

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Uniform Cover and Calendar Sheet

1. REPORT DATE: August 17, 2005	2. BUREAU AGENDA NO. SEP-2005-TSM-0121 *
3. BUREAU: Transportation & Safety	
4. SECTION(S): M. C. S. & E.	5. PUBLIC MEETING DATE: September 9, 2005
6. APPROVED BY: Director: Hoffman: 3-3846 Mgr/Spvr: Keezel: 3-5010 Legal Review:	
7. PERSONS IN CHARGE: Minder: 7-1168	9. EFFECTIVE DATE OF FILING N/A
8. DOCKET NO.: A-00108185 R-00050943	

10. (a) **CAPTION** (abbreviate if more than 4 lines)
 (b) Short summary of history & facts, documents & briefs
 (c) Recommendation

DOCUMENT FOLDER

- (a) **RATE INCREASE.**, Heritage Moving Systems, Inc., t/d/b/a Winters Movers, Concordville, Delaware County, for three men and a vehicle hourly rate from \$115 to \$120.
- (b) Tariff Freight Pa. PUC No. 14, applies to furnishing household goods in use service originating in Delaware County and transported distances of forty (40) miles or less as more thoroughly described in the official tariff. Heritage is requesting a 4.3% increase in the hourly charges to cover projected increases in carrier's expenses. The current rates have been in effect since June 28, 2004.
- (c) The Bureau recommends that Tariff Freight Pa. PUC No. 13 be **suspended**, and that the carrier be offered the option of adopting a tariff reflecting an increase in hourly rates of 3.3%, as recommended by the Bureau of Transportation and Safety.

11. **MOTION BY:** Commissioner Chm. Holland

Commissioner Shane - Yes
 Commissioner Pizzigrilli - Yes
 Commissioner Fitzpatrick - Yes

SECONDED: Commissioner Cawley

CONTENT OF MOTION: Staff recommendation adopted.



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

September 9, 2005

A-00108185
R-00050943

HERITAGE MOVING SYSTEMS INC
T/D/B/A WINTERS MOVERS
10 CONCHESTER ROAD
PO BOX 939
CONCORDVILLE PA 19331

DOCKETED
NOV 14 2005

Pennsylvania Public Utility Commission
v.
Heritage Moving Systems, Inc.
t/d/b/a Winters Movers

**DOCUMENT
FOLDER**

To Whom It May Concern:

This is to advise you that the Commission in Public Meeting on **September 9, 2005** has adopted an Order in the above entitled proceeding.

An Order has been enclosed for your records.

Very truly yours,

James J. McNulty
Secretary

rpb
encls
cert. mail

RJP

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17105-3265

Public Meeting held September 9, 2005

Commissioners Present:

Wendell F. Holland, Chairman
James H. Cawley, Vice-Chairman
Bill Shane
Kim Pizzingrilli
Terrance J. Fitzpatrick

DOCKETED
NOV 14 2005

Pennsylvania Public Utility Commission

v.

Heritage Moving Systems, Inc., t/a Winters Movers

A-00108185
R-00050943

ORDER

**DOCUMENT
FOLDER**

BY THE COMMISSION:

Heritage Moving Systems, Inc. furnishes household goods in use originating in Delaware County, and transported distances of forty (40) miles or less as more thoroughly described in the official tariff.

Heritage Moving Systems, Inc., t/a Winters Movers (Heritage or Carrier) filed Tariff Freight Pa. PUC No. 14 on March 17, 2005, and proposes a total increase in revenues of \$196,317, of which \$31,559 would come from intrastate revenues and \$164,758 would come from interstate revenues. The proposed rate increase is to cover increased operating expenses and to improve its operating ratio.

The carrier was granted a 6.5% rate increase effective June 28, 2004, which raised the hourly rates from \$108 per hour to \$115 per hour for a normal complement. Carrier now proposes to increase the hourly rate for three men and a vehicle normal complement charge by 4.3% to \$120 per hour.

Heritage's total 2004 revenue was \$2,776,742 which included interstate revenue of \$2,059,483. Total intrastate revenue was \$717,259 and was derived entirely from moves of 40 miles or less.

The carrier submitted financial records and other supporting data in support of its request. Carrier has calculated that the increase will produce additional intrastate revenue of \$31,559.

INCOME AND EXPENSE STATEMENT
JANUARY 1, 2004 TO DECEMBER 31, 2004
CARRIER PROJECTED ADJUSTMENTS

	Year Ended	Carrier	Bureau	Projected
	12/31/04	Proposed	Adjustments	year with
		Adjustments	Adjustments	adjustments
Interstate revenue	\$2,059,483	\$164,758	(\$39,902)	\$2,184,339
Intrastate revenue	<u>717,259</u>	<u>31,559</u>	<u>(7,643)</u>	<u>741,175</u>
Total revenue	\$2,776,742	\$196,317	(\$47,545)	\$2,925,514
 Operating Expenses				
Maintenance	\$ 113,134	\$117,707	(\$ 53,400)	\$ 177,441
Transportation	1,016,267	70,056	-	1,086,323
Terminal	-	-	-	-
Traffic	30,234	-	-	30,234
Insurance	535,599	66,700	-	602,299
Administrative	769,676	12,140	-	781,817
Taxes and Licenses	117,951	-	-	117,951
Depreciation	<u>65,519</u>	<u>-</u>	<u>5,855</u>	<u>71,374</u>
Total Expenses	\$2,648,380	\$266,603	(\$47,545)	\$2,867,438
 Net Income	 \$ 128,362	 (\$70,286)	 -	 \$58,076
 Operating Ratio	 95.38%			 98.01%

ADJUSTMENTS TO OPERATING EXPENSES

Maintenance Expenses- are projected to increase in 2005 by \$117,708, due to the extension of the maintenance garage, the purchase of new equipment and the hiring of a new mechanic. The Commission eliminated \$50,000 for the cost of the garage addition and \$3,400 for tools as capital expenditures which are subject to depreciation. Staff adjusted the projected depreciation expense by \$5,855 to reflect a ten year useful life of the garage addition and a three year useful life of the new equipment.

Transportation Expenses- are projected to increase by \$70,056 due to the hiring of an additional dispatcher and a 3% increase for drivers' and helpers' wages.

Insurance Expense- is projected to increase in 2005 by \$66,700 due to an increase in insurance premiums. Premium statements were provided to support the increase.

Administrative Expense- is projected to increase by \$12,140 due to increased salaries for office personnel.

ANALYSIS

In its prior request for a rate increase, the carrier projected 2004 calendar year net income to be \$58,699 and an operating ratio of 98%. The Commission approved the rate request at public meeting on June 24, 2004, and the rates became effective June 28, 2004. The current submission by the carrier indicates that the projected 2004 net income and operating ratio were underestimated in the previous rate request. The actual 2004 income was \$128,362, more than twice the projected amount. The actual 2004 operating ratio was 95.38 percent.

Heritage proposes a total increase of \$196,317 in revenue to offset projected increases in operating expenses of \$266,603, which would result in a \$70,286 reduction in net income for the calendar year 2005, as shown in the table above. The projected 2005 income, prior to Commission adjustments, would be \$58,076.

Staff reduced the overall increase in expenses projected by the carrier, by \$47,545, as discussed in the preceding section. Capital expenditures were depreciated over their normal useful lives instead of being expensed all in one year. Since the overall amount of projected expenses was reduced by staff, the amount of an increase in revenues necessary to cover those expenses is also reduced. Therefore, the staff reduced the proposed PUC revenues by \$7,643.

As a result of the reduction in revenues needed from those moves that fall under the PUC jurisdiction, the amount of increase needed by the carrier was determined to be 3.3%. Staff recommends the proposed alternative rate structure be offered to the carrier to meet the needs of the carrier in covering increased expenses:

Intrastate Revenues	\$717,259
Increase in PUC revenues needed	23,916
Percentage increase needed	3.3%
Current Rate	\$115.00
Carrier Proposed Rate	120.00
Staff Proposed Alternative Rate (\$115 X 1.033) rounded	119.00

COMPARATIVE RATES

Heritage Moving Systems, Inc. furnishes household goods in use service originating in Delaware County. Staff review of Commission records reveals that:

Clemmer Moving and Storage, Inc. 6th Revised Page 31 to Tariff Freight Pa. PUC No. 54, effective July 17, 2001, is charging \$126.50 per hour.

O'Malley Moving & Hauling, Inc. 5th Revised Page 74 to Tariff Freight Pa. PUC No. 54, effective September 13, 2004, is charging \$128.00 per hour.

CONCLUSION

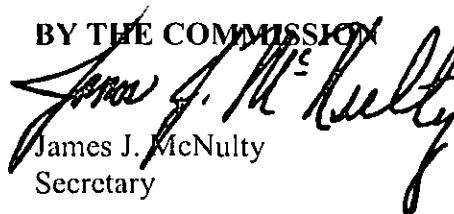
We have determined that Heritage Moving Systems, Inc., t/d/b/a Winters Movers has submitted the documentary evidence to support a proposed increase of \$23,916. This is \$7,643 less than requested by the carrier. We propose the carrier resubmit a tariff in accordance with the alternative proposed rate of \$119.00 for a normal complement of three men and a driver.

THEREFORE:

IT IS ORDERED:

1. That Tariff Freight Pa. PUC No. 13 is suspended.
2. That Heritage Moving Systems, Inc., t/d/b/a Winters Movers, be directed to file Tariff Freight Pa. PUC No. 15, on or before September 29, 2005, upon less than statutory notice to the Commission, which cancels Tariff Freight Pa. PUC No. 13, and implements the alternative freight structure as proposed by staff.
3. That, if the carrier fails to file such a tariff, on or before September 29, 2005, an investigation of the carrier's proposed rate increase and existing rates will be instituted and the matter will be assigned to the Office of Administrative Law Judge for hearing.
4. That upon the filing of such a tariff, the investigation will terminate and the record will be closed.
5. That a copy of this order be served upon Heritage Moving Systems, Inc., t/d/b/a Winters Movers.

BY THE COMMISSION



James J. McNulty
Secretary

(SEAL)

ORDER ADOPTED: September 9, 2005

ORDER ENTERED: SEP 09 2005

2. Article Number



7160 3901 9843 0062 8496

3. Service Type **CERTIFIED MAIL**

4. Restricted Delivery? (Extra Fee) Yes

1. Article Addressed to:

Heritage Moving Systems
Inc.
A-00108185 et al Q.

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) <i>Mary Ellison</i>	B. Date of Delivery <i>9/12/05</i>
C. Signature <i>Mary Ellison</i>	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
D. Is delivery address different from item 1? If YES, enter delivery address below:	<input type="checkbox"/> Yes <input type="checkbox"/> No

COMMONWEALTH OF PENNSYLVANIA

DATE: September 9, 2005
SUBJECT: Docket Nos. A-00108185 & R-00050943
TO: Director, Bureau/Office of Administrative Law Judge
FROM: Janey Gast, Chief Compliance and Document Management

Pennsylvania Public Utility Commission
v.
Heritage Moving Systems, Inc.
t/d/b/a Winters Movers

RECEIVED
OFFICE OF C.A.L.J.
05 SEP -9 PM 3:52
PA PUC

The Commission at Public Meeting held September 9, 2005 adopted an order in the above entitled proceeding

Please direct your attention to the "Ordering Paragraph(s)" for your Bureau's/Office's ongoing responsibility as identified therein.

Kindly acknowledge receipt of this memo by signing below and return this memo to:

Secretary's Office
Attn: Docketing Section
KEYSTONE BUILDING 2ND FLOOR

Thank you for your cooperation in this matter!

Receipt acknowledged:

(signature) *Teronica A. Smith*

(date) 9/13/05

DOCUMENT FOLDER

DOCKETED
NOV 07 2006

RECEIVED
05 SEP 13 PM 1:19
PA PUC
SECRETARY'S BUREAU