BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Commission's Review of Ohio Adm. Code Chapter 4901:2-24, Related to Rates for Towing, Storage and Retrieval of Motor Vehicles.

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ACT NO DEPART

SUPPLEMENTAL WORKSHOP COMMENTS BY **ASSOCIATION OF PROFESSIONAL TOWERS - OHIO**

Ĩ. INTRODUCTION

On April 21, 2017, Association of Professional Towers - Ohio ("APTO") participated in the Commission's workshop relating to towing and storage rates for vehicles towed pursuant to Ohio Revised Code sections 4513.60 and 4513.601. At the workshop, the Commission encouraged those present to submit data to assist it in creating towing and storage rates. Accordingly, APTO submits the following to supplement its workshop testimony.

II. DISCUSSION

Following the April 21 workshop, APTO asked its members to submit documentation demonstrating their costs associated with performing tows pursuant to R.C. 4513.60 and/or 4513.601. The attached documents show one¹ APTO member's costs, as well the number of tows it performed in 2016. The towing calculations include tows authorized by R.C. 4513.60 and/or 4513.601, as well as consensual tows authorized by vehicle owners.

According to the attached data, if the Commission apportions the company's costs across all of the tows it performed, the estimated cost per tow is \$95.31. We arrive at this calculation

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¹ APTO received several submissions from its members; however, the data varied based upon company and market size. The company described herein is representative of a mid- to large-size towing company in one of Ohio's larger markets. To protect the company's privacy, APTO is producing its financial documents but withholding its identity.

by dividing the company's total expenses (cost of goods sold plus general expenses) of \$2,220,494.15 by the total number of tows it performed: 23,297. Put another way, this towing company must receive an average of \$95.31 per tow just to break even. While this may be perceived as a rough measurement, it is the most accurate means of determining cost per tow; tows authorized by R.C. 4513.60 and/or 4513.601 are too variable to determine fixed, context-specific estimates.

But, tows pursuant to R.C 4513.60 or 4513.601 are undoubtedly more expensive than consensual tows. Therefore, if the \$95.31 estimate is inaccurate, it is so because it fails to capture the additional costs and risks incurred in the tow-away zone and police-ordered tow contexts. For instance, as part of their contracts with land owners, towing companies are often required to create and maintain tow-away zone signage that is compliant with R.C. 4513.601. They are also required to search BMV records and provide multiple notices via certified mail every time a vehicle is towed and stored. These actions are unnecessary for consensual tows, and therefore the costs incurred as a result of these actions are attributable only to tows authorized by R.C. 4513.601.

Additionally, both R.C. 4513.60 and 4513.601 limit a towing company to 50% of the applicable towing fee if the vehicle owner arrives before the vehicle is removed, even if the majority of the towing company's costs have been incurred. There is no such requirement with consensual tows. There is also little risk that a vehicle owner who agrees to a tow will abandon his or her vehicle, taking up valuable space in the towing company's storage lot, which happens frequently with vehicles towed pursuant to R.C. 4513.60 and/or 4513.601. Finally, consensual tows are generally far less dangerous and significantly more predictable, meaning they can be completed in less time and typically without the need for special equipment.

As stated in APTO's previous submission, the Ohio General Assembly established a \$90.00 maximum removal fee for vehicles with a manufacturer's gross vehicle weight rating ("GVWR") less than or equal to 10,000 pounds in June of 2000. It also established a \$150.00 maximum removal fee for vehicles with a GVWR exceeding 10,000 pounds that were also a truck, bus or combination of a commercial tractor trailer or semitrailer. Despite significant increases in compliance and other costs, not to mention steady inflation, these maximums have not been adjusted for nearly two decades.

At an estimated cost of \$95.31 per tow, a company engaging solely in removing vehicles pursuant to R.C. 4513.60 and/or 4513.601 would likely lose money. Accordingly, APTO strongly encourages the Commission to adopt towing and storage rates that not only contemplate seventeen years of inflation, but also address the significant additional costs towing and storage entities incur so that they comply with statutory and regulatory requirements that simply did not exist seventeen years ago.

III. CONCLUSION

APTO respectfully submits the foregoing for the Commission's consideration in the above-captioned matter. APTO representatives are available to assist the Commission as it prepares reasonable regulations relating to towing, storage and after-hours retrieval fees. You may contact APTO at (614) 628-4464 or bcoulter@slk-law.com.

Respectfully Submitted,

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APTO PRIVATE PROPERTY RATE COMMITTEE PUCO WORKSHOP RESPONSE

APTO will be responding to several questions from the PUCO Workshop last week. To prepare an effective response, please review the following questions and respond to the form below:

- Total number of 4513.601 tows (private tow-away zone) per month for 2016
- Total number of 4513.60 tows (police ordered from private property) per month for 2016;
- Total number of ALL tows per month for 2016;
- Amount of time estimated to complete average light, middle and heavy duty tow start from the initial call through the initial paperwork;
- Five highest cost categories, broken down to % of monthly cost, (Payroll, Insurance, Equipment, Fuel, Compliance)
- What is the difference between your consensual tow rate and non-consensual tow rate (PPI rate) and how do they compare/contrast
 - Total number of 4513.601 tows (private tow-away zone) per month for 2016, total number of 4513.60 tows (police ordered from private property) per month for 2016; and total number of ALL tows per month for 2016:

PER MONTH IN 2016	TOTAL # OF 4513.601 - PRIVATE TOW- AWAY ZONE TOWS PER MONTH IN 2016	TOTAL # OF 4513.60 – POLICE ORDERED FROM PRIVATE PROPERTY PER MONTH IN 2016	TOTAL NUMBER OF <u>ALL</u> TOWS PER MONTH IN 2016
JANUARY	706	0	1967
FEBREUARY	696	0	2241
MARCH	100	0	1910
APRIL	765	0	2014
MAY	663	O	1725
JUNE	631	U	1853
JULY	477	0	2321
AUGUST	568	0	1875
SEPTEMBER	846	Ð	1767
OCTOBER	687	Ø	1746
NOVEMBER	727	Ð	1931
DECEMBER	534	0	1941

	JAN 2016	FEB 2016	MAR 2016	APR 2016	MAY 2016	JUN 2016	JUL 2016	AUG 2016	SEP 2016	OCT 2016	NOV 2016	DEC 2016	TOTAL
INCOME													
300 Towing Revenue	148,683.81	213,099.15	159,116.91	146,620.47	164,263.45	181,137.42	191,595.93	166,793.75	188,733.02	155,934.41	161,225.41	197,596.74	\$2,074,800.47
301 Storage Revenue				24,703.69								3,983,25	\$28,686.94
302 Scrap Revenue					52,150.00							34,950.00	\$87,100.00
711 Refund												20.00	\$20.00
Total Income	\$148,683.81	\$213,099.15	\$159,116.91	\$171,324.16	\$216,413.45	\$181,137.42	\$191,595.93	\$166,793.75	\$188,733.02	\$155,934.41	\$161,225.41	\$236,549.99	\$2,190,607.41
COST OF GOODS SOLD													
450 Truck Expenses	586.40	2.050.58	21.12	525.00		636.56	1,517.33	839.87		4,429.18		3,812.42	\$14,478.46
450.1 Fuel	16,466.73	13.657.94	15,812,19	15,642.81	16,843.99	16,319,26	22,057.99	16,397.24	18,134.40	18,916.32	15.428.48	22,067.36	\$207,744.71
450.2 Parts & Supplies	9,207.03	11,026.89	7.711.02	2,529.82	15,214.78	4,370.34	12,796.64	5,743.93	4,012.03	8,226.91	3,354.82	8,431.90	\$92,626.11
450.3 Truck Insurance		13,464.00	7,737.00	7,338.24	7,998.22	6,998.22	6,998.22	6,998.22	6,998.22	6,998.22	6,998.22	6,998.22	\$85,525.00
450.6 Repair	3 6.95		131.09		470.13		498.80	109.96					\$1,309.93
509 Contract Services	1,897.09	1,329.30	1,179,30	1.589.30	1,804.30	1,314.30	1,404.79	1,224.30	1,329.30	315.00	315.00	195.00	\$13,896.98
509.01 Payouts	3,993.95	1.357.01	4,545.72	3,282.96	3,510.61	3,089.11	4,935.64	8.750.02	8.039.83	6,695.01	5,240.04	5,220.49	\$58,660.39
551 Titles	589.94	741.81	323.65	3,948.16	2,475.31	2,342.20	2,738.00	2,528.00	3,549.00	3.569.95	3,551.16	3,153.49	\$29,510.67
Total Cost of Goods Sold	\$32,841.09	\$43,627.53	\$37,461.09	\$34,856.29	\$48,317.34	\$35,129.99	\$52,947.41	\$42,591.54	\$42,062.78	\$49,150.59	\$34,887.72	\$49,878.88	\$503,752.25
GROSS PROFIT	\$115,842.72	\$169,471.62	\$121,655.82	\$136,467.87	\$168,096.11	\$146,007.43	\$138,648.52	\$124,202.21	\$146,670.24	\$106,783.82	\$126,337.69	\$186,671.11	\$1,686,855.16
EXPENSES													
455 Employee Pavroll											246.00		\$246.00
Expenses													
442.4 Pension Plan					229.54								\$229.54
515 Gross Wages	63,921.58	63,798.72	64,083,78	62,419,43	64,638,84	64,895.46	94,511.58	61,951.24	68,864.15	64,916.43	65,759.39	96,685.82	S836,446.42
516 Officer Wages	18,587.68	18,587.68	18,587.68	18.587.68	18.587.68	18,587.68	27,881.52	18,587.68	18,587.68	18,587,68	18.587.68	27,881.52	\$241,639.84
542 Payroll Taxes	7,531.34	7.305.92	7.202.55	6,808.11	6,747.79	6,655.67	9,414,44	6,120.74	6.671.41	6.420.71	6,464.30	9,532.95	\$86,875.93
565 Payroll Service Fees	629.10	269.64	265.36	267.50	273.92	271.78	518.15	254.66	281.41	284,62	279.27	405.53	\$4,000.94
604 Workers Comp	5,068.21	5.088.54	5.089.01	5.078.97	5,318.92	5,289.45	-12,157.40	2.951.00	2,823.48	2,613,41	2,655.28	3,894.02	\$33.712.89
Total 455 Employee Payroll Excenses	95,737.91	95,050.50	95,228.38	93,161.69	95,796.69	95,700.04	120,168.29	89,865.32	97,228.13	92,822.85	93,991.92	138,399.84 I	\$1,203,151.56
456 Health Insurance	6.830.84	3,859.19	8,728,95	2,061.46	5,597.32	6,887.75	5,582.02	7,885.21	8,810.52	3,579.86	4,919.42	8,154.26	\$72,896.80
53601 Less Employee	1,484,29	-1,531.14	-1,531,14	1,531.14	-1,531.14	-1,531.14	-2,391.67	-1,722.85	-1,829.24	-1,829,24	-1,829.24	-2,697.01	\$ -21,439.24
Contributions													
53602 Employee Lite	877.98	877.98	86,778	877.98	877.98	877.98	877.98	877.98	877.98	317.76	317.76	317.76	\$8,855.10
Insurance								1					
Total 456 Health Insurance	6,224.53	3,206.03	8,075.79	1,408.30	4,944.16	6,234.59	4,068.33	7,040.34	7,859.26	2,068,38	3,407.94	5,775.01	\$e0,312.66
490 Refunds	774.71	615.05	2,974.20	351.30	354.13	499.30	876.99	413.04	11.25	618.43	225.38	171.75	\$7,885.53
499 Garage Expense	2.825.00	2,972.66	4,752.34	1,814.95	3,866.05	4,558.04	1,255.04	2,708.16	3,082.21	2,011.51	2,156.64	6,238.79	\$38,241.39
500 Purchases - Donated	800.00							200.00				150.00	\$1,150.00
Cars						1					1000	07.01	00 006 614
510 Operating Supplies	500.00	1,140.68	1,416.72	1,687,36	1,134.28	2,414,98	521.07	2,995.59	3,702.67	000	763.00	04/01	00-000, 1 (6
512 Freight & Postage	2,349.93	1,879.09	541.17		2,421.33					296.37		117129	\$8,UU3.00

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PROFIT AND LOSS January - December 2016

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	JAN 2016	FEB 2016	MAR 2016	APR 2016	MAY 2016	JUN 2016	JUL 2016	AUG 2016	SEP 2016	OCT 2016	NOV 2016	DEC 2016	TOTAL
521 Equipment Lease	441.95	32.00		441.95			441.95		441.95				\$1,799.80
526 Gas, Electric & Water	1.849.20	2,537.01	1,344.36	1,150.81	972.74	861.64	956.45	986.23	1,784.22	1,402.24	278.13	742.29	\$14,865.32
527 Trash Removal	243.40	243.40	257.35	257.35	257.35		514.70	257.35	257.35	257.35		514.70	\$3,060.30
529.00 Telephone -	1,532.12	1,440.36	1,348.15	951.09	1,712.45	1,288.07	1,356.44	1,367.70	1.428.43	1,378.71	1,187.56	1,494.73	\$16,485.81
Landlines							:				00.011	00000	66 400 40
529.01 Internet Access	396.50	396.50	389.00	672.42	456.55	449.05	456.83	449.33	449.33	11.844	448.93	448.33	35.462.48
529.02 Mobile Phones	3,860.97	3,251.08	2,417.81	2,478.54	2,176,44	1,024.28	2,124.51		2.317.06	26.46	3,924,46	1,147.42	\$24,749.03
530 Building Materials & Maintenanc	274.82		45.99		68.39	99.47		191.31	291.36			157.11	\$1,128.45
534 Advertising		1,500.00	5.228.23	167.00	168.18	1,400.42	1,500.00	1,500.00	1,525.00	1,525.00	1.500.00	1,525.00	\$17,538.83
53501 Insurance						1,917.00							\$1,917.00
546 CAT Tax		1,536.00			2,100.00			289.00		1,396.00			\$5,321.00
548 Licenses and Permits	2,227.00		2,000.00	2,000.00	155.00	2,840.00	60.00	2,000.00	2,000.00	227.00	2,000.00	9,491.50	\$25,000.50
550 Interest Expense	741.72	650.35	2,258.03	829.98	1,203.32	643.39	581.53	586.09	577.08	492.73	577.69	2,120.43	\$11,262.34
553 Damages		456.53	82.56					391.14	1,635.00		2,145.63	2,000.00	\$6.710.86
563 Professional Fees	887.50	100.00	2.388.50	3,080.00	14,402.25	512.50	100.00	150.00	3.890.50	150.00	50.00	2.280.00	\$27,991.25
564 Accounting Fees	503.00	503.00	503.00	503.00	1,191.00	503.00	503.00	503.00	519.00	519.00	519.00	3,114,00	\$9,383.00
566 Office Expense	2,775.99	856.65	2,040.69		941.90	401.09	3,898.22	126.94	329.68	7,246.59	2,557.07	2,768.55	\$23,943.37
575 Depreciation Expense	8,449.40	8,449.40	8,449,40	8,449.40	6,202.40	8,449.40	8,449.40	8,449,40	8,449.40	8,449.40	8,449,40		\$90.696.40
580 Dues & Subscriptions	200.00				400.00			600.00			1,668.64	435.00	\$3,303.64
383 Laundry & Uniforms	2,234.52	1,459.50	1,591.82	2,002.98	1,194.88	1,840.41	1,592.77	1,678.10	1,930.00	1,747.01	1,650.52	1,663.47	\$20,585.98
590 Contributions		1.279.25	675.00	250.00	100.00		2,500.00	50.00		45.00	350.00	43.50	\$5,292.75
593 Bank Service Charges	210.64	81.24	82.73	74.69	1,580.68	40.36	129.06	115.40	617.97	495.70	331.36	401.21	\$4,161.04
94 Merchant Fees	1,653.89	1,502.06	1,581.56	1,473.63	1,925.12	1,291.55	1,651,45	1,338.45	1,303.60	1,723.26	1,344.47	884.23	\$17,673.27
'09 Parking Fees		3,160.00	1,849.00		3,332.85						5,272.61		\$13,614.46
176 Property Tax	4,210.08	11.116.04				2.298.26	11,116.04						\$28.740.42
tal Expenses	\$141,904.78	\$145,414.38	\$147,521.78	\$123,206.44	\$149,058.14	\$135,266.84	\$164,822.07	\$124,251.89	\$141,630.45	\$126,204.21	\$134,961.21	\$182,499.71	\$1,716,741.90
ET OPERATING INCOME	\$ -26,062.06	\$24,057.24	\$ -25,865.96	\$13,261.43	\$19,037.97	\$10,740.59	\$ -26,173.55	\$ -49.68	\$5,039.79	\$ -19,420.39	\$ -8,623.52	\$4,171.40	\$ -29,886.74
THER INCOME													00000
03 Gain on Sale of Assets											ביממחימת		00.000,26
106 Sales Tax Discount	63.81	65.10	82.46	74.31	72.50	59.84	73.08	56.12	55.66	/4.64	90.20		\$/61.72
07 B.W.C. Refund									27,192.49		647.85		\$27,840.34
62 Other Income							0.00					,	20.00
tal Other Income	\$63.81	\$65.10	\$82.46	\$74.31	\$72.50	\$59.84	\$73.08	\$56.12	\$27,248.15	\$74.64	\$2,738.05	\$0.00	\$30,608.06
HER EXPENSES													6101 10
i55 Penalties & Fines									181.43				04,101¢
60 Other Expenses				0.00					0.00			528.00	\$528.00
ital Other Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181.43	\$0.00	\$0.00	\$528.00	\$709.43
ET OTHER INCOME	\$63.81	\$65.10	\$82.46	\$74.31	\$72.50	\$59.84	\$73.08	\$56.12	\$27,066.72	\$74.64	\$2,738.05	\$ -528.00	\$29,898,63

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