the expiration of the month to which it relates; and
- (b) recording a message accessible by telephone stating the Fuel Surcharge Factor and the month and year for which it applies, where it will remain at least until the expiration of the month to which it relates.

(6) To apply a fuel surcharge, the towing slip must record the following: (1) each applicable rate and charge relating to fuel-burning operations of the service vehicles (i.e., basic tow rate, rate for tows in excess of five miles, and Note 1 charges) and a sum total; (2) the amount of the authorized Fuel Surcharge Factor; and (3) the amount of the applicable surcharge (the product of multiplying the sum total from item (1) by item (2)).

- (7) The authorization of the Fuel Surcharge Factor will expire on the last day of the calendar month for which it is authorized.
- (8) The application of the surcharge is voluntary.

NOTES

NOTE 1. A \$35.00 per half-hour per vehicle charge may be assessed after one hour at the scene when necessary to remove the disabled vehicle; or if requested by police or other public authority. Starting and ending time must be recorded on the tow slip. **THIS CHARGE SHALL NOT APPLY TO TRESPASS TOWS OR SNOW REMOVAL TOWS.**

A \$90.00 per additional service vehicle charge will apply if an additional service vehicle(s) is required. Starting and ending time must be recorded on the tow slip. Time will be computed from the time the service vehicle is dispatched until it returns to the carrier's garage or is back in service. A \$35.00 per half-hour per vehicle charge may be assessed after one hour when necessary to remove the disabled vehicle(s); or if requested by the police or other public authority. **THIS CHARGE SHALL NOT APPLY TO TRESPASS TOWS OR SNOW REMOVAL TOWS.**

NOTE 2. Disposition of mileage fractions: Omit fractions of less than 5/10, and increase fractions of 5/10 or more to the next whole figure.

NOTE 3. Mileage is based on round trip mileage from garage to return thereto. The carrier will establish the mileage from the service vehicle odometer and must include the odometer readings on the tow slip.

If the service vehicle is dispatched from other than carrier's garage and travels to destination, the one-way mileage will be doubled.

NOTE 4. When more than one vehicle is transported on the service vehicle and the origin and destination is within the same city, the UP TO FIVE MILE charge will apply to each vehicle transported.

NOTE 5. When more than one vehicle is transported on a service vehicle between cities or towns and a mileage charge would result in a charge greater than the UP TO FIVE MILE charge, the mileage charge will be computed according to the MILO MILEAGE GUIDE and then doubled to arrive at the round trip mileage.

NOTE 6. The customer is required to pay all toll charges.

REGULATORY AUTHORITY

220 CMR 272.00: M.G.L. c. 159B, § 6B; c. 266, § 120D