

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105

A00106203

Public Meeting held December 12, 1996

Commissioners Present:

John M. Quain, Chairman
Lisa Crutchfield, Vice Chairman
John Hanger
David W. Rolka, Concurring
Robert K. Bloom

Revised General Assessment Upon Public
Utilities -- Fiscal Year July 1, 1996
To June 30, 1997

Docket No. M-00960891

OPINION AND ORDER

BY THE COMMISSION:

Before this Commission for consideration is the staff report which computes a revised general assessment upon public utilities for the fiscal year beginning July 1, 1996.¹ Additionally, the Commission has before it 100 objections filed by utilities to our initial assessments which were made during May 1996. As discussed in more detail below, a number of factors have necessitated a revision of the initial assessments. Based upon our review of the staff reports, the updated budget data for the Commission, the updated revenue and classification data for several public utilities, and the assessment allocation method set forth in the Public Utility Code, we believe the revised assessments better reflect the incurrence of cost upon the Commission by each utility group and, therefore, results in each utility being assessed a reasonable share of the Commission's cost of carrying out its duties under the Public Utility Code.

Summary of PUC Assessment Process

Before discussing the specific reasons which make revisions to the initial assessments necessary, it would be wise to briefly review the assessment mechanism set forth under the Public Utility Code. By November 1 of each year, the Commission must submit an estimated budget to the Governor and the General Assembly. Its budget may not be greater

¹The report is appended to this Order at Appendix A.

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than three-tenths of one percent of the total gross intrastate operating revenues of the public utilities under its jurisdiction for the preceding calendar year. 66 Pa. C.S. § 510. Utilities are assessed upon this amount, less deductions for fees. However, in the event the Commission's proposed budget has not been approved by March 30, the assessments are made based upon the last approved operating budget. *Id.*

With respect to the assessments made upon individual utilities, by March 31, each utility must file a statement under oath showing its gross intrastate operating revenues for the preceding calendar year. The Commission then determines the amount of its expenses directly attributable to the regulation of each group of utilities which furnish the same kind of service for the same calendar year. *Id.*

Next the Commission allocates the balance of its expenses -- those expenditures which are not directly allocable to any single group of utilities -- to each utility group based on the proportion of each group's gross intrastate operating revenues as compared to the combined revenues for all of the groups. The combination of these amounts constitutes the basis for the assessment for each utility.² The process then, contained within sections 510 and 511 of the Code (66 Pa. C.S. §§ 510, 511), is not one of determining what the Commission's budget will be, that authority ultimately rests with the Governor and the General Assembly, but rather one of apportioning among the utilities we regulate the costs of carrying out our statutory responsibilities.

Reasons For Revised Assessments

With respect to the recommended revisions to our original assessments, we would note that the Code anticipates the action we are taking today. As is often the case, the General Assembly has not acted upon the Commission's requested budget until after the initial assessments had been made. The statute foresees this situation by allowing the Commission to make an adjustment in the assessments to reflect the approved budget. *Id.* A number of factors have combined to make such action necessary at this time.

The original 1996-97 budget's assessment billing was sent out in May of 1996. Since the time of the PUC's original budget application and the present time, this Commission has carefully reviewed its budget data and the 1995 expense data used to develop the industry allocation factors. Based on several necessary changes, the original budget was revised and the assessment numbers adjusted accordingly.

²The Commission is aware that this discussion is, perhaps, an over-simplification of the complete assessment process, but believes it is sufficient for purposes of explaining why the revised assessments are necessary.

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The re-assessment process incorporated three primary changes to the PUC budget and expense data. The first, and greatest single change, is that the Governor approved a 1996-97 budget that is \$520,000 less than the previous year's budget. The reason for the difference is that excess funds were found in the state employee benefits account, thereby reducing the state/employer's total contribution requirements for 1996-97.

A second change in the 1996-97 budget occurs in the total gross intrastate revenue figures from the regulated utilities. This change was caused by two factors. The first is the addition of 1995 PG&W-Water Division revenues into the assessment process. This addition came as a result of the acquisition of PG&W's Water Division by Pennsylvania American Water Co. The second factor was the typical updates to the intrastate revenue disclosed in the late and amended revenue reports filed by the various utilities.

The third change is to recognize, as a deduction to direct expenses, the Commission's regulatory expenses that are reimbursed by the federal government, principally the Motor Carrier Safety Assistance Programs (MCSAP) and the gas safety programs. The net effect of this change is a revision to the budget allocation factors for each industry group.

Objections to Initial Assessments

Additional changes in the 1996-97 budget assessments have resulted from our staff's review of the timely filed objections to the assessments. All but three of these complaints were filed by motor carrier utilities. Those found to be meritorious by the staff were then factored into the budget assessment process.

Seven motor carriers based their objections on their classification as household goods movers. After the provisions of the Airline Administrative Authorization Act of 1994, 49 U.S.C. §§11501(h) and 41714(b)³ became effective, motor carriers of property were divided into general property and household goods movers. The latter group were not subject to the federal preemption provisions, and therefore, were assessed at a greater assessment factor. After reviewing the objections of the seven carriers, this Commission finds as follows:

1. The application to abandon household goods authority filed by Robert R. Berkebile t/d/b/a Keystone Lawrence Express, Inc., Docket No. A-00098767, is hereby granted;

³ The preemptive provision of the Act relating to motor carriers were recodified in the Interstate Commerce Commission Termination Act of 1995, Pub.L. 104-88, 107 Stat. 803, 49 U.S.C. §14510(c).

2. The objections filed by Chadderton Trucking, Inc., Docket No. 00110235, Shaffer Trucking, Inc. Docket No. A-00099412, William C. Confer, Docket No. A-0097072, and Hatboro Delivery Service, Inc., Docket No. A-00097036, contain sufficient information to be considered applications to abandon household goods. Due to the extraordinary circumstances that 1995 brought to the motor carrier industry, we are inclined to accept these objections as abandonment applications and, herein, grant them; and

3. Ralph G. Smith, Inc., Docket No. A-00083135, and Rapid Transit Co., Inc., Docket No. A-0015034, protest their designation as household goods movers, but admit that they do use that authority. Based on the information provided by these carriers, there is no basis for altering their assessment. Additionally, review of Rapid Transit's objection shows that the objection was not timely filed.

We also have before us objections by 23 companies which did not file their objections within the 15 day period as required by section 510(c). 66 Pa. C.S. § 510(c). These companies are listed in Appendix B. Their objections will be denied as having been untimely filed. Additionally, six utilities did not return Postal Service receipt cards or returned them unsigned. These utilities are listed at Appendix C. In that we are lacking proof that their objections were timely filed, their objections shall also be denied.

With respect to the remaining objections (listed at Appendix D), virtually all are directed at the level of assessments levied upon motor carriers of general property and upon passenger carriers. These objectors, by and large, point to the federal legislation preempting aspects of our regulatory authority over their activities within the Commonwealth and allege that their assessments are too high following passage of the Airline Administrative Authorization Act of 1994. These protests appear to be based upon the disappointed expectations of some carriers and we are not unsympathetic to them. However, sections 510 and 511 of the Public Utility Code (66 Pa. C.S. §§ 510, 511) set forth in great detail the procedures we must follow in levying assessments upon utilities within our jurisdiction. We may not deviate from the assessment process set for us by the legislature. Therefore, our ability to reduce assessments for individual utilities is exceedingly narrow. For example, when a utility's classification changes, we may adjust its assessment as we have with those motor carriers discussed above. Their assessment changes, because the basis for making their assessment -- their classification -- has changed.

Additionally, we note that the federal legislation did not pre-empt all of our authority with respect to this industry. For example, we remain charged by the legislature with the responsibility of overseeing motor carrier safety and insurance. This is an important function with important implications for the industry as well as the public at large and we must continue to assess motor carriers for the expenses incurred by the Commission in fulfilling its area of regulatory responsibility. Nonetheless, most motor carriers of general property

will find that their assessments are much smaller than they have been in recent years. For some, their initial assessment for fiscal year 1996-97 is less than half of their assessment for the previous year. The revised assessment should further reduce their liability.⁴

In addition, we would anticipate that there may be further reductions in future years. As currently structured, the Public Utility Code requires us to base our assessments for a future fiscal year upon jurisdictional revenues earned in a calendar year which ends six months before the fiscal year begins. This disparity creates a natural lag between the period on which the assessment is based and the period in which the assessment is paid. Therefore, it is reasonable to expect that savings due to reduced regulation and downsizing by the Commission will slowly be fully reflected in the assessments.

Treatment of Remaining Objections

With respect to those motor carriers, to the extent that our action today satisfies the objections they have raised, those objection are granted. In all other respects, the remaining objections are not granted by this order. Those utilities who have filed timely objections which they believe have not been satisfied by this order as well as any utility which believes its revised assessment is excessive, erroneous, unlawful or invalid should restate their objections and/or file new objections to the revised assessment within the statutory deadline established by 66 Pa. C.S. § 510(c).

Also before us are objections on behalf of three railroads which objected to their assessment on the basis that they had been sold on April 29, 1996. These railroads are the Pittsburg & Shawmut Rail Co., Mountain Laurel Railroad Co., and Red Bank Railroad Co. The Commission's records still showed them as active utilities as of the date of the assessment. In addition, all of these utilities reported revenue in 1995. None of these companies have filed to abandon their authority to do business in Pennsylvania. We are not willing to grant their objections based only on the simple information that they have been sold provided by their letter of June 18, 1996. Unless withdrawn, these objections will be set for formal hearing.

We believe the revised assessments are calculated accurately and in accordance with the statute. Nonetheless, while we are approving the revised assessments today, our minds remain open as to whether the specific grounds to be given at hearing in support of individual objections have merit. As provided by section 510 (c), the Commission is obligated to

⁴There are other factors which influence assessment levels. For example, a motor carrier of general property which has reported greater revenues in 1995 than in the prior year may see any reduction offset in whole or in part because of the increased revenues.

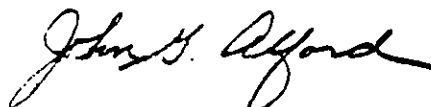
provide a forum for hearings on the objections. We will assume that parties filing objections intend to proceed to hearing before an administrative law judge. We will provide such a forum in compliance with the statute.

THEREFORE;

IT IS ORDERED:

1. The revised assessments recommended by the staff are approved.
2. The objections of those utilities listed on Appendix B, who did not make timely filings are denied.
3. The objections of those utilities listed on Appendix C, who are lacking proof that their objections were timely filed are denied.
4. The application to abandon household goods authority filed by Robert R. Berkebile t/d/b/a Keystone Lawrence Express, Inc., Docket No. A-00098767, is granted.
5. The applications to abandon household goods authority filed by Chadderton Trucking, Inc., Docket No. 00110235, Shaffer Trucking, Inc. Docket No. A-00099412, William C. Confer, Docket No. A-00073006 and Hatboro Delivery Service, Inc., Docket No. A-00097036, are granted.
6. All remaining objections are granted to the extent that the revised assessments satisfy the objections.

BY THE COMMISSION



John G. Alford
Secretary

(Seal)

ORDER ADOPTED: December 12, 1996

ORDER ENTERED: **DEC 23 1996**

APPENDIX A

Budget, Fiscal, & Assessment Section Report

COMMONWEALTH OF PENNSYLVANIA

DATE: November 26, 1996

SUBJECT: REVISED GENERAL ASSESSMENT UPON PUBLIC UTILITIES - \$36,669,931.00
ADVANCED BILLING - FISCAL YEAR JULY 1, 1996 TO JUNE 30, 1997

TO: John L. Dial
Executive Director

FROM: 
G. J. Giffert, Executive Assistant
to the Executive Director

The Budget, Fiscal, & Assessment Section respectfully submits its recommendations as to the basis for the levying of a General Assessment upon public utilities for the Fiscal Year July 1, 1996 to June 30, 1997.

General Assessments are made upon public utilities pursuant to the provisions of Section 510 of the Public Utility Code, which provides in part as follows:

1) The Commission shall determine for the preceding calendar year the amount of its expenditures directly attributable to the regulation of each group of utilities furnishing the same kind of service, and debit the amount so determined to such group. (2) The Commission shall also determine for the preceding calendar year the balance of its expenditures, not debited as aforesaid. And allocate such balance to each group in the proportion which the gross operating intrastate operating revenues for such group for that year bear to the gross intrastate operating revenues of all groups for that year. (3) The Commission shall then allocate the total assessment prescribed by subsection (a) to each group in proportion which the sum of the debits made to it bears to the sum of the debits made to all groups. (4) Each public utility within a group shall then be assessed for and pay to the Commission such proportion of the amount allocated to its group as the gross intrastate operating revenues of the public utility for the preceding calendar year bear to the total gross intrastate operating revenues of its group for that year.

In this matter, the staff recommends that the Commission make the following findings and determinations:

Before November 1st of each year, the Commission shall estimate its total expenditures in the administration of this part for the fiscal year beginning July of that year, which estimate shall not exceed three-tenths of one percentum of the total gross intrastate operating revenues of the public utilities under its jurisdiction for the preceding calendar year.

The Commission shall subtract from the final estimate (1) the estimated fees to be collected pursuant to the Section 318, and (2) the estimated balance of the appropriation, specified in Section 511, to be carried over into such fiscal year from the preceding one. The remainder so determined, herein called the total assessment shall be allocated to, and paid by, such public utilities in the manner hereafter prescribed.

| | |
|--|------------------------|
| Approved estimate of the expenditures of the Commission for the Fiscal Year July 1, 1996 to June 30, 1997: | \$36,919,000.00 |
| Deduct: | |
| Credit from previous Fiscal Year | \$149,069.00 |
| Estimated fees to be collected during the 1996-97 Fiscal Year | <u>\$100,000.00</u> |
| Total Deductions | <u>\$249,069.00</u> |
| Total Assessment | <u>\$36,669,931.00</u> |

The way in which the total assessment of \$36,669,931.00 has been allocated to the various groups of public utilities is shown on the following pages of this report.

The Commission shall determine for the preceding calendar year the amount of its expenditures directly attributable to the regulation of each group of utilities furnishing the same kind of service and debit the amount so determined to such group.

The Commission shall determine for the preceding calendar year the balance of its expenditures (indirect charges), not debited as aforesaid, and allocate such balance to each group in the proportion which the gross intrastate operating revenues of such group for that year bear to the gross intrastate operating revenues of all groups for that year. (Section 510 (b)).

| | <u>1995 Direct Charges</u> | <u>Indirect Charges Motor Carrier Group</u> | <u>Indirect Charges Transportation Group</u> | <u>Indirect Charges Fixed Utilities</u> | <u>Indirect Charges All Utilities</u> | <u>Total 1995 Charges</u> |
|------------------|--------------------------------|---|--|---|---|-------------------------------|
| Electric | \$2,774,483.00 | | | \$5,624,179.17 | \$6,175,283.61 | \$14,573,945.78 |
| Water & Sewer | 2,200,334.03 | | | 263,493.88 | 289,312.58 | 2,753,140.49 |
| Gas | 2,293,770.09 | | | 1,349,303.85 | 1,481,511.53 | 5,124,585.47 |
| Tele. & Tele. | 2,005,747.31 | | | 1,950,146.80 | 2,141,235.08 | 6,097,129.19 |
| Motor Carrier | 1,903,587.14 | \$339,520.75 | \$367,165.37 | | 174,974.47 | 2,785,247.73 |
| Mot. Carr. Prop. | 166,793.98 | 1,133,241.99 | 1,225,514.31 | | 584,016.30 | 3,109,566.58 |
| Railroad | 1,068,991.60 | | 244,429.66 | | 116,476.92 | 1,429,898.18 |
| Boat & Ferry | | | 169.03 | | 77.17 | 246.20 |
| Aircraft | | | 51.44 | | 22.04 | 73.48 |
| Pipeline | 17,515.46 | | | 19,762.50 | 21,696.79 | 58,974.75 |
| Steam Heat | <u>124,079.73</u> | | | <u>36,548.61</u> | <u>40,130.24</u> | <u>200,758.58</u> |
| TOTAL | <u>\$12,555,302.34</u> | <u>\$1,472,762.74</u> | <u>\$1,837,329.81</u> | <u>\$9,243,434.81</u> | <u>\$11,024,736.73</u> | <u>\$36,133,566.43</u> |

The way in which the 1995 indirect charges have been apportioned to the various groups of public utilities is shown on the following pages.

ALLOCATION OF 1995 INDIRECT CHARGES

| 10:C | 1995 REVENUE | PERCENT OF REVENUE | SHARE OF INDIRECT CHARGES |
|---------------------------|---------------|--------------------|---------------------------|
| MOTOR CARRIER OF PROPERTY | 919,220,909 | 76.946600 | 1,133,241.99 |
| MOTOR COMMON CARRIER | 275,399,631 | 23.053300 | 339,520.75 |
| | 1,194,620,540 | 99.999900 | 1,472,762.74 |

10:T

| | | | |
|---------------------------|---------------|-----------|--------------|
| MOTOR CARRIER OF PROPERTY | 919,220,909 | 66.700700 | 1,225,514.31 |
| MOTOR COMMON CARRIER | 275,399,631 | 19.983600 | 367,165.37 |
| RAILROAD | 183,339,120 | 13.303500 | 244,429.66 |
| BOATS & FERRIES | 127,396 | 0.009200 | 169.03 |
| AIRPLANES | 38,925 | 0.002800 | 51.44 |
| | 1,378,125,981 | 99.999800 | 1,837,329.81 |

10:0

| | | | |
|-----------------------|----------------|-----------|--------------|
| ELECTRIC | 9,719,525,364 | 60.845000 | 5,624,179.17 |
| WATER & SEWAGE | 455,374,228 | 2.850600 | 263,493.88 |
| GAS | 2,331,819,848 | 14.597400 | 1,349,303.85 |
| TELEPHONE & TELEGRAPH | 3,370,176,558 | 21.097600 | 1,950,146.80 |
| PIPELINE | 34,153,141 | 0.213800 | 19,762.50 |
| SEWAGE DISPOSAL | 0 | 0.000000 | 0.00 |
| STEAM HEAT | 63,163,916 | 0.395400 | 36,548.61 |
| | 15,974,213,055 | 99.999800 | 9,243,434.81 |

10

| | | | |
|---------------------------|----------------|-----------|---------------|
| ELECTRIC | 9,719,525,364 | 56.012700 | 6,175,283.61 |
| WATER & SEWAGE | 455,374,228 | 2.624200 | 289,312.58 |
| GAS | 2,331,819,848 | 13.438000 | 1,481,511.53 |
| TELEPHONE & TELEGRAPH | 3,370,176,558 | 19.422000 | 2,141,235.08 |
| MOTOR CARRIER OF PROPERTY | 919,220,909 | 5.297300 | 584,016.30 |
| MOTOR COMMON CARRIER | 275,399,631 | 1.587100 | 174,974.47 |
| RAILROAD | 183,339,120 | 1.056500 | 116,476.92 |
| BOATS & FERRIES | 127,396 | 0.000700 | 77.17 |
| AIRPLANES | 38,925 | 0.000200 | 22.04 |
| PIPELINE | 34,153,141 | 0.196800 | 21,696.79 |
| SEWAGE DISPOSAL | 0 | 0.000000 | 0.00 |
| STEAM HEAT | 63,163,916 | 0.364000 | 40,130.24 |
| | 17,352,339,036 | 99.999500 | 11,024,736.73 |

ALLOCATION OF 1995 INDIRECT CHARGES

| | 10:C Motor Carrier Group (NOTE 1) | 10:T Transportation Group (NOTE 2) | 10:O Other than Transportation (NOTE 3) | 10 All Utilities (NOTE 4) | Total Indirect Charges |
|---------------------------|---|--|---|---------------------------------|-------------------------|
| Electric | - | - | \$ 5,624,179.17 | \$ 6,175,283.61 | \$ 11,799,462.78 |
| Water & Sewer | - | - | 263,493.88 | 289,312.58 | 552,806.46 |
| Gas | - | - | 1,349,303.85 | 1,481,511.53 | 2,830,815.38 |
| Telephone & Telegraph | - | - | 1,950,146.80 | 2,141,235.08 | 4,091,381.88 |
| Motor Carrier | \$ 339,520.75 | \$ 367,165.37 | - | 174,974.47 | 881,660.59 |
| Motor Carrier of Property | 1,133,241.99 | 1,225,514.31 | - | 584,016.30 | 2,942,772.60 |
| Railroad | - | 244,429.66 | - | 116,476.92 | 360,906.58 |
| Boat & Ferries | - | 169.03 | - | 77.17 | 246.20 |
| Airplanes | - | 51.44 | - | 22.04 | 73.48 |
| Pipeline | - | - | 19,762.50 | 21,696.79 | 41,459.29 |
| Steam Heat | - | - | 36,548.61 | 40,130.24 | 76,678.85 |
| Totals | \$ 1,472,762.74 | \$ 1,837,329.81 | \$ 9,243,434.81 | \$ 11,024,736.73 | \$ 23,578,264.09 |

NOTE 1 (Transportation - Motor Carriers) The indirect charge of \$1,472,762.74 is comprised of costs associated with the enforcement and application process and only applies to motor carriers of persons, household goods movers, and motor carriers of property, which could not be directly charged to any particular motor carrier group.

NOTE 2 (Transportation) The indirect charge of \$1,837,329.81 is comprised of general overhead cost which apply to only transportation public utilities, could not be directly charged to any particular type of transportation public utility.

NOTE 3 (Other than transportation) The indirect charge of \$9,243,434.81 is comprised of general overhead cost which apply to other than transportation public utilities.

NOTE 4 (General) The indirect charge of \$11,024,736.73 is comprised of general overhead costs which apply to all types of public utilities.

The Commission shall then allocate the total assessment prescribed by subsection (a) to each group subsection (a) to each group in the proportion which the sum of the debits made to it bears to the sum of the debits made to all groups. (Section 510(b)(3)).

ALLOCATION OF THE SEVERAL PUBLIC UTILITY GROUPS OF THE TOTAL ASSESSMENT OF \$36,669,931.00 OF ESTIMATED COMMISSION EXPENDITURES FOR THE FISCAL YEAR JULY 1, 1996 TO JUNE 30, 1997

| <u>Group</u> | <u>Total Commission Expenditures of Each Group for Calendar Year 1995</u> | <u>Percentage Distribution</u> |
|-----------------------|---|--------------------------------|
| Electric | \$14,573,945.78 | 40.3335 |
| Water & Sewer | 2,753,140.49 | 7.6193 |
| Gas | 5,124,585.47 | 14.1823 |
| Telephone & Telegraph | 6,097,129.19 | 16.8738 |
| Motor Carrier | 2,785,247.73 | 7.7082 |
| Motor Carrier Prop. | 3,109,566.58 | 8.6057 |
| Railroad | 1,429,898.18 | 3.9572 |
| Boat & Ferry | 246.20 | 0.0006 |
| Aircraft | 73.48 | 0.0002 |
| Pipeline | 58,974.75 | 0.1632 |
| Steam Heat | <u>200,758.58</u> | <u>0.5556</u> |
| TOTALS | <u>\$36,133,566.43</u> | <u>99.9996</u> |

Total Assessment of
\$36,669,931.00 for Fiscal Year
July 1, 1996 to June 30, 1997
Allocated to each group
(Total Times Percent)

| <u>Group</u> | <u>Percentage Distribution</u> | <u>(Total Times Percent)</u> |
|-----------------------|--------------------------------|------------------------------|
| Electric | 40.3335 | \$14,790,266.61 |
| Water & Sewer | 7.6193 | 2,793,992.05 |
| Gas | 14.1823 | 5,200,639.62 |
| Telephone & Telegraph | 16.8738 | 6,187,610.81 |
| Motor Carrier | 7.7082 | 2,826,591.62 |
| Motor Carrier Prop. | 8.6057 | 3,155,704.25 |
| Railroad | 3.9572 | 1,451,102.50 |
| Boat & Ferry | 0.0006 | 220.01 |
| Aircraft | 0.0002 | 73.33 |
| Pipeline | 0.1632 | 59,845.32 |
| Steam Heat | <u>0.5556</u> | <u>203,738.13</u> |
| TOTALS | <u>99.9996</u> | <u>\$36,669,784.25</u> |

That the gross intrastate operating revenues for the calendar year 1995 of each public utility as set forth below be the basis for determining the individual assessments for the Fiscal Year July 1, 1996 to June 30, 1997 applicable to each group as provided in Section 510(b)(4) of the Public Utility Code.

| <u>Group</u> | <u>No. In Each Group</u> | <u>1995 Gross Intrastate Operating Revenues</u> | <u>Decrease-Down Increase-Up Over 1994</u> | <u>1994 Gross Intrastate Operating Revenues</u> |
|------------------|--------------------------|---|--|---|
| Electric | 12 | \$9,719,515,364 | up 3.0 | \$9,436,766,873 |
| Water & Sewer | 291 | 455,374,228 | up 4.9 | 432,998,388 |
| Gas | 42 | 2,331,819,848 | down 6.5 | 2,482,869,194 |
| Tele. & Tele. | 375 | 3,370,176,558 | up 1.9 | 3,304,818,443 |
| Motor Carrier | 1173 | 275,399,631 | ***** | 1,071,216,100 |
| Motor Carr. Prop | 3186 | 919,220,909 | ***** | |
| Railroad | 61 | 183,339,120 | down 8.9 | 201,249,476 |
| Boat & Ferry | 3 | 127,396 | down 8.4 | 139,016 |
| Aircraft | 2 | 38,925 | down 81.9 | 213,480 |
| Pipeline | 9 | 34,153,141 | down 27.7 | 47,224,303 |
| Steam Heat | 4 | <u>63,163,916</u> | up .53 | <u>62,832,865</u> |
| TOTALS | <u>5158</u> | <u>\$17,352,339,036</u> | | <u>\$17,040,328,138</u> |

***** Comparisons could not be made since these two groups were classified as one in 1994.

TWENTY HIGHEST ASSESSMENTS
FISCAL YEAR 1996-97

| <u>Name of Utility</u> | <u>1996-97 Assessment</u> | <u>1995 Intrastate Revenues</u> |
|------------------------------------|-----------------------------|----------------------------------|
| PECO Energy - Electric | \$5,093,397 | \$3,347,160,892 |
| Bell Atlantic - PA | 3,774,270 | 2,055,713,837 |
| Pennsylvania Power & Light Co. | 3,431,959 | 2,255,335,635 |
| Duquesne Light Company | 1,685,134 | 1,107,397,472 |
| West Penn Power Company | 1,533,191 | 1,007,546,928 |
| Pennsylvania Electric Company | 1,287,759 | 846,259,547 |
| PA American Water Company | 1,110,223 | 180,947,927 |
| Metropolitan Edison Company | 1,228,774 | 807,497,402 |
| Consolidated Rail Corp. (ConRail) | 1,057,831 | 133,651,315 |
| PECO Energy - Gas | 899,019 | 403,094,760 |
| Columbia Gas of Pennsylvania | 837,442 | 375,485,356 |
| People's Natural Gas Co. | 744,983 | 334,029,318 |
| Equitable Gas Co. | 736,462 | 330,208,601 |
| Philadelphia Suburban Water Co. | 710,887 | 115,862,804 |
| UGI Utilities, Inc. - Gas Division | 672,109 | 301,354,777 |
| National Fuel Gas Distribution | 521,765 | 233,944,878 |
| AT&T, Inc | 436,332 | 237,654,992 |
| GTE North, Inc. | 427,539 | 232,865,805 |
| Pennsylvania Gas & Water | 406,825 | 66,305,696 |
| Pennsylvania Power Company | 397,999 | 261,547,642 |
| TOTALS | <u>\$25,993,900*</u> | <u>\$14,633,865,584**</u> |

*This figure is 71% of the total assessment

**This figure is 84% of the total 1995 revenue of all groups.

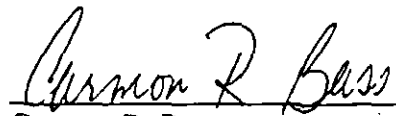
That the assessment factor for the assessment period Fiscal Year July 1, 1996 to June 30, 1997 for each group of public utilities shall be a twelve (12) place decimal fraction obtained by dividing the amount of the estimated expenditures for said period allocated to each group by the amount of gross intrastate operating revenues of the group in 1995 as follows:

| Group (a) | Estimated Commission Expenditures For the Fiscal Year July 1, 1996 to June 30, 1997 Assessable on Each Group (b) | Gross Intrastate Operating Revenue of Each Group For Calendar Year 1995 © | General Assessment Factor for Each Group (Column (b) Divided by Column ©) (d) |
|-------------------|---|---|--|
| Electric | \$14,790,266.61 | \$9,719,525,364 | 0.001521706673 |
| Water & Sewer | 2,793,992.05 | 455,374,228 | 0.006135595468 |
| Gas | 5,200,639.62 | 2,331,819,848 | 0.002230292200 |
| Tele. & Tele. | 6,187,610.81 | 3,370,176,558 | 0.001835990104 |
| Motor Carrier | 2,826,591.62 | 275,399,631 | 0.010263599881 |
| Motor Carr. Prop. | 3,155,704.25 | 919,220,909 | 0.003433020527 |
| Railroad | 1,451,102.50 | 183,339,120 | 0.007914854723 |
| Boat & Ferry | 220.01 | 127,396 | 0.001726977299 |
| Aircraft | 73.33 | 38,925 | 0.001883879254 |
| Pipeline | 59,845.32 | 34,153,141 | 0.001752264015 |
| Steam Heat | <u>203,738.13</u> | <u>3,163,916</u> | 0.003225546212 |
| TOTALS | <u>\$36,669,784.25</u> | <u>\$17,352,339,036</u> | |

That the amount payable by each public utility to the Commission for its proportionate share of the expenditures of the Commission for the Fiscal Year July 1, 1996 to June 30, 1997, shall be an amount equal to the product of its gross intrastate operating revenues for the calendar year 1995 (as reported to the Commission on Assessment Report, Form MT-95 or Form GAO-95 or as estimated by the Commission in the case of failure to file such reports) multiplied by the assessment factor for the group of public utilities of which it is a member.

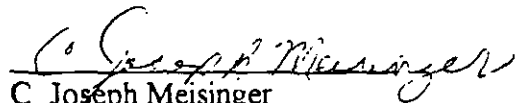
That the Budget, Fiscal, & Assessment Section compute, in accordance with Section 510 of the Public Utility Code, and pursuant to the foregoing findings and determinations, the among of the general assessment for the Fiscal Year July 1, 196 to June 30, 1997 on each and every public utility.

Prepared by:



Carmon R. Bass

Reviewed by:



C. Joseph Meisinger
Commission Fiscal Officer

APPENDIX B

Untimely Objections Filed

| COMPANY NAME | DOCKET NO. |
|-------------------------------------|------------|
| A Limousine Service | A-00108503 |
| Erica Schon Limo | A-00108941 |
| Walsh Cab Company | A-00098302 |
| At Your Service Limousine Co., Inc. | A-00111102 |
| C & C Transportation | A-00099488 |
| Luzerne & Carbon Co. | A-00005303 |
| Schrock, Inc. | A-00101691 |
| Roadway Package Systems, Inc. | A-00107319 |
| Parks - Centre Carriers | A-00110917 |
| Marsha Claspy | A-00111199 |
| Advance Transportation Co., Inc. | A-00086901 |
| Federal Express Corp. | A-00112261 |
| Fife Moving & Storage | A-00094528 |
| O'Brien Moving & Stor. (Glose) | A-00094076 |
| Kephart Trucking Co. | A-00096036 |
| LeeLease, Inc. | A-00107868 |
| Parks Moving & Storage | A-00097208 |
| Parks Moving Systems | A-00104390 |
| Eagle Express | A-00107316 |
| Parks Van & Storage | A-00098380 |
| Centre Carriers Corp. | A-00110078 |
| AAA Moving & Storage | A-00106910 |
| VPSI Commuter Vanpools | A-00109687 |

APPENDIX C

No Postal Receipt Cards

| COMPANY NAME | DOCKET NO. |
|-------------------------|------------|
| Wolf's Bus Lines | A-00093832 |
| Yellow Bird Bus | A-00104400 |
| Cressler Trucking | A-00097072 |
| Keller Mov. & Stor. | A-00093525 |
| Morgan Moving & Storage | A-00104711 |
| Rapid Transit | A-00015034 |

APPENDIX D

Timely Objections Filed

| COMPANY NAME | DOCKET NO. |
|--------------------------------|------------|
| Red Bank RR | A-00500013 |
| Mountain Laurel RR | A-00500019 |
| Pittsburg & Shawmut RR | A-00001551 |
| Milford Taxi, Inc. | A-00110208 |
| Bennett Taxi Service | A-00089018 |
| Central Cab Co. | A-00101803 |
| Erie Transp. Services, Inc. | A-00108419 |
| Friendly Transportation | A-00100664 |
| Suburban Transit Network, Inc. | A-00102219 |
| Willow Grove Yellow Cab | A-00087075 |
| O.D. Anderson, Inc. | A-00096222 |
| Capitol Bus Co. | A-00067651 |
| Catawese Coach Co. | A-00108132 |
| 88 Transit Lines | A-00088581 |
| Klein's Bus Service | A-00106803 |
| Krapf's Coaches, Inc. | A-00104504 |
| Red Lion Bus Co. | A-00079650 |
| R & J Transportation | A-00102322 |
| Susquehanna Transit Co. | A-00022623 |
| Jim Thorpe Trans. | A-00023824 |
| Werner Bus Lines | A-00092344 |
| Carlisle Carrier Corp. | A-00109478 |
| South Hills Movers | A-00109506 |
| Anderson Transfer | A-00109593 |
| Garber Farms | A-00109382 |
| Chadderton Trucking | A-00110235 |
| Fischer-Hughes of Allentown | A-00110545 |
| Robert R. Berkebile | A-00098767 |
| R. W. Bird, Inc. | A-00107721 |
| Dunbar Armored, Inc. | A-00106028 |
| Mase Transportation | A-00106262 |

APPENDIX D (CONT.)

| COMPANY NAME | DOCKET NO. |
|---------------------------|------------|
| Blank's Mov. & Stor. | A-00105797 |
| J J Brandt Moving & Stg. | A-00105019 |
| R. B. Cellitti | A-00105650 |
| City Delivery Service | A-00081935 |
| Clemmer Mov. & Stor. | A-00094147 |
| William C. Confer | A-00073006 |
| Crossett, Inc. | A-00033216 |
| H. J. Culler | A-00093782 |
| Dunlo Transfer Co. | A-00103322 |
| East Penn Trucking | A-00096442 |
| Herman Ewell | A-00093865 |
| B. F. Fields Mov. & Stor. | A-00097902 |
| Firpo & Sons | A-00097314 |
| Fischer-Hughes Transp. | A-00103976 |
| Fritz Mayflower | A-00066766 |
| Frock Bros. | A-00107291 |
| Hatboro Delivery Service | A-00097036 |
| Jagtrux, Inc. | A-00104784 |
| Keen Transport | A-00102431 |
| Sam J. Lansberry | A-00099642 |
| Lytle's Transfer & Stor. | A-00094302 |
| Milton Transportation | A-00095429 |
| Lausch Moving & Storage | A-00101825 |
| R. J. Renn & Sons | A-00099663 |
| Shaffer Trucking | A-00099412 |
| Starck Van Lines | A-00086317 |
| Lester R. Summers | A-00092813 |
| United Parcel Service | A-00085236 |
| Williamsport Moving Co. | A-00089650 |
| Jack Treier, Inc. | A-00099283 |
| Dedicated Transport | A-00109336 |
| J.M.L.S. | A-00109391 |
| E.C. Barnes | A-00105877 |
| System Freight, Inc. | A-00111392 |
| Aero Oil Co. | A-00109695 |

APPENDIX D (CONT.)

| | |
|------------------------|------------|
| W. W. Trucking | A-00108672 |
| J. H. Bennett | A-00101944 |
| Frank W. Hake, Inc. | A-00097085 |
| Nicholas Mayflower | A-00090110 |
| Ralph G. Smith | A-00083135 |
| Warners Moving & Stor. | A-00070104 |