

## Higher Costs Hit Utilities—Necessitating Rise In Rates

(Editor's Note: This is the second of three articles on the functions of the Pennsylvania Public Utility Commission. It deals with the handling of rate cases.)

With no letup in sight as the inflation spiral spins ever upward, privately-owned utilities in Pennsylvania are caught in the wage-price maelstrom along with competitive industry.

Utilities, nevertheless, have been required to expand their facilities to meet increased service demands until today their combined plant investment stands at an all-time high of six billion dollars.

Higher operating costs on one hand and expansion on the other have brought many utilities before the Public Utility Commission seeking rate increases. Both the fixed-service type of utility—such as electric, gas, telephone and water—and transportation companies have laid an ever-increasing number of rate cases in the PUC's lap.

One of the big questions in the public mind is: What happens when a utility files new rates? There's no mystery about the way rates are changed. Here in general, is the picture:

Rate changes are filed on 60 days' notice to the commission, or 30 days in the case of common carriers like trains, buses and trucks. When the rates are filed, the PUC tariff regulations require the utility to submit with them, under oath, pertinent supporting data.

Within a 60-day (or 30-day) period, the commission and its technical experts make a thorough study of this supporting data, the rate structure and overall earnings.

If it appears beyond doubt that the proposed rates do not contain any unreasonable features and that the anticipated earnings are not excessive, the PUC may take no action and thus the rates become effective automatically by law.

However, if in the commission's opinion there is any question about lawfulness or reasonableness of the rates, it can—and does—suspend them for a total period of nine months. An investigation then is held to determine whether the rates are just and reasonable.

The Public Utility Law and interpretations placed on it by the appellate courts have established

definite guides which must be followed in determining whether rates are reasonable—principally that a utility must be allowed for its service a fair return on the fair value of its property used and useful in the public service.

Under such precedent, the utility's fair value and allowable return are determined by the PUC following public hearings, subject to court review.

The PUC has no jurisdiction over rates charged by municipal authorities, a fact not generally understood. Further, it has authority only over that part of a city or borough utility operation which extends outside of the municipality's corporate boundaries.

During the abnormal period since 1940 with a constantly rising price level—now highest in the nation's history—plus the urgent necessity of expending millions of dollars for plant expansion, there frequently is a deterioration in the ratio of utility earnings in relation to the value of property.

Many utilities, therefore, have been compelled to file rate increases with the commission to maintain their financial integrity and continuing adequate service.

There has been a tremendous expansion in public utility services in Pennsylvania in the last decade. Here are some statistics on the strides made by major utility services:

There were almost 3,100,000 electric customers at end of 1951, a 25 per cent increase over 1941. Plant investment was \$1,791,000,000, a 48 per cent boost. Annual electric revenues reached \$477,200,000, an increase of 88 per cent.

Telephone industry gains were even more pronounced. The 3,300,000 stations served at end of last year represented an increase of 95 per cent over 1941. Plant investment increased 90 per cent to \$748,600,000. Annual revenues went to \$235,800,000 a 159 per cent increase.

Growth of the telephone business is reflected in the fact that while only 44 per cent of the families in the state had telephones in 1941, the figure went up to 76 per cent in 1951, or an increase of 73 per cent.

The gas industry had 1,558,000 consumers at end of 1951, an increase of 27 per cent. Plant in-

## Teen Clubbers Start Season

### "Y" Building Open Every Thursday Night

Teen Club of Back Mountain Town and Country YMCA opened its 1952-53 season last Thursday evening for its seventh year.

The Club is operated by twenty-five high school students, with Counselors, forming the Teen Council. Meetings are held in the Headquarters Building in Shavertown. Last season the Teen Club supplied recreation, dancing, fellowship and friendship for 189 different young people, most of whom reside in the Back Mountain area.

All young people are invited to attend. Table tennis, pocket billiards, table games, social and square dancing occupy the hours from 7 to 10:30 p.m. each Thursday night in the Shavertown "Y" Building. This year there has only been one change in the rules in respect to age. The minimum age will be based on the age of members of the 9th grade and the maximum age has been set for 19, no matter whether the youth is in or out of high school. The first series of affairs will run from November through February. Admission is by Teen Club membership only. Full details may be secured at the Teen Club any Thursday night.

Officers of the Council are: Robert Edwards, president; Earl Hummel, vice president; Carol Bogart, secretary and Robert Hontz, publicity. Mr. and Mrs. Jack Porter are Counselors to the Teen Council and the Teen Club.

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## Daisy Mae To Pursue Li'l Abner At Dance

Senior class, Dallas-Franklin Township high school, will sponsor a Sadie Hawkins Dance tonight in the school auditorium. Daisy Mae and Li'l Abner, chosen by popular vote, will be presented during the dance.

Investment of \$525,200,000 was a 51 per cent hike over 1941. Annual revenues jumped 122 per cent to \$196,300,000. A substantial part of the gas industry expansion is due to fuel piped into Pennsylvania from south-western natural gas fields.

(The third and last article next week relates primarily to the PUC's railroad crossing safety work.)

## Redskins Roll Up Victory 25-6 Over Wyoming Seminary Squires

BY JESSIE CAREY

Dallas-Franklin Township Redskins rolled up their second victory of the season by defeating Wyoming Seminary Squires 25-6 on Memorial Field Saturday.

Karl Landmesser started the game rolling with a pass interception followed by a 40-yard gallop to give the Redskins their first touchdown. The extra point was made by Tom Williams.

In the second quarter Landmesser pitched a long pass to Riaubia on the ten. He went for another tally without any trouble. The extra point was wide.

In the third quarter, Landmesser tossed a lateral to Sam Fowler, who crossed the goal line from the thirteen yard line.

The enthusiastic Redskins weren't satisfied with the score. In the fourth period an intercepted pass by Landmesser brought them to the 2-yard line. Tom Williams carried the ball over the finish line to make the score 25-0.

The determined Squires came back in the last minutes of the game by sending Al Siskapoulas over

from the four-yard line, bringing the game to a climax with a final score of 25-6.

Post-mortem on the game shows that Dallas-Franklin did exceptionally well on passing, completing four out of eight. Squires completed four out of fourteen.

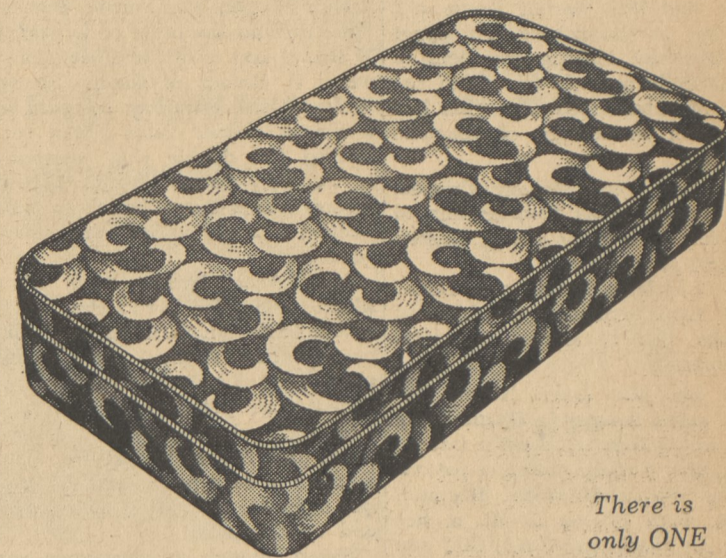
## Penna. Leads Nation In Ice Cream Output

Pennsylvania in September once again led all other states in production of ice cream. The State Department of Agriculture says.

Output for the month was 6,325,000 gallons, a drop of 11 per cent from August, 3 per cent under the September average for the five-year period 1946-50, but 14 per cent above production for September 1951.

Ice cream production in Pennsylvania for September this year was over a million gallons greater than the combined output for the states of Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska and Kansas, Federal-State records reveal.

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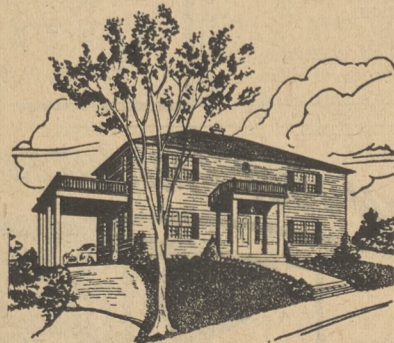
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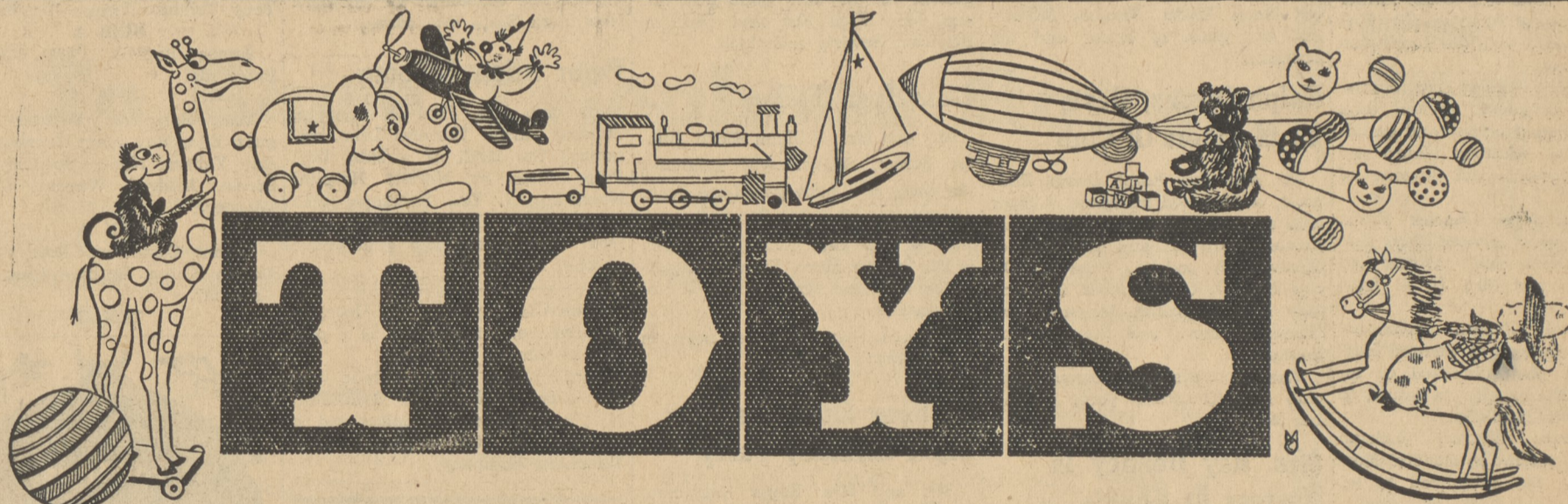
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