

Action Alliance, et al. ST. NO. 1

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BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Re: Investigation into Financial	:	Docket Nos. P-00042090
and Collections Issues Regarding	:	R-00049157
the Philadelphia Gas Works	:	M-00021612
	:	P-00032061

TESTIMONY OF HARRY S. GELLER

**DOCUMENT**

**DOCKETED**

JUL 13 2004

ON BEHALF OF  
ACTION ALLIANCE et al.

ACTION ALLIANCE OF SENIOR CITIZENS OF GREATER PHILADELPHIA,  
ASSOCIATION OF COMMUNITY ORGANIZATIONS FOR REFORM NOW  
(ACORN) AND TENANTS' ACTION GROUP (TAG)

June 28, 2004

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1 **Testimony of Harry S. Geller**

2  
3 Q. PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS ADDRESS.  
4

5 A. My Name is Harry S. Geller. I am Executive Director of the Pennsylvania Utility Law  
6 Project ("PULP"). My business address is 118 Locust St., Harrisburg, PA.  
7

8 Q. BRIEFLY OUTLINE YOUR EDUCATION AND PROFESSIONAL BACKGROUND  
9

10 A. I received a B.A. degree in 1966 from Harpur College, State University of New York at  
11 Binghamton, a J.D. in 1969 from the Washington College of Law, American University,  
12 Washington, D.C., and I attended New York University Law School, through the Urban Affairs  
13 and Poverty Law Volunteers In Service to America ("VISTA") Program from 1969-1971.

14 After working for almost two decades as a legal services attorney in New York City and  
15 then in Pennsylvania, in 1988 I became Director of the Pennsylvania Utility Law Project  
16 (PULP), a branch of Pennsylvania Legal Services. PULP is specifically dedicated to providing  
17 technical support and information sharing concerning utility and energy matters as they affect  
18 low-income individuals. PULP also on occasion represents low-income individuals in utility and  
19 energy matters. Responsibilities include statewide representation, community education and  
20 training in utility and energy matters affecting the low-income.

21 Over the years, I have discussed possible payment arrangement terms with hundreds of low  
22 income people and/or their advocates seeking advice on how to prevent termination or obtain  
23 restoration of utility service. In most of these cases, the critical issue determining whether  
24 service may be maintained, or access obtained, is the affordability of the payment terms,  
25 including down payment, security deposit and monthly payment going forward.

26 I presently serve on the following state-wide advisory boards, work groups and/or task forces.

27 Almost all address issues of access and affordability of utility service:

28 Chairman, Low-Income Home Energy Assistance Program (LIHEAP)  
29 Advisory Committee to the Secretary, Pennsylvania Department of Public Welfare;

1 Chairman, Pennsylvania Public Utility Commission, Consumer Advisory Council;  
2 President, Pennsylvania Energy and Weatherization Consortium;  
3 Coordinator, Pennsylvania Legal Services Utility/Energy Work Group;  
4 Member, Weatherization Advisory Committee to the Department of Community and  
5 Economic Development;  
6 Member, Board of Directors, Council for Utility Choice;  
7 Member, PECO Universal Service Advisory Committee and LIURP subcommittee;  
8 Member and past consumer chairman of the Natural Gas Universal Services Task Force.  
9

10 I have previously been certified to testify as an expert on low-income consumer utility  
11 payment concerns in the federal District Court for the Eastern District of Pennsylvania  
12 (Maldonado v. Houstoun, 177 F.R.D. 311 (E.D. Pa. 1997), aff'd, 157 F.3d 179 (3<sup>rd</sup> Cir. 1998)).

13 I am a member of the Pennsylvania and Dauphin County Bar Associations and of the  
14 Pennsylvania Bar Association Utility Law Section.  
15

## 16 **I. Introduction and Summary**

17

### 18 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

19

20 **A.** The purpose of my testimony is to provide the Commission, based upon my  
21 experience with low-income consumer utility payment issues, with an assessment of the impact  
22 of the Petition of Philadelphia Gas Works For a Limited Waiver of PUC Chapter 56 Rules and  
23 Administrative Interpretations (hereinafter "Petition") on the ability of PGW customers to obtain  
24 gas service, maintain gas service and obtain restoration of service on reasonable and affordable  
25 terms. I will therefore assess the impact which the proposed changes in financial preconditions,  
26 procedures and time frames would have in restricting the ability of applicants and customers to  
27 obtain prompt service, prevent termination and obtain prompt restoration of service once  
28 terminated. Finally, within my testimony, I will identify areas where Chapter 56 already  
29 provides at some level the tools that PGW claims can only be obtained by waiver, and also  
30 identify areas where PGW could make fuller use of the collection tools already provided by  
31 Chapter 56.

1 In making these assessments, my focus is primarily on households with incomes up to  
2 250% of the Federal Poverty Level (FPL). Households in the 0 to 250% FPL range have  
3 sufficiently low income so as to experience difficulties in affording utility service.  
4

5 Q. PLEASE SUMMARIZE THE MAJOR CONCLUSIONS CONTAINED IN YOUR  
6 TESTIMONY.

7  
8 A. In my testimony, I reach the following conclusions:  
9

10 1. The elimination or 'waiver' of the Chapter 56 procedures set forth in the  
11 Petition will have a dramatic and adverse effect on lower income and low-income customers  
12 who are either targeted directly by these proposals or adversely affected by measures ostensibly  
13 aimed at customers with greater economic and financial resources. The proposals incorporated  
14 into the Petition represent a significant reduction in and departure from existing Pennsylvania  
15 protections and procedures which have long created an equitable balance between the individual  
16 utility customer and the broad financial interests of the utility. Implementation of the proposed  
17 Waiver Requests to amend certain Chapter 56 provisions would create practical, procedural and  
18 financial barriers to access, maintenance and restoration of service which would result in  
19 irreparable harm to many lower income and low income households.  
20

21 2. PGW claims that by excepting CRP participants and Level 1 and Level 2  
22 customers from certain Waiver Proposals, it has taken appropriate care to prevent harm to those  
23 who due to their low income, require special consideration by the utility. However, this  
24 distinction is illusory. In practice, seven of the nine waiver requests apply to all income  
25 categories. The remaining two, Waiver Requests A and C (involving abrogation of winter  
26 termination procedures and requiring payment of the outstanding balance as a pre-condition of  
27 restoration of service for customers terminated for non-payment) except only a portion of the  
28 lower income population in need of protection. Considering the nine Waiver Proposals as a

1 whole, no one should think that granting of such waivers is compatible with maintaining Chapter  
2 56's premise that conditions of service should be reasonable and affordable for all.

3  
4 3. The Waiver Proposals reverse presumptions in Chapter 56 that protect innocent  
5 customers. For example, they overturn the Chapter 56 premise that "Deposit policies shall be  
6 based upon the credit risk of the individual applicant or ratepayer or the credit history of the  
7 affected premises or the collective credit reputation or experience in the area in which he  
8 lives...." (Chapter 56 Section 56.31). In its place, PGW proposes a broad brush request to  
9 eliminate key sections intended to protect the innocent. For example, the requirement for a flat  
10 turn-on deposit for all new customers regardless of past credit record effectively transforms the  
11 purpose of a security deposit from that of an escrow payment designed to provide equitable  
12 protection for the utility into an advance funding mechanism imposed regardless of the expected  
13 threat of default.

14 In a similar vein, the proposed requirement that an applicant for service pay or  
15 arrange to pay the outstanding bill of a prior customer, merely because the applicant has lived in  
16 the account premises while the outstanding bill accumulated, overturns Chapter 56 Section  
17 56.35, which follows standard contract law, and protects innocent parties from the harm of being  
18 forced to assume other people's bills in order to obtain a monopoly service.

19  
20 4. PGW would short circuit administrative procedures which are designed to  
21 provide an opportunity for the payment troubled customer to verify and understand the elements  
22 of an outstanding bill, to secure resources to cure a default, to arrive at a reasonable and  
23 affordable payment agreement, to file a certification to avoid a medical emergency and to  
24 preserve service short of termination. Safeguards which help to maintain the customer-creditor  
25 relationship are dramatically reduced by proposed waivers, including elimination of the 48-hour  
26 shut-off notice requirement which requires a utility to make one attempt at contact with a  
27 responsible person at the account premises before actual termination and the allowance of  
28 termination on the basis of outdated shut off notices. In each of these situations, the proposed

1 waiver eliminates an actual contact and/or an opportunity for a consumer and the company to  
2 enter into an exchange concerning how the customer may satisfy the company's requirements  
3 while retaining service.  
4

5 5. PGW also seeks to alter Public Utility Code provisions which seek to protect  
6 customers from being terminated without sufficient reason at times when they may be most  
7 vulnerable – for instance, in the winter, when termination of service can cause physical injury  
8 and loss of life as well as significant property damage. PGW also seeks authorization for Friday  
9 terminations, despite the fact that both customers and the utility have fewer resources available  
10 over the weekend to achieve prompt restoration of service.  
11

12 6. Over a period extending beyond a quarter of a century, Chapter 56 and related  
13 Commission Guidelines, Secretarial letters and Policies have provided a workable framework for  
14 consumer and company alike. Chapter 56's uniform, fair and equitable residential utility service  
15 standards have struck the appropriate balance between company and consumer. It has  
16 consistently served to further Pennsylvania's national reputation of being a successful and  
17 progressive business environment as well as demonstrating that we are a Commonwealth which  
18 respects and protects its utility customers. Obviously it works. Over the decades, since the  
19 enactment of Chapter 56, the Commission's attention to "functional alternatives to termination"  
20 has been one of the hallmarks of Pennsylvania's success in achieving an equitable balance  
21 between the demands for prudent economic management of debt and the devastating effects on  
22 household members as a result of utility service loss. The General Assembly has appropriately  
23 charged the Commission, through the informal complaint and mediation activities of the Bureau  
24 of Consumer Services, with maintaining this equitable balance.

25 Therefore, prior to providing compliance waivers and exceptions to PGW, a  
26 utility which has not even completed its first year fully under Chapter 56, it would be prudent for  
27 the Commission to require that PGW first demonstrate that it has actually availed itself of the  
28 tools permitted by Chapter 56 to further its collections efforts. The requests for waivers which

1 reduce consumer safeguards are premature, inadequately substantiated, and are likely to be  
2 counterproductive. Exempting PGW from the requirement to comply with Chapter 56, an  
3 established and successful regulatory framework, prior to a demonstration of past compliance  
4 and failure which is directly attributable to the regulations would be tantamount to stating that  
5 the regulations apply to all companies with the exception of those who simply choose not to  
6 make the effort. For example, PGW has never sought to utilize Chapter 56 Section 100(2) to  
7 obtain Commission approval for winter terminations, nor has PGW sought to obtain security  
8 deposits from Level 3 and 4 customers who were initially exempt from the requirement but have  
9 since become late in payments.

10  
11 **II. Proposed Terms for Restoration of Service to Customers Terminated for Non-**  
12 **Payment (Waiver Requests “A” and “C”)**

13  
14 Q. MR. GYORY INDICATES THAT THERE ARE TWO UNDERLYING PREMISES  
15 FOR PGW’S PETITION. THESE ARE:

16  
17 A. THOSE WHO CAN PAY MUST DO SO. A FEW CHANGES ARE PROPOSED  
18 FOR LEVEL 1 AND 2 CUSTOMERS ; AND

19 B. BECAUSE OF PGW’S FINANCIAL CONDITION, PGW’S COLLECTION  
20 EFFORT MUST BE BASED ON PRINCIPLES THAT RE USED BY MOST WELL RUN  
21 BUSINESSES.

22 DO THESE STATEMENTS HOLD TRUE FOR LOWER INCOME CUSTOMERS IN  
23 LEVELS 1, 2 AND 3?

24  
25 A. No. Neither of these underlying premises is correct. Let’s take each separately.

26  
27 (1) Although I assume everyone agrees that those who can pay should, seven of  
28 the nine requested waivers apply to all customers regardless of income level. The vast majority

1 of Waiver Requests would apply with equal or greater force to non-CRP Level 1, Level 2 and  
2 lower Level 3 customers, as to Level 4 customers. Only Waiver Request "A" (concerning  
3 balance required from customers terminated for non-payment) and Waiver Request "B"  
4 (concerning regulations concerning winter terminations) do not apply to non-CRP Level 1 and  
5 Level 2 customers. The overall effect of the waiver requests is to require households at various  
6 checkpoints (restoration of service, transfer of service, application for service, termination of  
7 service) to respond to PGW requests for greater payments in a shorter period of time. The  
8 impact of these demands is inversely proportional to the monthly amount of cash that a  
9 household has. Households with the least financial flexibility will be the ones who suffer the  
10 most from these proposals.

11  
12 (2) PGW is not a private, unregulated business, as PGW implies, but a regulated  
13 public utility providing a basic necessity of life on a monopoly basis. It has been provided the  
14 right to charge rates which presuppose the ability to collect its bills within the framework of  
15 reasonable and affordable service provided by the Commission via Chapter 56. Chapter 56 is  
16 not the cause of PGW's problems, and waiver of Chapter 56 provisions can not be the solution –  
17 anymore than making PGW's gas content weaker in order to "save money." Chapter 56  
18 provides a framework for the provision of reasonable and affordable service – as the General  
19 Assembly recognized in the Gas Choice Act when it specified that gas deregulation was not to  
20 entail a decline in the quality and level of customer protections set forth in Chapter 56. It is the  
21 historical standard applicable without fail to all PUC regulated utilities, and defines how  
22 customers may obtain, maintain and reconnect to the natural gas system. Financial difficulties,  
23 whether exaggerated or not, are not grounds to allow PGW collection activities to be judged by  
24 any standard other than those employed by and expected of other Pennsylvania utilities without  
25 PGW's past collections problems.

26  
27 Q. HOW ARE APPROPRIATE CREDIT AND COLLECTION STANDARDS FOR  
28 REGULATED PENNSYLVANIA UTILITIES TO BE DETERMINED?

1           A. They are to be determined by balancing on a system wide basis the interests of  
2 customers against the financial needs of utilities. The task for performing this type of balancing  
3 has been delegated to the Commission by the Legislature. With regard to credit and collection  
4 standards, the Commission is uniquely situated to exercise its expertise, in conformity with the  
5 Public Utility Code and other applicable law, to strike the proper balance.

6           Every regulated Pennsylvania utility (gas or electric) has since 1978 operated under the  
7 credit and collection practices outlined within Chapter 56. Within the Commission, the Bureau  
8 of Consumer Services ("BCS") is charged with the responsibility of ensuring that companies  
9 maintain compliance with Chapter 56. A basic Chapter 56 premise (set forth in Chapter 56  
10 Sections 56.151 and 56.191), is that individuals who owe outstanding balances to a utility should  
11 be able to enter into reasonable and affordable payment agreements in order to obtain service,  
12 prevent termination or obtain restoration of service. To assist companies to comply with the  
13 Chapter 56 requirements and continue to operate in an effective and efficient manner, BCS  
14 maintains Income Guidelines to be used to assist the companies to interpret the "reasonable and  
15 affordable" requirement.

16           These Guidelines have been and are currently used by each of the Pennsylvania utilities  
17 to efficiently determine appropriate credit and collection payment standards. The Guidelines  
18 address the reasonableness of the amounts of deposits, turn-on fees and the monthly arrearage  
19 payments which may be expected of consumers at different income levels. The payment  
20 Guidelines were developed for the purpose of providing companies guidance regarding  
21 potentially reasonable and affordable parameters of payment arrangements. BCS reviews these  
22 Guidelines on an annual basis and the Commission regularly reviews and provides direction to  
23 BCS and the companies concerning the application of these Guidelines.

24           Generally, using these Guidelines as a starting point, companies have managed to achieve  
25 very high rates of acceptable payment arrangements. The result has been that BCS generally  
26 does not find many utility company proposed payment agreements to be unjustified. The  
27 Commission has recently determined that the Guidelines are effective.<sup>1</sup> The Pennsylvania

---

<sup>1</sup> Mary Frayne v. PECO Energy Company, PUC Docket No. C-20029005 (September 10,

1 Public Utility Commission 2001 and 2002 Utilities Consumer Activities Report and Evaluation  
2 ("CARE") shows that in 2001, the average justified residential payment arrangement request rate  
3 (JPAR- the number of residential payment arrangement requests made to BCS which were  
4 considered justified) of the 6 major electric distribution companies was 1.90 for each 1,000  
5 residential customers. In 2002, the number was 1.58 for each 1,000 residential customers. For  
6 the 6 major natural gas companies (other than PGW), BCS determined that the 2001 average  
7 JPAP was 6.30 and was 5.49 in 2002.

8 Although PGW has not been included in the BCS Consumer Activities Report and  
9 Evaluation statistics through 2002, three observations should be made: (1) Other companies  
10 have learned to adjust and succeed at negotiating payment arrangements that are in accord with  
11 Chapter 56 and the Guidelines, as evidenced by the BCS CARE reports; (2) PGW has been in a  
12 transition into full PUC oversight and therefore may require greater initial oversight by BCS in  
13 order to develop successful payment arrangement negotiation procedures which are in  
14 conformity with Chapter 56 and the Guidelines; and (3) PGW's claim that under Chapter 56 it is  
15 required to operate under collection criteria that are somehow economically unacceptable is  
16 simply not confirmed by the experience of other utilities.

17  
18 Q. TURNING TO SPECIFIC WAIVER REQUESTS, IS MR. GYORY CORRECT WHEN HE  
19 TESTIFIES THAT WAIVER REQUEST "A" (ALLOWING PGW TO REQUIRE FULL  
20 PAYMENT OF OUTSTANDING BALANCE AS A CONDITION OF RESTORATION OF  
21 SERVICE TO AN ACCOUNT TERMINATED FOR NON-PAYMENT) IS APPLICABLE "BY  
22 DEFINITION" ONLY TO CUSTOMERS WHO HAVE ABILITY TO PAY, BECAUSE THE  
23 WAIVER IS LIMITED TO LEVEL 3 AND LEVEL 4 CUSTOMERS?

24  
25 A. No. The assertion that there is a bright demarcation line to determine a household's ability to  
26 fully afford all utility related charges which separates Level 2 from Level 3 and above customers  
27 is incorrect. Level 2's upper level is at 150% of the Federal Poverty Income Guidelines("FPIG").

---

2003)(hereinafter "Frayne").

1 I am not aware of any “definition” which attributes the ability to fully afford the cost of gas  
2 service to any household with income 150% FPIG. There are many indications that just because  
3 a household is above 150% FPIG, it is not necessarily considered to have the ability to pay all  
4 charges in full in one lump amount.

5 For example, the Commission has long recognized, within its Income Guidelines, that  
6 Level 3 customers should not be required to pay the outstanding balance in full prior to service  
7 restoration. The Guidelines set out the criteria which should be used in Level 3 to develop  
8 payment arrangements to pay the outstanding balance and related fees over time.

9 In addition, the Commission has recognized that, under certain conditions, households at  
10 200% FPIG are not only unable to pay the full costs of service but should be actively provided  
11 opportunities to participate in the Universal Service Programs to receive low-income rates and  
12 additional social service support. Many of the generally recognized “poverty programs” extend  
13 eligibility beyond the 150% FPIG level. The federal Low-Income Home Energy Assistance  
14 Program (LIHEAP) for example, permits a state to set eligibility levels at levels above 150% by  
15 using the standard of 60% of median income. The Utility Emergency Services Fund, which  
16 serves Philadelphia, uses 175% FPIG. The National School Lunch program sets eligibility at  
17 185% FPIG., Child Care Works at 200% FPIG, Medical Assistance for Workers with  
18 Disabilities at 250% FPIG. Legal Services eligibility goes up to 187.5% FPIG depending on the  
19 circumstances.

20 When a number of ‘poverty programs’ which provide affirmative economic assistance use  
21 levels for eligibility set above the 150% FPIG level, those households are not considered, “by  
22 definition,” to be capable of paying all outstanding balances up-front. Chapter 56 can not be  
23 reasonably interpreted to imply such an arbitrary result and neither do the Income Guidelines.

24  
25 Q. PLEASE STATE YOUR OPINION CONCERNING THE REASONABLENESS OF  
26 WAIVER REQUEST “A” (REQUIREMENT THAT LEVEL 3 AND LEVEL 4 CUSTOMERS  
27 TERMINATED FOR NON-PAYMENT MUST PAY UP-FRONT THE FULL OUTSTANDING  
28 BALANCE AS A CONDITION OF RESTORATION OF SERVICE).

1 A. This is not a reasonable request. As I have already testified, Level 3 and Level 4 covers a  
2 wide range of household incomes, which are not immune to cash flow problems resulting from  
3 loss of job, sudden disability, domestic discord, etc. Level 3 especially includes some  
4 households who are very close to being universally recognized as “low income” for energy  
5 assistance purposes.

6 It is important to remember that Waiver Request “A” applies to PGW customers whose  
7 service has been terminated for non-payment. That means that after PGW has provided the  
8 appropriate notices and attempts at personal contact, the customer, even with advance notice has  
9 not been able to come up with the money necessary to prevent termination. Natural gas service  
10 for heating, cooking and hot water is a basic necessity – and in my experience, no one wants to  
11 experience the inconvenience and the dangers associated with loss of service. So, for the most  
12 part, restoration of service is a matter of obtaining the necessary amount of money, and the  
13 larger the sum of money required, the greater the time required. Most customers receive income  
14 on a weekly, bi-monthly or monthly basis. The greater the sum required, the longer the time  
15 necessary to obtain restoration of service and the greater the impairment on a customer’s access  
16 to utility service. In addition, the restoration of service usually depends upon the ability of the  
17 customer to pay not only the balance, but the additional fees and security deposits. In order to  
18 achieve reconnection of service, Chapter 56 and the Income Guidelines have always sought to  
19 tailor the requirements to the actual circumstances of the customer, rather than impose a “one  
20 size fits all” rule.

21  
22 Q. PLEASE GIVE A FEW EXAMPLES OF WHAT PGW’S PROPOSAL MEANS IN TERMS  
23 OF WHAT LEVEL 3 AND LEVEL 4 HOUSEHOLDS WOULD HAVE TO PAY UP-FRONT  
24 TO OBTAIN SERVICE RESTORATION.

25  
26 A. A household at the bottom of Level 4 has gross monthly income of \$3,124. Under Waiver  
27 Request “A,” and assuming as PGW does, that this household has been terminated for the  
28 average outstanding balance of \$620, then the cost to the customer of restoration would be \$870,

1 28% of the monthly gross income. A household at the bottom of Level 3 has gross monthly  
2 income of \$1,562. Under this Waiver Request, this household would have to pay \$870, or 56%  
3 of monthly gross income.<sup>2</sup> Especially taking into account that these percentages are percentages  
4 of gross income as compared to “take-home” pay, and that Restoration Charges and Excavation  
5 Charges, if applicable, have not been included, many households will have extreme difficulty  
6 obtaining anything approaching prompt restoration of service, and will likely experience weeks  
7 without service.

8  
9 Q. EVEN IF THE AMOUNT OF UP-FRONT PAYMENTS PROVE TO BE  
10 UNAFFORDABLE FOR CUSTOMERS IN LEVEL 3, AREN'T THEY PROTECTED, AS MR.  
11 GYORY ASSERTS, BY THEIR ABILITY TO APPEAL TO THE COMMISSION?  
12

13 A. Actually, they would not. There would be no way to review the essential and very real  
14 problem regarding an individual's actual ability to secure the full amount of the funds needed to  
15 reconnect. As PGW points out, the PUC complaint would be limited only to whether the  
16 outstanding balance demanded is “inaccurate” or “incorrect.” If Waiver Request “A” is granted,  
17 all Level 3 and Level 4 customers would have to pay the full amount before being able to  
18 restore service. Again this would create an inflexible and arbitrary standard for many households  
19 in financial difficulty, even relatively temporary financial difficulty.

20 Neither Chapter 56, the Income Guidelines, nor good public policy would warrant such  
21 an inflexible result.  
22

23 Q. WOULDN'T YOU AGREE THAT IT IS SOMETIMES NECESSARY TO DETER A  
24 CUSTOMER WHO HAS REPEATEDLY BROKEN PAYMENT AGREEMENTS AND THEN  
25 BEEN SHUT OFF FROM REPEATING THIS PROCESS IN THE FUTURE?  
26

---

<sup>2</sup> This does not take into account any Restoration Charges or Excavation Charges.

1 A. Yes. But Chapter 56 already authorizes this response in such situations. Under Chapter 56  
2 Section 56.191, a utility may require full payment of the outstanding balance as a condition of  
3 restoration from a customer terminated for non-payment if the customer has defaulted on two  
4 payment agreements, or on a BCS decision arising from an Informal Complaint, or on a  
5 Commission decision arising from a Formal Complaint.

6  
7 Q. DO YOU AGREE WITH PGW'S ESTIMATE OF THE VALUE TO PGW OF WAIVER  
8 REQUEST "A"?

9  
10 A. No. First, PGW appears to believe that under the BCS Income Guidelines, Level 3 and Level  
11 4 customers who have been terminated for non-payment would not be required to pay anything  
12 up-front in order to obtain restoration of service. In fact, under the BCS Income Guidelines,  
13 Level 3 and Level 4 customers would be required to pay a significant up-front payment in order  
14 to obtain restoration of service.

15 Returning to our Level 4 and Level 3 example customers, in the period between April 1  
16 and November 1, the Level 4 customer with a \$620 account balance would be required to pay  
17 up front 75% of that arrearage and make an agreement to pay the balance in installments of \$100  
18 or more in addition to a monthly budget bill for current usage. In addition, a security deposit of  
19 twice the monthly bill could be required as a condition of restoration of service. Thus, a two  
20 person household at the lower end of Level 4 (\$3,124 gross income monthly), would be required  
21 to pay \$715 up front including a \$250 deposit, or 23% of the household's gross monthly income.

22 In the period between April 1 and November 1, the two person household at the lower  
23 end of Level 3 (\$1562 gross income monthly) would be required to pay 40-55% of the arrearage  
24 and make an agreement to pay the balance in \$100 installments in addition to a monthly budget  
25 bill for current usage. In addition, a deposit of \$250 could be required. This household would  
26 therefore be required to pay up front between \$498 and \$591, between 32% and 38% of the  
27 monthly household gross income.

28 We submit that these requirements are significant and that PGW's failure to recognize  
29 them demonstrates the exaggerated nature of its claims.

1 Q. WAIVER REQUEST "C" ALSO CONTAINS SPECIAL DEPOSIT PROVISIONS FOR  
2 PREVIOUSLY TERMINATED SERVICE WHICH IS RESTORED IN THE OCTOBER 1 TO  
3 APRIL 1 TIME PERIOD. PLEASE COMMENT ON THESE PROVISIONS.

4  
5 A. PGW proposes to require a flat "double deposit" up-front (four times the average monthly  
6 bill) for "previously terminated services that are restored during October 1 to April 30 for  
7 heating and non-heating customers.<sup>3</sup> This requirement would apply to all Income Guideline  
8 levels (but not CRP customers). Unfortunately, household incomes do not parallel changes in  
9 gas consumption over the course of a year. As a result of this requirement, our example  
10 customer at the lower end of Level 4 would be required to pay \$1,120, or 36% of monthly gross  
11 income to obtain restoration of service. Our example Level 3 customer would be required to pay  
12 the same \$1,120, or an impossible 72% of monthly gross income in order to obtain restoration of  
13 service.

14 These "double deposit" demands are to be made at the time of year when heat is an absolute  
15 necessity, and will undoubtedly cause households to go weeks without service while attempting  
16 to raise the necessary funds to obtain restoration of service. To grant this Waiver, and allow  
17 PGW to implement it, would constitute a grave threat to public health and safety.

18  
19  
20 **III. Proposals Imposing Charges Upon "Innocent" Persons (Waiver Requests "C"**  
21 **and "D")**

22  
23 Q. CONSIDER CREDIT STANDARDS (WHEN A UTILITY MAY REQUIRE A  
24 CUSTOMER TO PAY A DEPOSIT IN ORDER TO OBTAIN SERVICE, TO MAINTAIN  
25 SERVICE OR TO OBTAIN RESTORATION OF SERVICE). CHAPTER 56 BASICALLY

---

<sup>3</sup> There seems to be no rationale at all for a double deposit from non-heating customers, since non-heating gas bills cannot be expected to have the same differential between summer and winter consumption as heating bills.

1 PROVIDES THAT IF A CUSTOMER EXHIBITS CERTAIN INDICIA OF CREDIT  
2 WORTHINESS (HOME OWNERSHIP, LEASE FOR ONE YEAR OR MORE, OR GOOD  
3 CREDIT WITH REGARD TO PAST UTILITY BILLS) THEN A DEPOSIT MAY NOT BE  
4 REQUIRED. FOR THOSE APPLICANTS OR CUSTOMERS WHO ARE REQUIRED TO  
5 PAY A DEPOSIT, THE CUSTOMER HAS THE OPTION TO PAY THE DEPOSIT IN  
6 INSTALLMENTS OF 50% UP-FRONT, 25% IN 30 DAYS, AND THE FINAL 25% 30 DAYS  
7 LATER. DOES PGW'S WAIVER REQUEST "C" MARK A DEPARTURE FROM THIS  
8 APPROACH?

9  
10 A. Yes. Chapter 56 Section 56.32 sets forth current PUC policy in detail, with Chapter 56.36  
11 providing the rules governing payment in installments. In contrast, Waiver Request "C," PGW  
12 would require all customers who "start" service to pay a deposit of twice the average monthly  
13 bill up front and would not allow the "starting" customer the option to pay the security deposit in  
14 installments.

15  
16 Q. IS THIS PROPOSAL FAIR TO CUSTOMERS?

17  
18 A. No. The purpose of the deposit is to protect PGW against default by an applicant who is a  
19 demonstrated credit risk. The requirement for a flat turn-on deposit for all new customers  
20 regardless of past credit record effectively transforms a security deposit from an escrow payment  
21 designed to provide equitable protection for the utility into an advance funding mechanism, a  
22 kind of forced loan by the customer to the utility. This is objectionable, because as the name  
23 suggests, the purpose of the payment is to provide "security" against known risks, not an  
24 advance. Applicants with good credit are unduly required to post a deposit for reasons totally  
25 unrelated to their own credit-worthiness.

26  
27 Q. WILL THIS REQUIREMENT IMPAIR CUSTOMER ACCESS TO SERVICE?

1 A. Yes. Assuming that the average heating budget bill is \$125 monthly, this up- front charge  
2 would be \$250. For new customers seeking service for the first time, this requirement will  
3 impose an added barrier to obtaining service, with the lower the income level, the greater the  
4 burden.

5 This flat deposit amount would be levied against all new applicants for service, including  
6 Level 1 and Level 2 customers who are not on CRP. Under the Income Guidelines, utilities may  
7 not currently require deposits from Level 1 and Level 2 customers, because Level 1 and Level 2  
8 households operate with such a low margin that the deposits are considered unaffordable.  
9 Consider the impact of this provision on a Level 2 two person household with income at 125%  
10 FPIG. Under PGW's proposal, this household applying for gas service would be required to  
11 pay \$250 out of total income of \$1301 (19%) just to get gas service turned on.

12  
13 Q. DOES WAIVER REQUEST "C" APPLY JUST TO DEPOSITS REQUIRED IN  
14 CONJUNCTION WITH APPLICATIONS FOR SERVICE, OR ARE DEPOSITS TO BE  
15 REQUIRED ALSO WHEN THERE IS A TRANSFER OF SERVICE FROM ONE ADDRESS  
16 TO ANOTHER?

17  
18 A. That is not clear. PGW's use of the term "start" may mean that the utility considers a  
19 transfer of service by a customer from one address to another as a "start" of service thereby  
20 triggering the right to a deposit. Under Chapter 56, a customer who seeks to transfer service  
21 from one address to another does not have to establish credit in order to transfer that service. If  
22 PGW's definition of "start" includes an existing customer "starting" service at a new address  
23 under his/her old account number, then PGW would be requiring an existing customer to pay a  
24 deposit regardless of that credit history. This demand would violate Chapter 56 Section 56.41 et  
25 seq. Moreover, this is not just because the requirement is not linked to any determination of the  
26 customer's actual credit worthiness with respect to PGW and in the case of an existing customer,  
27 that credit history is well known to PGW.

1 Q. DOES PGW PROVIDE AN ACCURATE ESTIMATE OF THE SUPPOSED "VALUE" OF  
2 THIS PROPOSED WAIVER WITH REGARD TO CUSTOMERS "STARTING" SERVICE?

3  
4 A. No. It provides no break out between those "starting" service and those seeking restoration  
5 after termination for non-payment. The projection is overstated, because in estimating the  
6 anticipated net cash benefit attributed to this proposed waiver, it does not take account of the  
7 amounts that it already is able to collect in deposits from persons "starting" service under the  
8 current Chapter 56 requirements. Nor does it count the lost margins stemming from lost gas  
9 sales while households are deprived of service as they struggle to get together the money  
10 necessary to pay the deposit. Nor does it attempt to factor in the problems caused when  
11 households overextend to pay a deposit, and then miss the first or first two monthly bill  
12 payments.

13  
14 Q. IS PGW CURRENTLY TAKING ADVANTAGE OF OPPORTUNITIES AFFORDED BY  
15 CHAPTER 56 TO COLLECT DEPOSITS FROM LATE PAYING CUSTOMERS AS SET  
16 FORTH IN CHAPTER 56 SECTIONS 56.41-56.42?

17  
18 A. No. PGW does not require late payers to pay deposits, even though authorized to do so by  
19 Chapter 56 and by its prior Tariff.

20  
21 Q. IN PROPOSED WAIVER "D," PGW REQUESTS WAIVER OF PROVISIONS  
22 CONTAINED IN CHAPTER 56 SECTION 56.35 CONCERNING THE PROHIBITION ON  
23 CONDITIONING GRANTING AN APPLICATION FOR SERVICE UPON PAYMENT BY  
24 THE APPLICANT OF A BILL PREVIOUSLY INCURRED AT THE ACCOUNT ADDRESS  
25 IN THE NAME OF ANOTHER PERSON. HAS PGW PROVIDED ADEQUATE  
26 JUSTIFICATION FOR THE WAIVER THAT IT SEEKS?

27  
28 A. No. We should begin by understanding the Chapter 56 provision at issue.

1 PGW seeks a waiver of Chapter 56 Section 56.35, which states in pertinent part:

2 “A utility may not require, as a condition of the furnishing of residential service, payment for  
3 residential service previously furnished under an account in the name of a person other than the  
4 applicant unless a court, district justice or administrative agency has determined that the  
5 applicant is legally obligated to pay for the service previously furnished. Examples of situations  
6 include a separated spouse or a cotenant.” When faced with an application for service from a  
7 person who previously resided at the account address, but was not the customer, Chapter 56  
8 requires the utility to provide service without requiring that the applicant pay or arrange to pay  
9 the bill of the previous customer. If the utility believes that the applicant should be held liable  
10 for service provided in the name of the previous customer, the utility may seek such a  
11 determination from the Commission.  
12

13 Q. WHAT DOES PGW PROPOSE?  
14

15 A. PGW now proposes to require that any person who can be shown to have been living at the  
16 account address with the prior customer may not obtain service in his/her name without paying  
17 or agreeing to pay the outstanding balance for the period of time that the applicant resided at the  
18 account address. PGW claims to have “systems software” that establishes the prior presence of  
19 the applicant at the account address, including when that presence commenced.<sup>4</sup> The most basic  
20 problem, but not the only problem with this approach, is that utility service is contractual, and  
21 the fact that a person co-habits with a utility customer does not in itself make that person liable  
22 for utility service consumed but not paid for by the utility customer. In general, under basic  
23 principles of contract law, absent fraud, only a person who contracts for a service can be held  
24 liable to pay for it. Fraud must be shown, not presumed. PGW’s proposal would presume that  
25 when a person who lived at the account address with a utility customer who defaulted and

---

<sup>4</sup> There has been no time in this proceeding to examine the accuracy of this claim, which should be viewed with skepticism. However, since the usefulness of such a tool is based upon fundamentally flawed assumptions, let it suffice to observe that to the extent that the tool is not 100% accurate in every detail, it will burden its victims with a presumptive liability or a level of presumptive liability which does not in fact exist.

1 underwent termination service, then applies for service, fraud must have occurred. PGW wants  
2 the burden of showing no fraud placed on the applicant who must then demonstrate that the  
3 person has “legitimately taken over service from someone in the household for which they had  
4 no responsibility.” Until that demonstration is made to PGW’s satisfaction, or on appeal to BCS,  
5 no service will be provided without assumption by the applicant of the prior customer’s bill.  
6

7 Q. IS THIS APPROACH REASONABLE AND CONSISTENT WITH CONTRACT LAW?  
8

9 A. No. It is not reasonable to assume that when one co-tenant succeeds another as the customer  
10 at the account premises, and the original customer’s bill is not paid in full, the applicant is  
11 presumptively engaging in fraudulent conduct or in a conspiracy to defraud. PGW, without any  
12 substantiation, invokes the term “name game” to suggest that it is the victim of a “widespread  
13 practice” by its customers to evade payment. However, the circumstances under which  
14 responsibility for utility service is transferred between successive co-tenants is extremely varied,  
15 due to the multiplicity of social situations existing in modern urban environments. One such  
16 example of a situation that should not be deemed to involve fraud or unjust enrichment arose in  
17 the Commission’s Baylor v. Philadelphia Electric Company (1986) in which a daughter moved  
18 in to the account premises with her mother, who was on the verge of termination of service. The  
19 daughter applied for utility service in her own name. The Commission rightly rejected the  
20 utility’s attempt to require the daughter to assume liability for the mother’s outstanding balance,  
21 implicitly recognizing that there was nothing in this situation – not the mother-daughter  
22 relationship, not the shared occupancy of the account premises, not the continued enjoyment of  
23 heating service – that justified shifting liability for the past debt to the daughter.

24 This position is also consistent with existing law, which recognizes that the provision of  
25 gas service is based upon contract.

26 The utility has the ability to protect itself by proactive collection practices, like soft  
27 dunning, enforcing payment agreements, obtaining security deposits from persons demonstrated

1 to be credit risks, and taking vigorous action to prevent large arrearages from accumulating – all  
2 things that PGW has by its own admission not done well in the past.

3  
4 Q. ASSUMING THAT THERE ARE SOME CIRCUMSTANCES WHERE A CUSTOMER  
5 SHOULD LEGALLY BE HELD RESPONSIBLE FOR THE BILL OF AN ACCOUNT IN  
6 ANOTHER PERSON'S NAME, DOES PGW PROVIDE A BASIS FOR MAKING AN  
7 ESTIMATE OF THE VALUE OF WAIVER REQUEST "D"?

8  
9 A. Not an estimate that would be suitable for a policy decision. What PGW says is that in 2003,  
10 there were 23,000 instances where accounts were shut off, followed by restoration under a  
11 different name. Of these 23,000, 4,830, or about 21%, were restored "under a different name  
12 and without payment of the then existing average balance of \$2,300."

13 This group of 4,830 applicants is PGW's target group. PGW then assumes that of these  
14 4,830 applicants, 2,415 or one half are applicants who can be demonstrated to have the type of  
15 prior association with the account premises and the prior customer that would justify holding the  
16 applicant responsible for the prior customer's arrearage. In this estimate, PGW appears to be  
17 assuming that the mere fact that the applicant previously resided at the account premises would  
18 justify conditioning service upon the applicant's accepting liability for the prior customer's  
19 outstanding bill. PGW provides no justification explaining why it believes that the vast majority  
20 of the 2,415 applicants would likely be determined by the Commission or a Court to be legally  
21 responsible for the prior customer's bill.

22  
23 Q. DO YOU WISH TO COMMENT ON PGW'S CALCULATION OF THE SUPPOSED  
24 VALUE OF THIS WAIVER REQUEST?

25  
26 A. Yes. In the time frame of this proceeding, we did not have the opportunity to understand  
27 how PGW determined that 2,415 accounts involved situations where liability could be imposed  
28 on the applicant for the outstanding balance of the prior customer, or even how PGW determined

1 the average outstanding balance. But leaving the accuracy of these estimates aside, the savings  
2 that PGW projects to result from this proposal do not factor in the costs involved in processing  
3 disputes and appeals by those applicants who have been presumed to be fraudulently  
4 manipulating the system, the loss to PGW in sales arising from the fact that disputes concerning  
5 liability will delay in providing service to the premises. Moreover, PGW appears to assume that  
6 under Chapter 56, PGW would recover nothing from the former customer whose service was  
7 terminated; however, PGW does have other recourse, including the ability to require payment or  
8 arrangement to pay if this customer applies for service again any time in the next four years,  
9 referring the account to Collection Agencies and to Credit Reporting Agencies, and legal action  
10 in Municipal Court.

#### 11 12 **IV. Requests Altering Payment Arrangement Standards (Waiver Request "E")**

13  
14 Q. WAIVER REQUEST "E" ADDRESSES PAYMENT ARRANGEMENT STANDARDS. IT  
15 CAN BE DIVIDED INTO TWO PARTS, ONE CONCERNING WHEN A CUSTOMER WHO  
16 HAS BROKEN A PAYMENT ARRANGEMENT CAN OBTAIN ANOTHER MODIFIED  
17 AGREEMENT, AND THE OTHER CONCERNING THE ALTERNATIVES TO BE MADE  
18 AVAILABLE FOR CUSTOMERS WHO HAVE BROKEN A PAYMENT AGREEMENT.

19  
20 A. In general, PGW is placing an unrealistic emphasis on recouping large outstanding  
21 arrearages which have accumulated in part as a result of the utility's own ineffective collections  
22 practices, as opposed to establishing an affordable agreement which gives the customer the  
23 incentive to make current payments going forward, avoiding late payment charges, and through  
24 his/her success, developing better payment patterns. The problem is that if the up-front costs of  
25 obtaining a payment agreement are too high, or the monthly payments going forward  
26 unaffordable, the customer will quickly default, stop paying anything at all, and ultimately be  
27 subjected to a new cycle of termination proceedings which are, as the company admits, a costly  
28 strain on all its resources.

1 Q. MR. GYORY ASSERTS THAT PGW'S REQUEST TO PERMIT ONLY ONE PAYMENT  
2 ARRANGEMENT AND TO PERMIT MODIFICATION OF THAT AGREEMENT ONLY  
3 FOR A SHOWING OF A REDUCTION OF INCOME WHICH IS SUFFICIENT TO CHANGE  
4 BCS PAYMENT LEVELS IS NOT REALLY A DRAMATIC DEPARTURE FROM PUC  
5 POLICY AS ARTICULATED BY FRAYNE. IS THAT CORRECT?

6  
7 A. No. Let us first understand what PGW is attempting to do. The proposal dramatically  
8 modifies the standards articulated in the Frayne decision in several ways:

9  
10 1. It eliminates any of the flexibility which is the keystone of Chapter 56;

11  
12 2. It transforms the standard enunciated in Frayne which allows the customer to obtain second  
13 payment agreements when there is a material change in circumstances, into a narrow and  
14 unforgiving standard, which would deny such a second agreement in many situations where  
15 there truly has been a material change in circumstances, which change has prevented the  
16 customer from being able to afford monthly payments on the original agreement.

17  
18 3. It establishes 'change of income' as the only standard permitted to be employed as a change of  
19 circumstance, while unjustifiably ignoring a host of other changes like change in expenses which  
20 would have an equal impact on ability to comply with a payment agreement.

21  
22 4. It limits even this single income standard to one in which the change must cause the customer  
23 to cross into a lower BCS Income Guideline level.

24  
25 This proposal is particularly inappropriate at this time, because there has not been  
26 sufficient time to judge the effect of the recent clarifications concerning payment agreements  
27 contained in Frayne which remind utilities that granting a second payment agreement after a  
28 default on the prior one can not be justified merely by the passage of time. This is another

1 instance where PGW's request for waiver is made without any showing that the company has  
2 even fully used the tools provided by Chapter 56 to enhance its collections

3  
4 Q. WILL THE ESTABLISHMENT OF THIS LIMITATION ON "CHANGE OF  
5 CIRCUMSTANCES" NEGATIVELY AFFECT THE CONSUMER?

6  
7 A. Yes. Dramatically. PGW is proposing that once a payment agreement is established, only a  
8 reduction in income resulting in a new Income Guideline level will permit a determined payment  
9 to be modified. This standard is unfair, because it will result in different treatment of households  
10 which have suffered the same percentage income losses with regard to the FPIG. For instance,  
11 Level 3 extends from 151% FPIG to 300% FPIG. A household with income at 250% FPIG  
12 could suffer a loss of income to 175% FPIG which would not constitute "changed  
13 circumstances." In contrast, a household at 225% FPIG could suffer a loss of income to 150%  
14 FPIG which would constitute "changed circumstances."

15 For many households an unexpected illness, an increase in the rate of natural gas bills, an  
16 unusually cold winter, the addition of another family member, the breakdown of an automobile,  
17 a repair to a roof, or an aging appliance consuming far too much energy, or any of the many  
18 other unforeseen circumstance which life has a way of providing may cause a material change in  
19 circumstances leading to an inability to pay a previously set payment levels. PGW proposes to  
20 turn a blind eye to these realities and material changes in circumstances and in its place  
21 substitute a simple inflexible standard designed to produce the fewest modifications of payment  
22 levels, regardless of the hardships which may ensue. This is the wrong emphasis, because PGW  
23 should be doing its utmost to maintain customers on payment agreements, without pushing them  
24 repeatedly onto the costly shut-off track.

25  
26 Q. WAIVER REQUEST "E" ALSO PROPOSES ALTERNATIVES TO BE MADE  
27 AVAILABLE FOR CUSTOMERS WHO HAVE BROKEN PAYMENT AGREEMENTS.  
28 PLEASE COMMENT.

1 A. PGW proposes that Level 4 customers who have broken a payment agreement must pay the  
2 full outstanding balance to avoid termination. Level 3 customers who have broken a payment  
3 agreement, would be allowed a “one time” cure of the default and reinstate the agreement;  
4 subsequent defaults on the payment arrangement would result in the requirement that the total  
5 outstanding balance be paid. Level 2 and Level 1 customers who have broken a payment  
6 agreement would be allowed to reinstate it by curing the default, and there would be no  
7 limitation on the number of times that the agreement could be reinstated pursuant to a cure.<sup>5</sup>

8 This proposal would modify Chapter 56 provisions in the following way. Under Chapter  
9 56 Sections 56.94(1) and 56.97, a customer who breaks a payment agreement has the right to  
10 avoid termination of service by curing his/her default up to the time of termination. There is no  
11 limitation on the exercise of this right, so long as it is exercised prior to termination. In contrast,  
12 under PGW’s proposal, Level 4 customers would lose this right entirely, Level 3 customers  
13 would be limited to one exercise of this right per payment agreement.

14 This is an unreasonable proposal. PGW has the right under Chapter 56 to declare  
15 payment agreements in default and place those customers on the termination path immediately  
16 after failure to make one payment when due. As of yet, due to its own shortcomings, it has not  
17 adapted its systems to administer its payment agreements in this way. By adopting a more  
18 aggressive attitude toward payment agreement customers, PGW could protect itself significantly  
19 against losses stemming from broken payment agreements, without placing customers in the  
20 position where they financially will not be able to prevent termination. PGW should be doing  
21 everything in its power to encourage customer to cure their defaults on payment agreements  
22 short of termination, not limiting those rights to cure.

---

<sup>5</sup> All Level 1 and Level 2 agreements would require the maximum monthly payment on arrears allowed by the BCS Income Guidelines, \$15 monthly for Level 1, and \$40 monthly for Level 2. For Level 3, PGW proposes to conform to \$100 monthly maximum allowable under the Guidelines, except when the outstanding balance is more than \$2400; in that event, the Agreement must provide for full payment of the outstanding balance in equal monthly payments over 24 months.

1                   **V. Requests Altering Termination Procedures (Waiver Requests “B,” “H,” “G”,**  
2                   **“F” and “I”**

3           Q. WAIVER REQUEST “B” WOULD ELIMINATE ALL WINTER TERMINATION  
4           PROCEDURES FOR PGW LEVEL 3 AND 4 CUSTOMERS. WHAT CONCERNS,  
5           IF ANY DO YOU HAVE WITH THIS REQUEST?  
6

7           A. Mildly stated, this waiver request, if granted, would unnecessarily place thousands of  
8           individuals in potential jeopardy for health, safety, and their life. In addition, the potential  
9           unnecessary damage to the housing stock and plumbing which could result from having a  
10          significant number of unheated homes in winter is simply contrary to the principles of sound  
11          public social and economic policy. It would be a dramatic, unwelcome and totally unnecessary  
12          departure from the public policy determination to avoid undue harm to persons and property in  
13          the attempt to achieve maximum collections. It is simply not true, as PGW claims, that PGW’s  
14          moral and legal right to receive payment for its gas transcends any public policy concern with  
15          the safety of any family living at income levels even as low as one percent above 150% FPIG.

16          This PGW this waiver request appears to be based upon a misunderstanding of Chapter  
17          56 requirements. The term “moratorium” is repeatedly used, when in fact no such moratorium  
18          exists in law or in practice. Although winter termination procedures do require one  
19          additional step - a request of the Commission to authorize the termination- it is totally  
20          inappropriate for PGW to label this single step as “cumbersome,” given the significant danger of  
21          loss of life associated with urban homes deprived of fuel for safe heating sources in the winter  
22          months. It should not be forgotten that the purpose of the procedures is not to frustrate utility  
23          collections, but to ensure that vulnerable households, including not only seniors, but also  
24          children, mentally ill or disadvantaged, and otherwise disabled persons do not lose their lives to  
25          hypothermia or to fires caused by the inadequacy of temporary emergency heating devices.  
26          Attached as Exhibit A are newspaper clippings reporting some deaths in Philadelphia which

1 occurred due to lack of safe heat urban houses under winter conditions during the past two  
2 winters.<sup>6</sup>

3 PGW's claim that the procedure is "cumbersome" has been made by a company that has  
4 not even tried to use the procedure. Not once last winter, despite its new collection initiatives,  
5 did PGW attempt to make a request for any winter termination.<sup>7</sup> In addition, the Commission  
6 has clearly signaled its intention to assure utilities that their requests, once made, will be  
7 processed promptly, within 10 days of receipt.<sup>8</sup> PGW again is simply requesting relief from a  
8 critically important life saving procedure without making any effort to use the available  
9 procedures.

10  
11 Q. ISN'T IT TRUE, AS PGW ASSERTS THAT AS A RESULT OF DIRE ECONOMIC  
12 CIRCUMSTANCES THE WAIVER IS NEEDED BECAUSE IT FINDS IT NECESSARY TO  
13 "SEND A SIGNAL" THAT CUSTOMERS WHO CAN AFFORD IT MUST PAY THEIR  
14 BILLS IN WINTER?

15  
16 A. No. A waiver of the regulations is clearly unneeded. First of all, as has been stated, PGW is  
17 presently able to use the winter termination process to shut-off service. The Company simply has  
18 not availed itself of that option. A signal to customers and the public at large can effectively be  
19 sent now without any waiver of procedures. If PGW, after a judicious selection of several  
20 appropriate cases of individuals clearly able to pay who have demonstrated an unwillingness to  
21 do so, requested and was granted permission to terminate, that, combined with the attendant  
22 publicity would send a clear signal to the public.

23  

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<sup>6</sup> See Philadelphia Inquirer articles, January 16, 2004, p.B01, January 14, 2004, p. B02, January 11, 2004, p.B02, January 26, 2003, p. B01, January 16, 2003, p. B04.

<sup>7</sup> See letters of Tom Charles, Manager of Communication, Pa. Public Utility Commission, dated May 19, 2004 (Philadelphia Daily News) and May 22, 2004 (Philadelphia Inquirer).

<sup>8</sup> See Frayne.

1 Q. HAVE YOU REVIEWED PGW'S ESTIMATE OF THE VALUE OF WAIVING THE  
2 REGULATIONS CONCERNING WINTER TERMINATIONS FOR LEVEL 3 AND LEVEL 4  
3 CUSTOMERS?

4 A. Yes. Without passing judgment on whether the average receivable for this group of 10,000  
5 customers is correct, PGW does not appear to have taken into account the fact that some portion  
6 of that outstanding \$2 million will be collected by all available means in the non-winter period.  
7 Nor has it considered the amounts that could be immediately recovered through selective use of  
8 the Commission's Winter Termination Procedures both in terms of producing payment and in  
9 terms of the effect such publicized termination proceedings might have on other customers who  
10 might be tempted not to pay their gas bills during the winter period.

11  
12 Q. IN WAIVER REQUEST "H," PGW PROPOSES THAT A COMMISSION  
13 ADMINISTRATIVE INTERPRETATION THAT CHAPTER 56 BARS TERMINATION OF  
14 SERVICE ON THE BASIS OF A SHUT-OFF NOTICE ISSUED MORE THAN 30 DAYS  
15 PRIOR TO SHUT-OFF BE WAIVED, TO PERMIT TERMINATIONS UP TO 60 DAYS  
16 FROM THE DATE OF THE ORIGINAL TERMINATION NOTICE. IS THIS A  
17 REASONABLE REQUEST?

18  
19 A. No. The purpose of the time limitation on the validity of a Termination Notice is to prevent  
20 termination on the basis of "stale" notices. PGW has operated for years under this limitation,  
21 which was contained at Section 4.27 of its pre-PUC Tariff. Under Chapter 56, a Termination  
22 Notice must give the customer the exact amount that must be paid to avoid termination on or  
23 after a specific date (see Chapter 56 Section 56.2 - Definitions. Notice or Termination Notice).  
24 Provision of this exact information to customers is critical, because it establishes a clear target  
25 for the customer to meet. This is important not only for the customer, but for social service  
26 agencies, including many agencies administering LIHEAP CRISIS, which the customer may ask  
27 for assistance. Such agencies will not provide grants without the assurance that payment of the  
28 required amount on the Termination Notice will end the threat of shut-off.

1           Once the thirty day period encompassed by the Termination Notice has passed, the  
2 customer's payment obligation will have changed to incorporate whatever payments have been  
3 received and whatever new charges have accrued. Unless a new Termination Notice is issued,  
4 there will be no timely definitive written statement to the customer providing the exact amount  
5 that must be paid in order to avoid termination. In our experience, it is important that in the  
6 termination process, a utility maintain a clear, consistent and accurate message to the customer.  
7 Especially with a utility which has a historical billing credibility problem, it is only human  
8 nature for customers to believe that they may not really owe all of what is being requested, and  
9 to be sensitive to any inconsistency in the utility's message. It is important both for the customer  
10 and for the utility that the message remain absolutely clear and consistent.

11           PGW appears to recognize this problem in its request, because it states that if provided  
12 the extension, it would allow customers subject to termination beyond the initial 30 day period to  
13 avoid termination by paying the amount contained in the original Termination Notice. However,  
14 this does not resolve the difficulty. Some customers, when they receive a Termination Notice,  
15 send the utility some money (but less than the required amount), in the belief that the payment  
16 will demonstrate good faith and avoid termination. Once customers receive another bill,  
17 indicating receipt of the payment, but with no mention of continuing termination proceedings,  
18 they are likely to conclude that those proceedings have been withdrawn or discontinued. Instead  
19 of continuing to marshal their resources to avoid termination by PGW, they may spend  
20 potentially available funds on other necessities that they would have reserved for PGW if they  
21 had believed that termination was still imminent.

22           The current PUC policy should be maintained, because it provides clear, correct and  
23 unambiguous information to the customer, encourages continued interaction between the utility  
24 and the customer, maximizes the possibility of actual personal contact, and offers the greatest  
25 likelihood of resolution of the problem in a way that does not involve termination of service.

26  
27 Q. IN WAIVER REQUEST "G," PGW INDICATES THE 48 HOUR NOTICE SHOULD BE  
28 ELIMINATED BECAUSE IT IS REDUNDANT, COSTLY, AND WOULD NOT

1 SUBSTANTIALLY REDUCE THE CUSTOMER'S ABILITY TO AVOID SHUT-OFF. IS  
2 THIS CORRECT?

3  
4 A. No. One Chapter 56 premise is that termination of service for non-payment should not occur  
5 unless there has been a face to face contact with the customer or a responsible adult at the  
6 account premises at the time of termination. This policy objective recognizes the seriousness of  
7 service termination, and the need to do what is humanly possible to avoid it. Face to face  
8 contact provides an opportunity for exchange of information that just can not be replaced by  
9 mass produced written notices. However, Chapter 56 also recognizes that there are physical and  
10 financial limits to the number of times that a utility may be required to visit a property to  
11 effectuate shut-off. For this reason, if there is no fact to face on the day when the utility first  
12 arrives to terminate service, the utility must leave a 48 hour notice, informing the customer that  
13 service will be terminated after 48 hours if the customer does not take the necessary steps to  
14 avoid the need to terminate service.

15 The 48 hour notice requirement is neither redundant nor without cost justification. Its  
16 elimination would dramatically affect a customer's ability to avoid shut-off. The thrust of  
17 Chapter 56 is to allow and in fact to encourage a series of communications between the company  
18 and the consumer for the purpose of promoting payment, resolving differences, and avoiding  
19 loss of service. The 48 hour notice is provided at the most critical point in the relationship  
20 between the company and a payment troubled customer: the moment of intended shut-off. This  
21 is a point in which the company clearly has the customer's attention. PGW's proposal  
22 eliminates the last fair chance that the customer and the utility have to avoid service termination.  
23 It would eliminate the most significant opportunity for PGW to achieve all three of the goals of  
24 Chapter 56, i.e., promote payments, resolve differences, and avoid loss of service.

25  
26 Q. DO YOU HAVE A COMMENT ON PGW'S ASSERTION THAT ELIMINATION OF THE  
27 48 NOTICE REQUIREMENT WOULD SAVE PGW \$1 MILLION ANNUALLY?

28  
29 A. Under Section 4.25 of its pre-PUC Tariff, PGW was subject to a requirement to make  
30 one attempt at face-to-face contact with the customer or responsible adult at the account on the

1 day of termination, and failing such contact, to leave a written notice. Both the PUC and the  
2 Philadelphia Gas Commission have set PGW's rates taking into account that this type of  
3 provision was an integral part of reasonable service.  
4

5 Q. IN WAIVER REQUEST "F," PGW REQUESTS WAIVER OF SECTION 1503 OF THE  
6 PUBLIC UTILITY CODE AND CHAPTER 56 SECTION 56.82 SO AS TO ALLOW FRIDAY  
7 TERMINATIONS. AT THE SAME TIME, IN WAIVER REQUEST "I," PGW REQUESTS  
8 THAT THE CHAPTER 56 SECTION 56.191 RESTORATION TIMELINE FOR SERVICE  
9 RESTORATION AFTER CUSTOMER PAYMENT BE EXTENDED FROM 24 HOURS TO 7  
10 DAYS. ARE THESE REASONABLE REQUESTS FROM A POLICY STANDPOINT?

11 A. No.

12 Concerning Friday terminations, PGW justifies this request on the grounds that the ban  
13 on Friday terminations reflects a time when banking services were not widely available on  
14 weekends, thereby impeding the ability of a customer terminated for non-payment from paying  
15 his/her bill and obtaining prompt restoration. However, for most people faced with service  
16 termination, the main problem is not simply getting to the bank, or being near an ATM, or  
17 logging on to an internet connection, or simply obtaining access to the safe deposit. Rather, it is  
18 acquiring the resources to pay the bills.

19 I believe that the ban on Friday terminations reflects the Legislature's judgment that  
20 households who have been terminated on Friday will have fewer resources available to secure  
21 prompt restoration. For instance, in the event that the termination was improper, the PUC's  
22 Bureau of Consumer Services will not be able to respond to a request for assistance until the  
23 following Monday. In the event that the customer has a medical emergency, the customer is  
24 more likely to experience difficulty contacting the customer's physician to provide the utility  
25 with the necessary medical certification information to justify immediate service restoration. On  
26 Saturday and Sunday, assistance from social service agencies and/or legal services offices are  
27 generally not available.

28 It is also likely that this statutory provision recognizes the likelihood that the utility will  
29 be less likely to have employees available to restore service promptly. In fact, despite its claim  
30 that if permitted to terminate service on Fridays, it will have personnel available to restore

1 service on Saturday, PGW is in this same Petition requesting a waiver of the existing Chapter 56  
2 requirement that service be restored to customers terminated for non-payment within 24 hours of  
3 the time required payments and/or payment arrangements have been made.

4 The Friday shut-off ban is neither out-dated nor unimportant. This ban has existed for  
5 years at PGW, first as Section 4.12 in PGW's pre-PUC Tariff, and now under Chapter 56. It is a  
6 ban imposed by the Public Utility Code itself, and contrary to PGW's claim, applies to other  
7 utilities in PGW's service territory like PECO, and public utilities throughout the state. It is part  
8 of the web of Chapter 56 provisions that act as a whole integrated framework and which, as the  
9 General Assembly admonished in the Gas Choice Act, should and must remain intact and  
10 undiminished.

11 Concerning extension of the timeline for service restoration, PGW once more desires to  
12 be excused from providing a reasonable standard of service. Once a customer terminated from  
13 non-payment has paid or arranged to pay the balance, it is unreasonable to deprive that customer  
14 of a basic necessity of life for more than 24 hours. Moreover, in the period between April-May  
15 period and the October-November period, the availability of heat is a necessity – it is not  
16 reasonable service to deprive customers of gas necessary to heat their homes in this period, and  
17 to do so can be expected to jeopardize the health and safety of affected households.

18  
19 Q. IN SUM, SHOULD THE COMMISSION GRANT PGW'S PETITION IN WHOLE OR IN  
20 PART?

21 A. No.

22  
23 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

24  
25 A. Yes.  
26  
27

## **APPENDIX A**

Source: [News & Business](#) > [News](#) > [By Individual Publication](#) > [P](#) > [The Philadelphia Inquirer](#)  
Terms: [cold and heat and death and date\(geq \(12/01/03\) and leq \(04/01/04\)\)](#) ([Edit Search](#))

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*Philadelphia Inquirer January 16, 2004 Friday CITY-D-EAST EDITION*

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**The Philadelphia Inquirer**

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Philadelphia Inquirer

**January 16, 2004 Friday CITY-D-EAST EDITION**

**SECTION:** PHILADELPHIA; Pg. B01

**LENGTH:** 495 words

**HEADLINE:** City to residents: Stay indoors, assist others

**BYLINE:** By Leonard N. Fleming and Thomas J. Gibbons Jr.; Inquirer Staff Writers

**BODY:**

City officials braced for today's plummeting, single-digit temperatures by planning shelters for the homeless and urging residents to stay indoors and assist those in need.

The increasingly **cold** weather caused the **death** of a person found in a home without **heat**. Edna Van Dyke, 89, was discovered Wednesday night in her home on South 19th Street in South Philadelphia, officials said.

She was the second victim of the latest **cold** snap. Near-zero temperatures killed a man last weekend in an unheated West Philadelphia house.

Authorities said Van Dyke, a retired custodian for the Philadelphia School District, died of heart disease and hypothermia in a house that was so **cold** the water in the toilet had frozen. A friend of Van Dyke's found her body in the second-floor rear bedroom of the house with 12 blankets on her bed, authorities said.

Last night, the city was expected to contend with temperatures slipping to 5 degrees but without the snow that made yesterday morning a challenge.

Managing Director Philip R. Goldsmith said city officials were doing what they could to protect the public - particularly the homeless - from a winter tragedy.

But residents need to call authorities or a special hotline number if they see someone on the street or in a home without **heat**.

"The thing that we ask is for people to look out for their neighbors," Goldsmith said. "It's hard for us to do anything if we don't know about it."

As for Wednesday night's snowfall, Goldsmith said it was so much lighter than anticipated that garbage pickup was not delayed as expected.

"It was basically a nonevent," Goldsmith said. "We were prepared for five to seven inches. We didn't need as many plows."

The city remained in a Code Blue status, prompted when the wind-chill index falls below 20 degrees. Teams are sent out to locate homeless people and get them into shelters.

Robert V. Hess, deputy managing director for special-needs housing, said that 29 shelters and two city recreation centers are available to assist more than 2,500 people identified as homeless.

But Hess acknowledged that it is a challenge to cajole the homeless who aren't willing to seek shelter to come in from the cold. As of yesterday, Hess said, there were about 50 people who were still out on the street by choice. Officials are monitoring them and will take them to shelters if it's too cold.

"If it gets down around zero, we get very concerned," he said. "It is our belief that they are safe. If we did not think they were safe, we would bring them in [to a shelter]."

City officials report that less snow and clear skies yesterday helped workers plow most streets and place salt down.

"They're looking good," said Cynthia Hite, a spokeswoman for the Streets Department. "What has helped us a lot is that the temperatures have gone up some. The sun is out. We're pretty much under control."

Contact staff writer Leonard N. Fleming at 215-854-4330 or [lfleming@phillynews.com](mailto:lfleming@phillynews.com)

**LOAD-DATE:** January 16, 2004

Source: [News & Business](#) > [News](#) > [By Individual Publication](#) > P > [The Philadelphia Inquirer](#) 

Terms: [cold and heat and death and date\(geq \(12/01/03\) and leq \(04/01/04\)\)](#) ([Edit Search](#))

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## 6 of 8 DOCUMENTS

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January 14, 2004 Wednesday CITY-D EDITION

**SECTION:** PHILADELPHIA; Pg. B02

**LENGTH:** 748 words

**HEADLINE:** Forecast of cold and snow? It is winter, after all

**BYLINE:** By Troy Graham and Marc Schogol; Inquirer Staff Writers

**BODY:**

Roofing foreman Tom Ciarlante has a hearty, commonsense bit of advice for his crew this frigid time of year.

"Dress warmly or don't come in," he said. "We work in it."

Ciarlante, of A. Bancroft & Sons Roofing in Cherry Hill, was pounding nails last weekend when the Philadelphia region endured its two coldest consecutive days in several years.

"It was crazy. I couldn't even take my glove off... My hand froze up," he said yesterday. "Here it comes again tomorrow. In the 20s and windy."

Ciarlante's forecast was right on the mark, according the National Weather Service in Mount Holly. Except he left out the snow.

A storm front known as an Alberta clipper - a fast-moving system originating east of the Canadian Rockies - is expected to arrive tonight and drop four to six inches of snow before moving on tomorrow morning, meteorologist Art Kraus said. Gusts up to 30 m.p.h. will make it feel colder.

Temperatures are expected to return to the 30s by the weekend, Kraus said, but the usual reprieve of a winter thaw will not arrive for at least another week.

Most people seemed to take the weather service's winter-storm watch for the Philadelphia area in stride. No rushes on snow shovels or provisions were reported, and the Pennsylvania and New Jersey highway departments declared themselves ready. Perhaps Kraus summed up the sentiment best.

"It's winter," he said. "It snows now and then."

Besides, another arrival this season seems to be having an even bigger impact on the region - Eagles playoff football.

Extreme cold usually keeps people away from the Spring Mountain ski resort in Montgomery County, owner Gayle Buckman said. But she did not blame last weekend's slow business on the weather.

"It's not just the wind chill. It's the Eagles game," she said.

Last weekend, customers at the Eastern Mountain Sports store in Haverford cleared the shelves of everything needed to stay warm - hand warmers, earmuffs, long underwear and gloves, manager John Heath said. Most customers were headed to the Eagles' divisional playoff game Sunday.

## Philadelphia Inquirer January 14, 2004 Wednesday CITY-D EDITION

And at the Suburban Travel Agency in Lower Merion, winter get-away packages remain a constant, owner Bill Weber said. But the big business this week?

"Right now, we're more involved with the Super Bowl," he said.

The game-time temperature for the Eagles' NFC championship game Sunday night should be in the upper 20s, Kraus said. Optimistic fans booking trips to the Super Bowl can then count on warmer weather in Houston.

The cold does create serious problems for many people, particularly the homeless. Rob Hess, Philadelphia's deputy managing director for adult services, said yesterday that a Code Blue alert to round up the homeless was to be adopted last night around 6 and would probably last five days.

Under a Code Blue, the city puts additional police and outreach teams on the streets to help the homeless get shelter.

"We have a couple of options to help people get into safe conditions in the city," Hess said. "We're going to provide the opportunity for shelter to anyone who needs it."

Hess urged the public to call the city's Code Blue hotline at 215-232-1984 if someone appears to need shelter.

Sister Mary Scullion, founder of Project HOME, said the cold weather brings into focus the problem of homelessness.

"You begin to see more clearly people living in vulnerable situations in the city," she said. "The most disturbing thing this winter is people lacking heat in their homes and people living in cars."

Last weekend, a West Philadelphia man living in a home without heat froze to death. The city's Department of Licenses and Inspections has established a hotline (215-686-2590, press 1) for those without heat because of unpaid utility bills.

In Medford, Harriet's Oil Service responded to 151 calls last weekend for people without heat, and delivery drivers worked around the clock, delivery manager Jack Crosby said.

"We get a lot of calls saying, 'We have Grandma here. We have babies here,'" he said. "It doesn't matter if you have Grandma or babies. All you have to say is, 'No heat.'"

About 10 years ago, Crosby said, he stood on his porch and taunted the weather, which responded with two weeks of brutal winter temperatures. He said he was ready for another busy stretch at work, but that he had learned not to underestimate the weather.

"I never messed with Mother Nature again," he said.

Contact staff writer Troy Graham at 856-779-3893 or [tgraham@phillynews.com](mailto:tgraham@phillynews.com)

LOAD-DATE: January 14, 2004

*Philadelphia Inquirer January 26, 2003 Sunday CITY-D EDITION*

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**The Philadelphia Inquirer**

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January 26, 2003 Sunday CITY-D EDITION

**SECTION:** PHILADELPHIA; Pg. B01

**LENGTH:** 311 words

**HEADLINE:** 3 found dead in unheated homes

**BYLINE:** By Christine Schiavo; Inquirer Staff Writer

**BODY:**

The cold has claimed the lives of three elderly city residents, all of whom were found Friday in homes without heat.

**Bobby Rivers**, 77, of the 4900 block of Thompson Street; **Betty Clark**, 66, of the 2400 block of Ridge Avenue, and **Delia Brown**, 70, of the 2700 block of North Ringgold Street, were found dead of hypothermia and heart disease, according to Jeff Moran, spokesman with the Philadelphia Department of Public Health.

Brown, the only one of the three who lived alone, was found by police who were checking on her well-being after neighbors said they hadn't seen her for a while, Moran said. Rivers and Clark were found by family members, he said.

Neighbor Charlotte Biggs said Brown was known to live without heat and to go for long periods without electricity and water.

"Miss Brown just about every other day would go to the market and buy about seven gallons of water," Biggs said.

Moran said that the medical examiner had not determined when they died but that all three deaths were connected to the current cold spell. He said there was no heat in any of the houses in which the three were found. He did not know whether the heaters had malfunctioned or had been turned off.

Temperatures have been at or below freezing every day since Jan. 14, said Jim Eberwine, meteorologist with the National Weather Service in Mount Holly. Today's high is expected to reach the mid-30s, but colder conditions are expected to return tomorrow.

The city's Department of Licenses and Inspections has established a heat-crisis hotline for those who are without heat because of unpaid utility bills.

The hotline is open from 9 a.m. to 8 p.m. weekdays and 9 a.m. to 6 p.m. weekends at 215-686-2590. After-hours calls are handled by the City Hall switchboard at 215-686-1776.

Contact staff writer Christine Schiavo at 215-348-0337 or [cschiavo@phillynews.com](mailto:cschiavo@phillynews.com)

**LOAD-DATE:** January 26, 2003

Source: [News & Business > News > By Individual Publication > P > The Philadelphia Inquirer](#) (i)  
Terms: "juanita ramos" ([Edit Search](#))

*Philadelphia Inquirer January 16, 2003 Thursday CITY-D-EAST EDITION*

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## **The Philadelphia Inquirer**

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Philadelphia Inquirer

January 16, 2003 Thursday CITY-D-EAST EDITION

**SECTION:** PHILADELPHIA; Pg. B04

**LENGTH:** 556 words

**HEADLINE:** N. Phila. rowhouse blaze kills three, injures one;  
A man jumped from the second floor of the home in Fairhill. He ran to a firehouse 40 yards away.

**BYLINE:** By Vernon Clark; Inquirer Staff Writer

**BODY:**

Family members and friends gathered outside a burned-out rowhouse in the Fairhill section of North Philadelphia yesterday after a swift overnight fire there killed a young pregnant mother, her 2-year-old son and another woman, and left the boy's father critically injured.

Juanita "Wanda" Ramos and Luisa "Wicha" Cariosa, both 19, and Ramos' son, Justin, died in the fire at 2452 N. Second St. Louis Ramos, 26, was hospitalized and in critical condition after jumping from a second-floor front window, officials said.

Executive Fire Chief William Brightcliffe said the fire, which started at 1:40 a.m., was believed to have been sparked by a faulty extension cord. Firefighters arrived one minute later - from a fire station about 40 yards away at 2426 N. Second St.

By then, the second and third floors of the rowhouse were on fire, Brightcliffe said. He said the fire was extinguished at 1:56 a.m.

Juanita and Justin Ramos and Cariosa were found near a front window on the third floor. The women were pronounced dead at the scene, Brightcliffe said. Justin Ramos was taken to Temple University Hospital, where he was pronounced dead on arrival, he said.

Jeff Moran, a spokesman for the Philadelphia Health Department, said the three victims died of soot and smoke inhalation and burns. He said the deaths were ruled accidental.

Louis Ramos was taken to Hahnemann University Hospital and later to Crozer-Chester Medical Center, where he was listed in critical condition, Brightcliffe said. Police said Ramos had burns on his legs, hands and face and was suffering from smoke inhalation and possible leg fractures.

Brightcliffe said that after Ramos jumped from the window, he ran to the fire station and alerted firefighters.

The rowhouse had three smoke detectors, but none of them operated, Brightcliffe said. He

said two of the smoke detectors had dead batteries, and one on the first floor was improperly installed and had a weak battery.

Yesterday morning, about six family members and friends gathered to console one another. Debris from the fire filled the sidewalk outside the burned rowhouse.

Maritza Collazo, 24, Louis Ramos' sister, said Louis and **Juanita Ramos** and their son had been living in the house for about three months. The couple were planning to move soon to a house at D Street and Wyoming Avenue.

Collazo said that **Juanita Ramos** was four months pregnant, and that the couple were unemployed. Louis Ramos had been a construction worker, and **Juanita Ramos** had been a file clerk for an insurance company.

Funeral arrangements had not been made yesterday, Collazo said.

Pedro Sanchez, who lives in a rowhouse two doors away, said he heard an explosion from the fire and then the sound of glass shattering. He saw Louis Ramos lying on the ground after he had jumped from the window and helped him to his feet. Sanchez accompanied Ramos to the firehouse.

Later yesterday, members from Engine Company 2 and Ladder Company 3 from the nearby firehouse distributed fire-prevention materials and installed smoke alarms throughout the neighborhood as part of a fire-death prevention program.

"We found over the years that when you have the neighbors' attention is the best time to promote fire safety," Brightcliffe said.

Contact staff writer Vernon Clark at 215-854-5717 or [vclark@phillynews.com](mailto:vclark@phillynews.com)

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*Philadelphia Inquirer January 11, 2004 Sunday CITY-D EDITION*

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**The Philadelphia Inquirer**

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Philadelphia Inquirer

January 11, 2004 Sunday CITY-D EDITION

**SECTION:** PHILADELPHIA; Pg. B02

**LENGTH:** 564 words

**HEADLINE:** Man found dead in cold house;  
As mercury plunges, hotlines rev up and the homeless are brought in.

**BYLINE:** By Christine Schiavo and Leslie A. Pappas; Inquirer Staff Writers

**BODY:**

Bone-chilling cold that brought the thermometer to near zero yesterday apparently killed a man found in a West Philadelphia house without heat.

It also prompted the city and utilities to reach out to residents without heat through a crisis hotline.

"This is a life-or-death situation," said Andrea Swan, spokeswoman for the Department of Licenses and Inspections.

The city Health Department did not have the name or age of the man, who was pronounced dead at Mercy Hospital of Philadelphia about 4:45 a.m.

The man, who suffered from chronic pulmonary disease, died of **hypothermia**, said Jeff Moran, a Health Department spokesman. Moran said there was **no heat** in the house on the 5300 block of Irving Street; he did not know whether the furnace was broken or whether the heat had been shut off.

The man's temperature, when taken at the hospital, did not register, which means that it was below 80 degrees, according to a hospital spokeswoman.

The city Department of Licenses and Inspections has established a heat-crisis hotline (215-686-2590, press 1) for those who are without heat because of unpaid utility bills. The Philadelphia Gas Works also is asking customers whose service has been disconnected to contact the agency about having service restored.

"Anyone who does need heating assistance at this time can reach out to the city," Swan said.

Landlords, she said, must keep heat at no less than 68 degrees. The city sends inspectors to investigate tenant complaints.

The temperature, which reached a low in Philadelphia of 4 degrees, did not break a record, but it did send Andre Moore and hundreds of other homeless people into shelters this

weekend.

"It was standing room only," said Moore, describing the lobby of the Ridge Avenue Center, a shelter at 1360 Ridge Ave., where dozens of men crowded for warmth and a hot meal.

A five-day cold snap has sent the city into a Code Blue, meaning that shelters can turn no one away and that outreach teams comb the city for those on the streets.

That's where outreach workers found Moore, 50, in nothing warmer than a sweatshirt Friday night as the temperature dropped to 12 degrees with a wind chill of 3 below zero.

The city declares a Code Blue when the wind chill falls below 20 degrees.

An Arctic blast that has made the region feel like Green Bay is expected to ease today. By the 4:45 p.m. start of the Eagles-Packers game at Lincoln Financial Field, the temperature should be relatively balmy - in the mid-20s.

Air swooping in from Siberia and across the North Pole brought the coldest morning in eight years to Philadelphia yesterday. By sunrise, the mercury had dipped to 4 degrees in the city, 1 degree in Valley Forge and 2 below zero in Perkasio, Bucks County, according to the National Weather Service.

Trenton, at 2 degrees, set a record low for the day, as did Mount Pocono at 10 below zero.

It also was too cold for some water meters, a number of which froze in Chester and Delaware Counties, according to Philadelphia Suburban Water Co.

The good news is that a warming trend is supposed to push temperatures above freezing tomorrow, said Anthony Gigl, a Weather Service meteorologist.

The bad news is that the trend will not last. Gigi said a colder-than-normal pattern is expected for the next two weeks.

Contact staff writer Christine Schiavo at 215-348-0337 or [cschiavo@phillynews.com](mailto:cschiavo@phillynews.com)

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