

PUC Slates Hearings

No Settlement Seen in Rates

By MARCIA TOWNSEND
L-V Editor

HARRISBURG—No settlement was reached between the Public Utility Commission (PUC) and Citizens Utilities Co. concerning the telephone company's request for a \$204,000 rate increase.

The hearing was held March 26 before Administrative Law Judge Martin R. Fountain.

The two main issues in the case, according to Gilbert L. Hamberg, assistant counsel for the PUC, is the company's rate of return on the proposed increase, and income tax of interest expense.

Vince Butler of the law firm of Morgan, Lewis & Brockius, Harrisburg, is representing Citizens Utilities.

According to Al Cypher, the telephone company has also hired a consultant with knowledge of depreciation schedules, original plant costs and current operating procedures. The consultant is expected to testify at the next hearing.

Hearings in the case have been set for 10 a.m., April 16, May 2, 15, 16, and June 9, 10, 11. All the hearings are to be held in the North Office Building in Harrisburg.

Witnesses for the company will be cross-examined at the hearings set for April 15, May 2, 15, and 16. PUC

witnesses will file testimony June 4 and will be cross-examined June 9 and 10. June 11 will be used to tie up loose ends, according to Hamberg.

If Citizen Utilities' customers wish to have a hearing held in the area serviced by the company, they should contact Judge Fountain at (215) 238-3735 or contact Chief Administrative Law Judge William Shane at the PUC, Box 3265, Harrisburg, Pa. 17120 or telephone him at (717) 787-1191, Hamberg explained.

If local people want to participate in the hearings and give the PUC "some assurance" that they will attend any local hearings, Gilbert said he would join in a motion to request local hearings be held.

Citizen Utilities' customers could also file a formal complaint in the case by requesting a formal complaint form from the PUC secretary, Gilbert noted.

"That way if there were a settlement, they could be included in the settlement," the attorney said. "It would help their cause to file a formal complaint because it gives them a lot more punch in the case."

If 10 or more people request another pre-hearing conference, it's quite possible one would be scheduled in the area serviced by the telephone company, Hamberg explained, noting that such requests would have to be made soon because the hearing

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schedule has been established.

The PUC is currently seeking a rate reduction for Citizen Utilities' 3,219 customers, Hamberg explained. The company is continuing to seek the proposed \$204,000 increase.

On July 7, the PUC and company will file briefs with Judge Fountain. The judge will study the briefs and make a recommendation, which will be sent to the PUC. The final decision will be made by the PUC, Hamberg said. If the company is dissatisfied with the PUC's decision, it would appeal the case to Commonwealth Court.

Cypher noted that although there has not been any movement on the part of Citizens Utilities or the PUC, there is the possibility that a settlement could be reached before all the scheduled hearings are held.