

COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION

ORIGINAL

----- -Docket No.
 Pennsylvania Public Utility Commission vs. :R-00049157
 Philadelphia Gas Works. :P-00042090
 Annual 1307 (f) filing. And Petition :
 to establish a cash receipts reconciliation :
 clause. :
 Public Input Hearing. :

Pages 146 through 230

Philadelphia Community College
Philadelphia, Pennsylvania

DOCUMENT

Thursday, May 6, 2004

Met, pursuant to notice, at 1:00 p.m.

BEFORE:

Charles E. Rainey, Jr., Administrative Law Judge

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MAY 20 2004

G.M.

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1 P R O C E E D I N G S

2 ADMINISTRATIVE LAW JUDGE CHARLES E. RAINEY, JR.:

3 Good afternoon and welcome to this Public Input Hearing. This
4 Public Input Hearing involves the matters of Pennsylvania Public
5 Utility Commission versus Philadelphia Gas Works at Docket
6 Number R-00049157 and the Petition of Philadelphia Gas Works to
7 Establish a Cash Receipts Reconciliation Clause at Docket Number
8 P-00042090.

9 My name is Charles Rainey and I am a Administrative
10 Law Judge who has been assigned to hear and write a recommended
11 decision in regard to these matters. The Public Input Hearing
12 is being held for the purpose of allowing interested persons an
13 opportunity to provide testimony regarding PGW's filings.

14 I believe a brief history of this proceeding may
15 be helpful. On March first, 2004 PGW filed a supplement to its
16 gas service tariff designed to increase annual rates by 31.4
17 million dollars overall, effective September first, 2004.
18 According to PGW's filing a typical residential heating customer
19 using 100,000 cubic feet or MCF of natural gas a year would see
20 a five dollar increase in his or her monthly bill from \$120 to
21 \$125.

22 More specifically PGW's filed tariff supplement
23 includes one, a proposed gas cost rate or GCR of 7.216 dollars
24 per MCF, which represents a decrease in the GCR that was in
25 effect on December first, 2003.

1 Two, a newly proposed cash receipts reconciliation
2 clause surcharge, which based on PGW's current bill collection
3 projections is designed to recover 46.7 million dollars during
4 the first year that its in effect. Three, an increase in the
5 restructuring and consumer education surcharge. And fourth an
6 increase in the Universal Service Surcharge.

7 This case was assigned to me and a prehearing
8 conference was held on March 15th, 2004. Parties present at the
9 prehearing conference were Philadelphia Gas Works, Office of
10 Trial Staff, Office of Consumer Advocate, Office of Small
11 Business Advocate, Action Alliance of Senior Citizens of Greater
12 Philadelphia, Association of Community Organizations for Reform
13 Now, the Tenants Action Group, and the Consumers Education and
14 Protective Association, collectively referred to as Action
15 Alliance et al, and the Philadelphia Industrial and Commercial
16 Users Group.

17 At the prehearing conference I granted PGW's
18 Motion to Consolidate its Gas Cost Rate Filing with its Cash
19 Receipts Reconciliation Clause Petition for purposes of hearing
20 and disposition.

21 Petitions to intervene were filed by State Senator
22 Vincent J. Fumo, Philadelphia City Council President Anna C.
23 Verna, and Philadelphia City Council members James F. Kenney,
24 Frank DiCicco, Michael A. Nutter, David Cohen, Joan Krajewski
25 Juan Ramos, collectively referred to as Senator Fumo, et al,

1 the Philadelphia Housing Authority and Philadelphia District
2 Attorney Lynne Abraham. No Answers in Opposition to the
3 Petition to Intervene were filed and the Petitions to Intervene
4 were granted.

5 A schedule for the submission of written testimony
6 and hearings was established at the prehearing conference and in
7 subsequent orders. The parties other than PGW were required to
8 submit written direct testimony by April 15th, 2004, written
9 rebuttal testimony of parties other than PGW were due by April
10 30th. PGW's written rebuttal testimony was due on May third.
11 Parties written surrebuttal testimony is due by May the 7th.

12 Public input hearings are being held both on the
13 fifth and sixth. There was a public input hearing that was held
14 yesterday in the Northeast at the Double Tree Hotel. Of course
15 we're holding two input hearings here today, this one at 1:00
16 and then another one at 6:00 p.m. Evidentiary hearings for the
17 purpose of examining the parties' technical witnesses will be
18 held May 11th through 12th at the Philadelphia State Office
19 Building, Broad and Spring Garden Streets. Those hearings will
20 begin at 10:00 a.m.

21 The parties will file main briefs on May 24 and
22 reply briefs on June the first. I will subsequently render a
23 written recommended decision. The Commission will render a
24 final decision prior to September the first 2004. So concludes
25 my brief presentation of the history of this case.

1 You the public may participate in today's hearings
2 in one of three ways. The first way, and the one that the
3 Commission finds most preferable, is that you submit sworn
4 testimony under oath. By giving sworn testimony the Commission
5 may consider your testimony when it decides its case. Sworn
6 testimony may be subject to questions that I might have as well
7 as questions that counsel might have.

8 The second way is to provide unsworn testimony.
9 Unsworn testimony will not be considered by the Commission when
10 it makes a decision in this case. The third way is to provide
11 information at a break or at the conclusion of this hearing to
12 either the Office of Trial Staff, Office of Consumer Advocate
13 or the Office of Small Business Advocate for its use at its
14 discretion at an evidentiary hearing.

15 Let me take the time to introduce the people who
16 are assisting me. Maureen Govan is my secretary who is outside
17 at the table that you saw when you came to sign in if you signed
18 in to testify here today. Also Karen Graves, who is with the
19 Bureau of Consumer Services. They have some good information,
20 some good literature on the table, that you may want to take a
21 look at with regard to how you might be able to find assistance
22 in helping you with your bills. So, please take a look at what
23 is on the table and take advantage of any literature that might
24 be there.

25 Let me also note there are some representatives

1 from PGW who are here and they also will be able to help you at
2 a break or at the conclusion of the hearing with any personal or
3 individual matters or concerns that you might have, whether it
4 would be with regard to your bills or with regard to service.
5 So, certainly you are welcome to take advantage of their
6 presence here today as well.

7 Now let me take the opportunity to allow counsel
8 who are present, and representing formal parties, to introduce
9 themselves and make a brief opening statement if they so
10 choose. We will start with counsel for Philadelphia Gas Works.

11 MR. STEWART: Thank you, Your Honor. Good
12 afternoon everybody. Thank you for taking the time to come out
13 on a beautiful day and share your concerns with us. My name is
14 Mark Stewart. I'm an attorney representing Philadelphia Gas
15 Works in this proceeding before the PUC. With me today is Greg
16 Stunder, senior attorney with PGW, as well as several customer
17 service representatives, as the Judge referenced, who are here
18 to help you, two behind us and two across the room in the second
19 row. We're here to help you should you have questions or
20 concerns about your individual bills that are more or less
21 unrelated to the specific issues that are the subject of this
22 hearing.

23 As the judge mentioned, this proceeding is part of
24 an annual filing that the company must make with the Public
25 Utility Commission to set its gas cost rates or the rates that

1 PGW charges to recover the actual costs of the natural gas it
2 provides to customers.

3 Also being considered is a cash receipts
4 reconciliation clause that's designed to enable PGW to collect
5 the money it needs to pay its bill so it can provide safe and
6 reliable service. If it's approved by the PUC it would increase
7 bills only to the point that would allow PGW to collect 92 cents
8 on every dollar billed.

9 So again thank you for coming out. It's important
10 that you share your views with the Commission. And the company
11 is very concerned to hear them as well. Should you have any
12 questions for me or anybody at PGW, please feel free to come to
13 us at a break or after the hearing and we will try to get
14 answers for you. Thank you.

15 JUDGE RAINEY: Thank you. Office of Trial Staff.

16 MR. SIMMS: Thank you, Your Honor. Good afternoon.
17 My name is Jonnie Simms. I'm the Chief Prosecutor in the
18 Commission's Office of Trial Staff. My office is charged with
19 representing the public interest in proceedings before the
20 Commission. I would like to take this opportunity to welcome
21 you here today. I would encourage you to testify under oath so
22 that the parties, Administrative Law judge and the Commission,
23 may use your testimony in rendering a decision in this
24 proceeding. I look forward to your testimony, and once again
25 thank you for coming out today.

1 JUDGE RAINEY: Thank you. Office of Consumer
2 Advocate.

3 MR. POPOWSKI: Thank you, Your Honor. My name is
4 Sonny Popowski. I am the Consumer Advocate of Pennsylvania. My
5 job in Harrisburg is to represent the consumers of PGW and other
6 utilities in Pennsylvania before the Public Utility Commission.
7 Our office has filed testimony objecting to PGW's request for a
8 cash reconciliation clause. We're opposing that request. But
9 the purpose of today's hearing is to hear from the people of
10 Philadelphia to see what you think. I encourage as many of you
11 as care to come forward to do that and to testify under oath.

12 I appreciate your coming here this afternoon.

13 JUDGE RAINEY: Thank you. Office of Small
14 Business advocate.

15 MR. LLOYD: Thank you, Your Honor. My name
16 is William Lloyd, and I am the Small Business Advocate of
17 Pennsylvania. My office is an agency of state government which
18 is responsible for representing small business customers before
19 the Public Utility Commission. Our office has filed expert
20 testimony in this proceeding in opposition to PGW's proposal. I
21 join my colleagues in saying that this is your opportunity to
22 testify. I look forward to hearing what you have to say about
23 what PGW is asking the Commission to approve. Thank you.

24 JUDGE RAINEY: Thank you. Action Alliance,
25 et al.

1 MS. MOSKOWITZ: My name is Laura Moskowitz, with
2 Community Legal Services. We represent three low income consumer
3 groups in this proceeding, Action Alliance of Senior Citizen,
4 Tenants Action Group and ACORN. We are opposed to the proposed
5 surcharge because we believe it's unjust and unreasonable.
6 We welcome all the public comments today. Thank you.

7 JUDGE RAINEY: Thank you. Senator Fumo, et al.

8 MR. HICKS: Thank you, Your Honor. Good
9 afternoon. My name is Renardo Hicks. I'm a lawyer in private
10 practice, but I'm a lawyer here today representing a number of
11 Philadelphia public officials. I picked up my list because I
12 don't want to miss anyone. I represent today Senator Vince
13 Fumo, Council President Anna Verna, Council members James Kenny,
14 Frank DiCicco, Michael Nutter, David Cohen, Joan Krajewski, Juan
15 Ramos and District Attorney Lynne Abraham, each of them in their
16 individual capacity as customers of PGW and in their
17 representative capacity as public officials here in the City of
18 Philadelphia. Each of them opposes PGW's request for a cash
19 receipts reconciliation clause.

20 JUDGE RAINEY: Now we're about to go into what
21 we're really here for. That is to hear your testimony. Each
22 person presenting testimony should have completed the sign-in
23 sheet as I stated earlier. Prior to giving testimony, I ask
24 that each witness provide and spell their names and provide
25 their addresses.

1 Also, each witness should state whether he or
2 she is a customer of Philadelphia Gas Works. Additionally,
3 witnesses should state the name of the organization that they
4 are representing, if any.

5 So now we will go to the list. We will start with
6 Senator Anthony Williams. Senator, may I swear you?

7 THE WITNESS: Yes.

8 ANTHONY HARDY WILLIAMS,
9 having been duly sworn, testified as follows:

10 JUDGE RAINEY: Please provide your full name and
11 address for the record.

12 THE WITNESS: My name is Anthony Hardy Williams.

13 JUDGE RAINEY: Your address?

14 THE WITNESS: 5939 Cobbs Creek Parkway,
15 Philadelphia.

16 JUDGE RAINEY: Senator Williams, who are you
17 representing here today?

18 THE WITNESS: I am representing myself as a
19 customer of PGW as well as the constituents of the Eighth
20 Senatorial District.

21 JUDGE RAINEY: Go right ahead with your
22 testimony.

23 THE WITNESS: Thank you. Good afternoon, Judge
24 Rainey. I really do appreciate the fact that you are here. One
25 who has a balanced respect of the issues and a high level of

1 integrity. Thank you for the opportunity to appear before the
2 Commission and to comment on this consolidated proceeding. As a
3 member of the Senate Energy Committee and a PGW customer for
4 virtually my entire life, I am troubled by the company's cash
5 receipts-related surcharge mechanism. I am further troubled by
6 its inability to continue as a solvent entity.

7 First, let me take a snapshot of the company.
8 According to information gathered by Standard and Poor's
9 utilities ratings team, PGW is the nation's largest municipally
10 owned gas utility, and the only local gas distributor serving
11 approximately 498,000 customers within the city limits of
12 Philadelphia. The utility has approximately \$1.0 billion in
13 total debt outstanding.

14 Over the past five years, Philadelphia's
15 population has declined by approximately 1.2 percent per year
16 on a compounded annual basis. In addition, the City's median
17 household effective buying income is only 74 percent of the
18 national average. PGW's exposure to weak markets has
19 contributed to a significant lag in the collection of
20 receivables. Nearly 60 percent of PGW's gross receivables are
21 currently more than 90 days in arrears. In 2003, bad debt
22 reserve as a percentage of gross receivables was 71.1 percent.
23 Although poor collections have plagued PGW for some time, the
24 situation seems to have worsened in the past year. In 2003,
25 PGW collected less than 87 percent of billed gas revenues.

1 The utility's historical average is 92 percent. PGW's debt per
2 customer is currently about \$2000 per customer, which is high
3 when compared to other municipal utilities.

4 Second, in an attempt to stop this hemorrhage, PGW
5 has filed this instant cash receipts-related filing. Stripped
6 to its bare essentials, the company requests, among other
7 things, permission to raise \$47 million over the next two fiscal
8 years through a surcharge of about \$80 annually for customers
9 who have a demonstrated ability to pay. I simply cannot tolerate
10 this proposal and ask that you flatly reject it.

11 While the company's proposal is creative and
12 unique, it is equally unprecedented and oppressive. Common
13 sense suggests that one of the causes of PGW's collection
14 difficulties is the rapid pace of rate increases. PGW is again
15 gouging its customers. Since 2000, the typical residential
16 customer's bill has shot up 60 percent. My constituents, and
17 Philadelphians on the whole simply cannot shoulder another
18 unreasonable rate increase.

19 My complaints are not without solutions. I
20 recognize that while PGW's problems have been festering for at
21 least the last two decades, the PUC's jurisdiction over this
22 utility is just over three years old. I hope that we're going
23 through a transition under which we will witness the
24 Commission's regulatory oversight transform this "toad" of a
25 utility into a "prince."

1 Towards that end, let me suggest the following,
2 first and most importantly, reject this filing. Two, demand
3 that this utility increase even further its collection efforts
4 aimed at identifying those deadbeat customers, i.e. those with a
5 demonstrated ability to pay that choose not to pay, such as
6 myself, a person that is gainfully employed with adequate income
7 to meet the bottom line, as opposed to those impoverished
8 customers who do not have the ability pay. In fact, demand
9 that PGW and all of our energy companies in this state such as
10 PECO Energy, engage in a concentrated statewide effort to
11 collect past-due bills from the utility deadbeats around the
12 state.

13 Three, as I stated earlier, there is a percentage
14 of customers, a significant percentage of customers, who are
15 impoverished and don't have the ability to pay. This can be
16 resolved by the state contribution I have proposed in Senate
17 Bill 968, which would make an appropriation of \$50 million to
18 DPW to supplement LIHEAP, and in legislation coupled with an
19 increase of eligible customer participation, would help to
20 assist in slowing any further decline in PGW's collection rate
21 among this category of customers.

22 I would also encourage that the PUC direct PGW to
23 engage in public policy discussions that would result in a
24 decrease in its delinquent receivables and an increase to its
25 bottom line.

1 Number four, finally, give PGW two years at most
2 to get its financial house in order (i.e., upgrade its bond
3 ratings and controlling its rate increases). If this company
4 fails to do so, the City should commence concrete steps to
5 change ownership of this company.

6 Judge Rainey, there are few judges with 20 years
7 of your depth of utility experience. I trust that your
8 experience will guide you to do the right thing. Thank you.

9 JUDGE RAINEY: Thank you, Senator.

10 Representative Evans. Representative Evans, may
11 I swear you in?

12 THE WITNESS: Yes.

13 DWIGHT EVANS,

14 *having been duly sworn, testified as follows:*

15 JUDGE RAINEY: Please provide your name and
16 address for the record.

17 THE WITNESS: My name is Dwight Evans. My address
18 is 1600 Carditia Street.

19 JUDGE RAINEY: Representative Evans, who are you
20 representing here today?

21 THE WITNESS: I am representing myself and my
22 legislative district, the 203rd Legislative District.

23 JUDGE RAINEY: Please provide your testimony.

24 THE WITNESS: Good afternoon. My name is
25 Dwight Evans. I am the elected representative for the

1 203rd Legislative District of the Pennsylvania House of
2 Representatives. Each legislative district to the House has a
3 population of just over 60,000 and the 203rd District is wholly
4 within the City of Philadelphia on the northwest side, and more
5 specifically includes the West Oak Lane, East Oak Lane, Olney
6 and Lawndale neighborhoods. I also serve as Democratic
7 Chairman of the Committee on Appropriations in the House of
8 Representatives.

9 I am here not only to testify on behalf of the
10 people I represent in the 203rd District, but also the almost
11 3,200 people who signed petitions, which I will present shortly
12 and for all the hard-working families in the City who oppose
13 being assessed the surcharge.

14 We are all here today because on March 1, 2004,
15 the Philadelphia Gas Works submitted a petition to the Public
16 Utility Commission to establish a Cash Receipts Reconciliation
17 Clause. I, as I believe many of us here do, strongly oppose
18 this petition and urge you to deny the request for an automatic
19 mechanism to increase rates to compensate PGW for poor
20 collections, which is contrary to standard practice.

21 This proposal is the wrong solution, the wrong
22 policy, and a wrong precedent in rate making, and it is simply
23 unfair to the decent, hard-working families who do everything
24 that they can to keep up with their expenses and pay their
25 bills.

1 Before I elaborate on some of my specific reasons
2 why this PGW petition ought to be summarily dismissed, I want to
3 be sure that the Commission is fully cognizant of the budgetary
4 context of the many working families who live in the City of
5 Philadelphia. This is important because it establishes some of
6 the realities of living in the City of Philadelphia and provides
7 a background that I believe the PUC must seriously consider when
8 it deliberates on the merits of this case.

9 First, I would like to review some of the
10 demographics from the 2000 Census, which was supplied to my
11 office by the Pennsylvania State Data Center. Philadelphia is
12 both a county and a city, and the City of Brotherly Love has the
13 highest percentage of people living in poverty compared to the
14 other 66 counties in the state. We have the fourth lowest
15 median family income and the seventh lowest median household
16 income in the state. The median value for all owner-occupied
17 housing units ranges near the bottom at sixtieth. These facts
18 establish that Philadelphians on an average have less available
19 financial resources than virtually any other Pennsylvanians.

20 So the demographic context is that the City of
21 Philadelphia, which has the largest population of any of the
22 counties, has one of the lowest median incomes and the highest
23 level of poverty. These are facts that we must deal with and
24 the PUC also must deal with. But I have only given you half the
25 story.

1 Working people are trying to make ends meet.
2 They're saving their pennies to keep up with the cost of
3 living. It's getting more expensive. Let's talk about renters
4 in Philadelphia as measured by the median price, pay the eleven
5 highest monthly rent. Let's talk about insurance rates in the
6 City for automobiles that are highest in the state, as is most
7 other insurance. It gets worse.

8 The citizens of Philadelphia are facing a
9 potential onslaught of price, fee and tax increases. City
10 residents are reaching deeper in their pockets to help fix city
11 and state fiscal problems as well as to pay for various other
12 price increases due to national trends. Gasoline prices have
13 never been so high. The state income tax was just raised.

14 *Research by the Committee on Health and Human*
15 *Services in Pennsylvania's House of Representatives has already*
16 *demonstrated that urban dwellers don't have the same*
17 *availability of supermarkets, limiting their choices for food*
18 *and ultimately making it more expensive for them to purchase*
19 *food compared to non-urban dwellers.*

20 The City Water Department is seeking a 43 percent
21 increase. The Community College of Philadelphia, which we're in
22 today, is talking about raising tuition 14 percent, and will be
23 charging new fees. The Mayor is seeking increases in a large
24 assortment of fees in order to close a \$227 million deficit.

25 The parking tax, they are talking about going up.

1 SEPTA is considering fare increases to close a projected \$70
2 million deficit for next year. Cultural institutions, we just
3 heard that the African American Museum is laying people off,
4 hit with cuts and subsidies will likely increase their prices.
5 The Mayor is considering delaying a planned reduction in the
6 Wage Tax.

7 Now let's look at PGW. The PUC has granted three
8 increases for the base rates since it assumed jurisdiction. It
9 approved an \$11 million increase on November 21st, 2000, another
10 \$22.6 million on December sixth, 2001 and another \$36 million on
11 April 12, 2002. So in the last four years the PUC has allowed
12 \$69.6 million more dollars into the base rates for PGW. Since
13 the year 2000, no other gas company received anything near the
14 kind of increases awarded to PGW. The next highest award was
15 \$9.3 million, which is a fourth of what was awarded to PGW in
16 2002 alone.

17 Note that I am talking specifically about the
18 distribution costs. The gas costs are another matter which are
19 attributable to national trends, but these costs have basically
20 doubled from \$226 million to \$445 million since the year 2000.
21 Now what have all of these increases done for the people of
22 Philadelphia? It has given the people of Philadelphia the
23 highest gas rates in the state. I don't mean a little bit higher
24 but a lot higher. The estimated average monthly gas bill for a
25 residential homeowner is \$146.61. This is 10.4 percent higher

1 than the next highest rate in the state, and 36.3 percent higher
2 than the lowest rate in the state.

3 On an annual basis, the average PGW residential
4 customer pays \$166.32 more than the average customer with
5 Equitable Gas, which has the second highest rate in the state.
6 And the PGW residential customer pays \$468.72 more than the
7 average customer being serviced by T.W. Phillips, which has the
8 lowest rate in the state. This is just not fair for an area
9 with less affluence.

10 As I have pointed out, Philadelphians typically
11 have less income and more people in poverty, but we're saddled
12 with the highest natural gas rates in the state. Now PGW wants
13 to put an automatic surcharge on its gas bills. I point these
14 things out to you because I want you to consider the budgetary
15 context of what PGW is proposing to do.

16 Is the PUC looking out for the little guy? How
17 much deeper can people reach into their pockets? How much more
18 can decent, honest hard-working families take? The consequence
19 of PGW's request for a Cash Receipts Reconciliation Clause is
20 very clear. It will hurt. PGW is already the most expensive
21 natural gas company in the Commonwealth of Pennsylvania. Now
22 the most expensive wants to become even more expensive, making
23 the unfavorable disparity even worse.

24 Using the estimated increases of PGW's proposal
25 from PGW's own press release, residential customers now paying

1 10.4 percent will go from 10.4 to 36.3 percent higher than the
2 rest of the state will end up paying 14.2 percent to 41.0
3 percent higher. On average, a PGW customer will be paying
4 \$226.32 to \$528.72 more for natural gas per year than any other
5 Pennsylvanians.

6 This proposal is not just bad for residential
7 customers but it is also bad for small businesses and industrial
8 customers. As my former colleague Representative Williams spoke
9 specifically on the aspect of small business, how can the City
10 compete to retain businesses and jobs in the City if its gas
11 rates exceed everybody else's? Businesses will save nearly 18
12 percent in gas costs just by moving across the city line. We
13 need to keep jobs here in the City.

14 This is another good reason to make PGW work
15 harder to keep its rates down. There is no way that this is
16 anything but a bad idea. I believe that the PGW proposal ought
17 to be summarily dismissed, the sooner the better.

18 This petition is totally unfair, unreasonable and
19 self-serving. PGW has purposely drawn the petition narrowly,
20 simply asking for the Commission to allow PGW to have an
21 automatic mechanism to increase prices if collection rates drop
22 off. It was deliberately drawn this narrowly so that the PUC
23 does not consider the larger picture of PGW operations to avoid
24 examination of ways to become more efficient or to hide any
25 efficiencies it may have realized.

1 Don't fall for this stunt. I repeat. Don't fall
2 for this self-serving stunt. The Philadelphia Gas Works has
3 been awarded \$69 million over the last four years for
4 distribution costs. I think Philadelphia Gas Works owes the
5 people an explanation as to what they have done with that
6 money. Their petition will allow PGW to do an end-run around
7 the rate-making process and squeeze even more money out of the
8 rate payers. It should be denied on this basis alone. The
9 Philadelphia Gas Works had it narrowly drawn to circumvent the
10 process.

11 If PGW still thinks it needs a rate increase then
12 let them file for a full base rate hearing so that we can look
13 at accounting of exactly what they did with the \$69.6 million
14 and examine ways that we can make Philadelphia Gas Works more
15 efficient and bring down the costs so that the Gas Works is not
16 the most expensive gas service in the state.

17 My second reason to oppose the petition is that
18 the Philadelphia Gas Works proposal increases the burden on the
19 honest, hard-working families while allowing deadbeats off the
20 hook. I understand that there will always be a segment of the
21 population who are unable to pay their bills. But this is a
22 fact that has been established and the current rate structure
23 accounts for this. There is public assistance money available
24 to help out people who are truly in need. Put simply, PGW needs
25 to do a better job at going after the deadbeats.

1 Linking to my last point, the focus should not
2 just be on whether the uncollectible costs have gone up but what
3 other ways PGW can find efficiencies within its operations to
4 pay for this.

5 The Gas Works is arguing, of course, that the
6 increase in commodity costs of natural gas is making it more
7 difficult for people to pay off their bills. I understand
8 this. I don't doubt it. But the solution to make the monthly
9 bills more expensive is not the answer either. Are we not
10 rewarding those who find a way not to pay their bills? The gas
11 petition is an absurd solution. It provides the company with no
12 market incentive to do a better job at collections, making it
13 easier for people who have the means to pay their bills to
14 "game" the system and avoid payments.

15 My third and final reason is that granting this
16 request would be unprecedented for Pennsylvania. No other
17 utility has an automatic mechanism to raise its rate if
18 collections drop off. They all must come before the PUC as a
19 part of their base rates. Why should it be any different for
20 the Philadelphia Gas Works? The Philadelphia Gas Works should
21 follow the same rules as everyone else. If the PUC grants this
22 petition, it will not just be the people of Philadelphia who
23 will suffer, but there is a new, bad legal rate-making precedent
24 that will be established and every other utility will come
25 before the PUC asking for the same sickening sweet deal.

1 Every other Pennsylvanian can look forward to
2 automatic rate increases if the PUC sides with the Gas Works.
3 How about PECO, they could come next. You see, establishing
4 this as a precedent means that others will follow and you could
5 have a cascading effect from the other utilities. If you grant
6 the Gas Works this petition, how can you reasonably deny the
7 same deal to other utilities? This petition is a bad idea.
8 It's bad public policy. It's wrong.

9 I know that the Consumer Advocate and the Small
10 Business Advocate have submitted technical testimony. I support
11 their efforts wholeheartedly to defeat this petition.

12 But let me just summarize my point by saying that
13 in these tight economic times we're all learning to do more with
14 less. The Gas Works should not be except from this. To state
15 my position more strongly, I do not believe that the Gas Works
16 has been working hard enough to keep their rates down.

17 As I have already illustrated, the Gas Works has
18 the highest rate in the state. They should be working harder
19 and longer to do a better job at delivering natural gas to its
20 customers in Philadelphia at a cheaper price. This petition
21 undermines any market incentives for them to work harder and
22 longer. It just allows them to be lazy and pass the costs of
23 their laziness as surcharges onto their customers.

24 I have with me some attachments backing up some of
25 the statistics I used in my testimony. I am submitting them

1 along with this testimony.

2 In conclusion, we have circulated petitions to
3 rate payers who oppose the gas proposal. We have collected
4 3,200 signatures. And I now submit them to you to become part
5 of the official record. On behalf of the people who signed
6 these petitions and the citizens of the 203rd Legislative
7 District in Northwest Philadelphia, and all the hard-working
8 families in Philadelphia, I request that you deny this
9 petition.

10 As you can see behind me, these are some of the
11 statistical information that has basically been laid out in
12 terms of the counties, the demographics, exactly where we are
13 today. I think if the PUC honors this request you will send the
14 wrong message to the hard-working families of this state.
15 Thank you.

16 JUDGE RAINEY: Thank you, Representative.
17 Representative Babette Josephs.

18 THE WITNESS: Thank you.

19 JUDGE RAINEY: Representative Josephs, may I swear
20 you?

21 THE WITNESS: Certainly.

22 BABETTE JOSEPHS,
23 having been duly sworn, testified as follows:

24 JUDGE RAINEY: Please provide your name and
25 address for the record.

1 THE WITNESS: My name is Babette, B-A-B-E-T-T-E,
2 Josephs. J-O-S-E-P-H-S. I'm at 1528 Walnut Street in
3 Philadelphia.

4 JUDGE RAINEY: Representative Josephs, who are you
5 representing here today?

6 THE WITNESS: I represent the people of the 182nd
7 District, which is the district in which we all sit today. So
8 welcome everybody. It also includes Center City, south of South
9 Street, South Philadelphia, wholly, as with Representative
10 Evans, within the City of Philadelphia. So I represent the
11 people who have elected me. And I also represent all of the
12 people in Philadelphia who pay their bills and who are now going
13 to be subjected to a surcharge because of their good behavior.

14 JUDGE RAINEY: Representative, go right ahead with
15 your testimony.

16 THE WITNESS: Thank you. I won't repeat all of
17 the technical information, the statistics that both of my
18 esteemed colleagues presented to you. I think that's a very
19 complete record. But I would like to make a couple of or
20 reiterate a couple of points. I believe that this is a very bad
21 precedent for the PUC to start. I believe that Representative
22 Evans and Senator Williams are correct that every utility will
23 ask for the same kind of situation for the same kind of
24 permission and that the basic statute, which allows for
25 public participation and the process will be circumvented,

1 because this is not the kind of a full, the full kind of hearing
2 that one should have when one is changing one's base rate.
3 That's what I believe we should be doing here.

4 I also believe that it's not fair to the people who
5 pay their bills. My district is very often characterized as
6 being very affluent. To some extent it is. But there are many
7 people in my district who will suffer because they will not be
8 able to pay these bills with the surcharge. They are struggling
9 already.

10 Last I guess, this point has not been made. I
11 understand that about half of PGW's 500,000 customers are not
12 paying, either because they can't or because they won't. I
13 believe that if this surcharge is added to everybody's bill, we
14 will have more than half of PGW's customers who can't pay and
15 the problem which they seek to solve is going to be, only be
16 exacerbated. Thank you.

17 JUDGE RAINEY: Thank you, Representative Josephs.
18 Mattie Bridges. Let me swear you in.

19 MATTIE BRIDGES,

20 having been duly sworn, testified as follows:

21 JUDGE RAINEY: Please provide your full name and
22 address for the record.

23 THE WITNESS: My name is Mattie Bridges. I live at
24 731 Stenton Avenue, Philadelphia, PA 19138.

25 JUDGE RAINEY: Ms. Bridges, are you a PGW customer?

1 THE WITNESS: Yes, I am.

2 JUDGE RAINEY: Go ahead with your testimony.

3 THE WITNESS: My reason I'm here today, because
4 I'm very disturbed on what they're asking us to do. I say us
5 because I'm speaking on behalf of all of the other people who
6 pay the gas bill. I'm a retired person. I have been out for
7 ten years. I've had a cost of living once since ten years I
8 have been retired. They tell me my income is too much. I get
9 no help from nobody. I'm a diabetic and insulin dependent.
10 I don't see how in the world, that how I can give anything to
11 anybody that I don't have. The insurance stopped paying. So I
12 have to pay for my medicine. I have to buy it all myself.

13 Don't feel sorry for me. I worked in the City 36
14 years and I retired. I went to work every day that I had to go.
15 And I thank God that I could go, that I wasn't sick I could go.
16 I met the retirement age. Everything that I go to ask for it's
17 a block. Your income is too much. I don't know what they
18 think. But I know I have to join the people who are not paying
19 if I'm forced to give them anything.

20 Judge, you asked me to tell the truth. That's
21 what I'm doing standing here. I don't know how nobody is going
22 to make it, because everybody is on low income. People are
23 scuffling, because everything goes up. My insurance doesn't pay
24 medical bills. Everybody knows what Medicare does who is on
25 Medicare.

1 I know I'm not the oldest one in here but I'm not
2 the youngest one either. I want to say to the people and to the
3 gas company especially, it don't make sense. It's not right.
4 Where do you all think that people in this city -- you know
5 there are a lot of poor people and it will always be poor people
6 among us. I'm one of them. I do the best that I can. I can't,
7 I will not if you force me to do it I'm telling you in plain
8 English, that I will have to turn like the other people. It
9 don't make sense. It just don't make sense. Everything that I
10 go to apply your income is too much. I don't get LIHEAP. I
11 know not to even apply because they block you for the amount
12 that your income is. I live alone. All of my bills are mine.
13 Everybody is going up. It don't make sense. Taxes went up this
14 year. I want my house, the reason I started buying it in 1979.

15 But it goes, it just goes. But God is going to
16 have to help us because you all are not doing it. Thank you for
17 your time.

18 JUDGE RAINEY: Thank you. Mary Winston.
19 Ms. Winston, let me swear you in.

20 MARY WINSTON,
21 having been duly sworn, testified as follows:

22 JUDGE RAINEY: Please provide your full name and
23 address for the record.

24 THE WITNESS: Mary Winston. 851 East Locust
25 Avenue, Philadelphia 19138.

1 JUDGE RAINEY: Ms. Winston, are you a PGW
2 customer?

3 THE WITNESS: Yes.

4 JUDGE RAINEY: Go ahead with your testimony.

5 THE WITNESS: I'm here today, because the
6 surcharge they're trying to put on us is ridiculous. I'm 86
7 years old. I live by myself. I have a house, and everything in
8 it is going up. My insurance is going up. My medicine is going
9 up. Everything is going up. I pay my bills. I cut out a lot
10 of things. I would like to have lobster and steak. But you
11 have to cut down on it to do your bills. I like to travel but I
12 have to stop that. I'm 86 years old. I should be enjoying
13 life. But I can't do it. My budget is \$166 a month for my
14 gas. I don't understand why they keep going up.

15 They sent me a bill back in December, January, pay
16 nothing. But I said I'm going to pay something because I know
17 I'm using gas. I got a \$234 credit. Initially when I called
18 and asked them they told me I owe \$585. They said what happened
19 to the credit, when you pay over your budget you lose that money
20 \$234. Now I would like to know where it went. I wish someone
21 could tell me. All I can say, you're killing people by not
22 letting them live. I am one of the people that you're killing.

23 Thank you.

24 JUDGE RAINEY: Thank you, ma'am. Myra Humphrey.
25 Ms. Humphrey, let me swear you in.

1 MYRA HUMPHREY,
2 having been duly sworn, testified as follows:

3 JUDGE RAINEY: Please provide your full name for
4 the record and also your address.

5 THE WITNESS: My name is Myra Humphrey. I live at
6 405 Argus Street, Philadelphia, PA 19126.

7 JUDGE RAINEY: Ms. Humphrey, are you a PGW
8 customer?

9 THE WITNESS: I am a PGW customer.

10 JUDGE RAINEY: Go ahead with your testimony.

11 THE WITNESS: I am here on behalf of myself and
12 most of the senior citizens. I try to pay my bill every
13 month. But I'm getting a fixed income. It's not much but I
14 have a house. I try to do the best that I can in every way.
15 I pay my bill. Everything is raising, all the taxes, everything
16 and all of the food, everything has risen. I try my best to
17 keep my house in order because I don't want my house, the value
18 of my house, to go down. I live in a good area and I would not
19 like it to go down.

20 So my little income that I get it can't afford to
21 take care of me and my house, and now PGW's trying to raise the
22 gas more and more. The year before last they raise it. This
23 year they keep sending me bills. Every month for winter my
24 bills was \$217. There is no way in the world that I could have
25 burned 200 and something dollars every month.

1 I went down to PGW to apply for LIHEAP. I apply
2 and they reject me. So I went back and I tell them that the
3 bill is too high. I can't pay the bill. They put me on a fixed
4 budget. And I really don't want to pay that bill every month
5 because it's only a few months you use gas. I can't take the
6 heat. I put down my gas very low, when I go to sleep I turn it
7 off. I can't see why that I have to be paying these bills all
8 the time.

9 I'm very sorry to say I'm a senior citizen. I'm
10 not working. I don't have nobody to give me nothing. They're
11 raising these things all the time, what they expect us to do,
12 get, sell out, get out from Philadelphia. I love Philadelphia.
13 I don't want to sell and get out of Philadelphia. I would like
14 to stay here but I would like them not to raise these bills.

15 I would like them to stable these bills and let
16 senior citizens and everybody try to have a happy life and live
17 until the rest of the days until the Lord call us home. Thank
18 you.

19 JUDGE RAINEY: Thank you. Reverend Bruce
20 Edwards. Reverend, may I swear you in?

21 THE WITNESS: Yes, you may.

22 BRUCE EDWARDS,

23 having been duly sworn, testified as follows:

24 JUDGE RAINEY: Please provide your full name and
25 address for the record.

1 THE WITNESS: Bruce M. Edwards, 5517 Winsor Avenue.

2 JUDGE RAINEY: Reverend Edwards, who are you
3 appearing on behalf of?

4 THE WITNESS: Here on behalf of the 212 member
5 organizations that are part of the Urban Leadership Council.

6 JUDGE RAINEY: Go ahead.

7 THE WITNESS: I'm pleased to have an opportunity
8 to appear before you today, which is probably not the
9 culmination of a long series of testimonies the Urban Leadership
10 Council has been given since 2000. Since March eight of 2001,
11 when I first spoke to members of Philadelphia City Council
12 addressing the issue of massive customer base rate increases as
13 well as gas cost increases that had been sought by PGW and
14 granted by the PUC the ULC has been involved in this issue.

15 Our cause for alarm in 2001 centered on the fact
16 that PGW had sought and received two increases to its customer
17 base rate and a huge increase to its gas cost rate and was
18 poised to go back to the PUC requesting additional increases.

19 In fact, PGW, the Philadelphia Facilities
20 Management Corporation, which is PGW's temporary management
21 company, and the City of Philadelphia itself, went to the
22 Commonwealth Court to appeal the PUC's decision to grant only
23 an eleven million dollar increase of a requested \$172 million
24 customer base rate increase. If PGW hadn't requested and hadn't
25 received any additional base rate increases it had already been

1 granted a total of \$76 million.

2 Now the representative's math and my math may be
3 different, because our calations for that period PGW had already
4 received \$76 million, increasing the customer base rate by more
5 than 50 percent over the 1999 rates. Communicating with the
6 Mayor, the PUC itself, state elected officials, State Consumer
7 Advocate, Members of our City Council addressing the issue of
8 PGW management and operations became the focus of the ULC's
9 public policy advocacy agenda for all of 2000, 2001, and part
10 of 2003, 2002. Here we are again in 2004.

11 Many in the City might recall just how strident
12 our advocacy was. In 2001 we gathered a group of members and
13 marched from 12th and Chestnut Streets all the way up Broad
14 Street to PGW'S headquarters with signs and banners and screamed
15 and hollered and protested and burned gas bills. You might
16 recall seeing that on the news.

17 Many in the City might recall our efforts to
18 dramatize the problems of PGW that just seemingly won't go
19 away. Again we came back to City Hall and burned gas bills
20 again. We started a petition drive that collected 12,000 names.
21 We tried to sue PGW but then something cut off our lawsuit. The
22 PUC took it over. They took over tariffs and rates, and then we
23 learned you can't sue a regulatory agency. So you blocked us
24 from suing this company that belongs to the people.

25 For the burden that you have placed on the people

1 -- I'm going to preach in a minute, because that's what I came
2 here to do. You have placed a burden on the people. You already
3 know because these are your facts and statistics that half of
4 your 500,000 customers can't pay the bill. You have told us
5 that they are the poor folk. That's what you have said.

6 Now what you have also said to us is that it's the
7 poor folks fault that you folks are in a billion dollars worth
8 of debt. Well I come to tell you that it's a damnable lie. I'm
9 paraphrasing my text here, because I can't read the text no
10 more. I have to tell it like it is.

11 You people know for more than three decades you
12 have hoodwinked the public. You have mismanaged our company.
13 You have ripped it off, and some of you folks have even gone to
14 jail for doing it.

15 2003, after the PUC took it over to regulate this
16 entity, there were some hearings held to assess how the company
17 was doing, State Representative, Speaker of the House Perzel
18 testified. Judiciary hearings were held up in the Northeast.
19 Even at that assessment, where PGW was supposed to give an
20 accountability of itself, you were weighed in the balance and
21 unwanted as it reads in the Scripture.

22 You still had not gotten it right. Your bill
23 collection system is just now getting right, the computer system
24 that you put in that cost us two million dollars. If I called
25 you right now and asked you to go back four years and check out

1 my bill you would give me a false reading.

2 Did you see these old senior citizens? You
3 ought to be ashamed of yourself for having our mothers and
4 grandmothers come down here to fuss at you. They've already
5 paid their fair share. And now the people that have paid their
6 share you have the audacity to tell them you will double charge
7 them for some bums that won't pay you. You ought to be run out
8 of town.

9 I went to the Mayor, and his own budget that the
10 Mayor said that you guys were doing all right. Well the Mayor
11 is a liar, because you're not doing all right. A billion
12 dollars -- it's our company, a billion dollars of the people's
13 money, and you can collect more money than what you're
14 collecting.

15 But you need to fix, you need to cut out stupid
16 agreements that you make. Let me give you an example. If I owe
17 you already \$2,500 and you send me a regular bill for \$250, and
18 come to make agreement you say well you pay \$50 on the \$25 that
19 you owe, and then the regular bill of 250, how the hell am I
20 going to pay that when I'm not paying you what I owed already.
21 It's absolute stupidity. You keep on doing it. Why don't you
22 sit the person down and do a means test. Some money is better
23 than none. Why don't you let them make a deal with you that
24 they can hold up to even if it's ten dollars. It's more than
25 what you're getting now.

1 You can't think no better than us supposed to be
2 the stupid people. You're supposed to be smart folks. Your
3 boss, Mr. Knudsen, said the surcharge was his idea. God knows
4 he ought to be fired. I would never own up to doing anything
5 that stupid. He had the audacity to own up to the fact that
6 this was his thinking. If this is the boss no wonder we're in
7 trouble. I will stop in a minute.

8 Now I'm telling you don't do this to the people.
9 They're bearing the burdens. Get your act together. Get an
10 agreement situation that the folks that aren't paying you can
11 keep. If they don't pay them zap them. But you're hurting them
12 because you already know they can't pay what you're asking them
13 to pay. That makes no sense. That makes no sense.

14 In my conclusion, I'm obviously against what
15 you're trying to do. In my conclusion, I hope when you return
16 to your office, you lawyers and sit down with those who you
17 represent, that you let them know this is our company. It
18 belongs to the citizens of Philadelphia. We want our company's
19 business straightened out. This company used to make money for
20 its citizens, what happened to it? What happened to the
21 dividends that are supposed to come back to the City?

22 Now you have bankrupt the people's company and are
23 trying to get them to dig you out of the mess you got yourself
24 in. I pray to God that you take the burden off of our mothers
25 and grandmothers. I'm crying because I can't believe that these

1 old women had to come down here and tell you what I heard here
2 this day. It's unconscionable that we should have to witness --
3 and I never want to see it again, and I will fight to my last
4 breath before I have to see another old woman come down here to
5 fight with you people.

6 Where are the other preachers at? They should be
7 down here, too. I didn't read my testimony. I hope I can
8 submit it. You can take it home. And I do speak rather
9 intelligently sometimes.

10 JUDGE RAINEY: You may submit your testimony,
11 Reverend.

12 THE WITNESS: Thank you for listening.

13 JUDGE RAINEY: Anna Jackson. Ms. Jackson, let me
14 swear you in.

15 ANNA JACKSON,

16 having been duly sworn, testified as follows:

17 JUDGE RAINEY: Please provide your full name and
18 address for the record.

19 THE WITNESS: Anna M. Jackson, 7132 Limekiln Pike,
20 Philadelphia, PA 19138.

21 JUDGE RAINEY: Ms. Jackson, are you a PGW customer?

22 THE WITNESS: Yes, I am.

23 JUDGE RAINEY: Please go ahead with your testimony.

24 THE WITNESS: I would like to ask you all to get
25 your hands out of my pocket and stop putting our money in your

1 pockets again and make the people pay for their bills. I only
2 use your service for cooking. I don't use it that often because
3 I have electric and most of the time I use it. I have oil heat.

4 Every month I used to get a bill saying thank you
5 for paying your bill on time. I don't get it anymore. I guess
6 you don't thank me anymore. I want you to make the people pay.
7 If they don't pay, cut them off.

8 I went to the Gas Commission in the 70's. They
9 told me that it was cheaper not to do anything because I asked
10 them to dig up the street. You always threaten to dig up the
11 street and to turn the gas off. That's what you should do.
12 Please get your hands out of my pocket.

13 I'm on Medicare. I'm trying to find a way to get
14 my medicine. Yesterday I took an application to one of my
15 doctor's office to try to get my medication. I can't pay for my
16 medicine because you have me paying for someone else's bill.

17 I don't appreciate it. I would like for you to go
18 ahead and give me money to help me pay for medication. Because
19 I can't afford it. I can give you the names of them, some are
20 like one \$176 a month. I can't get Patient Assistance Program.
21 I can't even get that. So I would like for you to start paying
22 for my medicine. I will continue to pay for deadbeats gas. The
23 gas is less than my medicine. Thank you.

24 JUDGE RAINEY: Thank you. Mary Carroll. Let me
25 swear you in.

1 MARY CARROLL,
2 having been duly sworn, testified as follows:

3 JUDGE RAINEY: Please provide your full name, and
4 I will ask you to spell your last name and provide your address
5 for the record.

6 THE WITNESS: Mary Carroll, C-A-R-R-O-L-L, 1218
7 East Kleivan Street, 19119.

8 JUDGE RAINEY: Ms. Carroll, are you a PGW
9 customer?

10 THE WITNESS: Yes.

11 JUDGE RAINEY: Go ahead with your testimony.

12 THE WITNESS: I want to know why would you punish
13 people who pay their bills? To me it's ludicrous. Something
14 has to be wrong, people sitting at the office, you need to fire
15 all of them to come up with such an idea. I would like to do a
16 lot of things. I live by myself. I am a widow. I live in a
17 twin. My heat is cut so low I have to wear a sweatshirt every
18 day to keep my heat down. I make too much to get any help. I
19 sacrifice to pay my bill.

20 If you're going to pay other people's bill, why
21 should I suffer and pay mine. I should go join the crew. You
22 need to check out the ones who decide they won't pay. Whoever
23 came up with this, you need to fire him, he don't need that job
24 at all for him to say I'm supposed to pay -- a lot of people
25 can't pay their bills. A lot of people can't pay the bills.

1 They're not paying it because the gas company didn't do the
2 job. Cut the gas off, the ones who don't pay the gas bill.

3 I don't have the money to pay mine, but I was
4 taught to pay my bills. I do without other things. They don't
5 pay because you don't make them pay it and you're hurting the
6 other people who pay their bills.

7 You're over me and you don't have more sense than
8 that. When I heard this on the news I couldn't believe we're
9 paying your salary and you're telling me some crap like this. I
10 don't understand it. I have my letter from Harrisburg because I
11 called, I want to call everybody and see if I'm the only one
12 stupid for them to do this to me. I'm paying for their salary.
13 If I was in charge I would fire everybody and get a brand new
14 crew.

15 JUDGE RAINEY: Thank you. Robert Wing, Jr.
16 Mr. Wing, may I swear you in?

17 THE WITNESS: Yes, you may.

18 ROBERT WING,
19 having been duly sworn, testified as follows:

20 JUDGE RAINEY: Please provide your full name for
21 the record.

22 THE WITNESS: Robert Wing Jr., 6847 Ogontz Avenue,
23 19138.

24 JUDGE RAINEY: Mr. Wing, are you a PGW customer?

25 THE WITNESS: Yes.

1 JUDGE RAINEY: Please go ahead with your
2 testimony.

3 THE WITNESS: To Honorable Presiding Judge Charles
4 E. Rainey, Jr. and the other members of the Commission, I thank
5 you for the opportunity to address you today in regard to the
6 proposed gas costs rate increase for PGW. I will be brief in my
7 statement today. I'm 43 years old. I have lived in this city
8 all of my life. While others have moved from this city due to
9 economic and social decay I decided to remain and work towards
10 change in the city. I believe that this city can be one of
11 America's greatest cities if we all work together at it.

12 Since 1987 when I purchased my first home I have
13 been amazed and greatly troubled at increase of utility bills
14 but specifically PGW. PGW has been steadily requesting rate
15 increases over the years. The payments have increased but not
16 the quality of the service. There have been no clear written or
17 verbal explanations to explain why their customers monthly bills
18 reflect a mortgage payment.

19 On the bills under category of supply there are
20 two commodities charges listed. Why? Under the delivery there
21 are two distribution and gas cost adjustment charges. Again, I
22 ask the question why? Why does it appear that PGW is making it
23 customer pay two or three times more than we should have to.

24 I have heard rumors that we're paying these high
25 bills on behalf of those who are not paying their bills already,

1 those who are delinquent because of hardships and those who
2 choose not to pay their bills. For those who have legitimate
3 hardships I would hope PGW would work with those individuals and
4 recover funds from them. For those who choose to be delinquent
5 I would hope PGW would turn the gas off, and seek whatever legal
6 options necessary to recover these funds.

7 However, the other customers who are paying their
8 bills every month should not be forced to bear the weight of
9 PGW's collection problems. I'm concerned today that PGW has
10 continually had its hand out to customers in asking for money.
11 I'm convinced that customers are paying above their fair share
12 to them.

13 I am presently engaged in a dispute with PGW
14 concerning a problem that we had with our meter when we moved
15 into our property on Ogontz Avenue about five years ago. The
16 meter that was tested and found defective because of this, and
17 since it was installed the day after we moved into property I
18 believe it has been producing inaccurate readings from the date
19 that it has been installed.

20 As you will see from Exhibit One my meter was 4.5
21 fast outside the allowable two percent range. Who knows how
22 many customers have been or are being overcharged with their
23 bills. And I personally believe that PGW instead of raising
24 their rate should be decreasing customers bills to adjust for
25 the possibility of inaccurate meters.

1 By the way I would like to know why is it okay for
2 a meter to be two percent fast? Why can't it be accurate? The
3 customers of the City haven't had the opportunity to review
4 PGW's budget and review how PGW is spending our money from the
5 president down to the gas worker in the street. Any customer
6 with financial wisdom knows that they need to have a budget, if
7 they are going to be financially responsible in managing their
8 homes.

9 However, in my humble opinion it appears PGW does
10 not operate under a budget. I haven't heard of any cost saving
11 measures that they have implemented in order to relieve the
12 burden that they have placed on their customers. To the best of
13 my knowledge PGW has not issued a comparison statement showing
14 how their rate compares to other companies in the state and
15 along the East Coast.

16 I have unfortunately had the opportunity on
17 numerous occasions to speak to individuals in PGW's Service
18 Department to schedule service or ask what I thought was an easy
19 question and ended up spending more time on a phone call than
20 necessary.

21 If you see Exhibit Two, you will see a recent bill
22 I received and questions from PGW. I questioned why my budget
23 payment in the amount of \$200 wasn't on my bill but reflected a
24 total of \$700. The person that I spoke with said he had no
25 record on the system of the amount that was shown on my bill.

1 So, If I didn't question the amount that was on my
2 bill and sent what I was billed, I would have been over paying
3 on my account. The gentleman confirmed my current balance on my
4 account, which was seen on page two was only \$469. So why did I
5 receive a bill for over \$700? This is just one of many calls
6 that I have made to PGW.

7 Everytime I call I pray I will find someone who
8 knows what they're talking about. If I should call back and get
9 someone else, then I might get a totally different answer. I
10 have also spoken with people whose attitude on the phone has
11 said my call was disturbing them and preferred that I would hang
12 up as soon as possible.

13 I have seen some gas technicians on the street
14 who did not appear to be on a service call. They had their
15 trucks pulled over on the side of the street and they were
16 asleep. I will give them the benefit of the doubt that maybe
17 some of them were on their lunch break. But when our bills keep
18 on increasing, these types of situation are very troubling to
19 me.

20 Other companies send out a questionnaire asking
21 their customers for opinions of how that company's customer
22 service is, which is with a phone call or service call. It's my
23 opinion that PGW doesn't care about what the customers think in
24 this city. All they want is more than their fair share of the
25 customer's paycheck.

1 I have taken time off from work today to come
2 speak to this Commission because it's very important to me that
3 PGW's request be denied. The customers of this city have had
4 their pockets picked by this company for too many years. It's
5 time that PGW explain how they're using the funds that we the
6 customers are paying. If it's found that they can't explain or
7 justify to the people in clear English, who pay their salaries,
8 why increases are needed, I'm asking the Commission this day to
9 deny the request.

10 And I would also like to request that PGW be
11 investigated for mismanagement of funds that they're receiving
12 that would cause them to consistently keep coming back to their
13 customers with rate increases. If they can't manage their funds
14 let them go out of business and allow someone else to take over
15 who will operate the company in a more profitable way. Someone
16 who will service the customers of the city instead of stealing
17 their hard earned money from them. I thank you for your time.

18 JUDGE RAINEY: We will take a five-minute recess.

19 (Whereupon, a brief recess was taken.)

20 JUDGE RAINEY: Why don't we get started again.

21 The next person I have on the list to testify is Veronica Lumi.
22 May I swear you in?

23 THE WITNESS: Yes.

24 VERONICA LUMI,

25 having been duly sworn, testified as follows:

1 JUDGE RAINEY: Please provide your full name,
2 spelling your last name for the court reporter and also provide
3 your address for the record.

4 THE WITNESS: Veronica L. L-U-M-I, my address,
5 1923 South Sardine, Philadelphia 19148. Yes, I am a PGW
6 customer.

7 JUDGE RAINEY: Go ahead with your testimony.

8 THE WITNESS: I would like to say I believe that
9 the charge they want to impose on people who pay their bills is
10 outrageous. We shouldn't have to pay for people who don't pay.
11 They need to come up with a better system. If people don't want
12 pay, they should shut off their gas. If it's not free for us it
13 shouldn't be free for everybody else.

14 I would ask that you deny the request for the
15 surcharge. Thank you.

16 JUDGE RAINEY: Thank you. James Royal. May I
17 swear you in?

18 THE WITNESS: Yes.

19 JAMES ROYAL,
20 having been affirmed, testified as follows:

21 JUDGE RAINEY: Please provide your full name and
22 address and state whether you are a customer of PGW?

23 THE WITNESS: James H. Royal, 3121 Norris Street,
24 Philadelphia 19121. I am a PGW customer.

25 JUDGE RAINEY: Please provide your testimony.

1 THE WITNESS: Thank you for allowing me to give
2 testimony. Of all of the information that you received earlier
3 and we agree wholeheartedly with it, but we would like to give a
4 different perspective simply because of where we are. I think
5 the representative said that PGW is the largest publicly owned
6 utility in the country. Also, with the things that are going
7 the way that they are, talking about global warming, we believe
8 that PGW should be sold, it should be sold to either consumer
9 stock ownership or employee stock ownership. It should be
10 switched from fossil fuel to hydrogen fuel so it could lower the
11 cost of production, for cleaner air, and then with that it will
12 be a reduction in the cost to users and also the employee and/or
13 consumer stock ownership can get dividends from this utility.

14 The fact that it's a billion dollars in debt does
15 not mean a thing. It's been running like that right along. If
16 restructuring has to be done, it will be done in favor of the
17 consumer and not in favor of whoever is carrying the debt.

18 We have to be clear about what is going on. It's
19 not only the utility right now, it's the atmosphere in which we
20 live, global warming. They have been talking about for years.
21 It's starting to become a reality. While we're lowering the
22 bill and while making it possible for people to pay we need to
23 operate this utility in a different way that would really
24 benefit the consumer.

25 The fact that they had a grand jury investigating

1 millions of dollars that were written off, and the fact that the
2 PUC came in and the fact that City Council and everybody tried
3 to sue them, could not sue nobody. You can't have a utility
4 this big operating and everybody's hands are clean.

5 Someone has to be able to be responsible for the
6 product that they're putting out. And as far as bad management,
7 I'm not only blaming this management people, they're not the
8 only ones. There have been others. In the good old days when
9 your bills were only five or six dollars, steal a little here,
10 steal a little there, take a little trip there, it was okay. I
11 remember two or \$300, our bills are bigger than that.

12 When we testified at Representative Perzel's
13 hearing, he let the gas company testify and they painted a rosy
14 picture, that everything was just fine, and then they left.
15 Then afterwards when the consumers got up and told a different
16 story, what they were saying that the gas company in essence,
17 needs to get it together.

18 The bottom line, we need change, and we're saying
19 to this utility, we're saying it to Your Honor, we're saying
20 this to PUC, saying to all of the people who oppose the rate
21 increase, oppose it all you want, the bottom line if they don't
22 get a rate increase we got one because we have to pay the old
23 bill. Summertime is coming and by the time you get finished
24 paying it, it will be cold again.

25 Then the fossil fuels are going to go up, and

1 you know because of Iraq will go up. The politicians are
2 playing games with our lives. If you vote for me I will give
3 you gas free. It's a lie.

4 My father told me to pay my bills. I'm one of the
5 few people, I said put a lock on it. After a while they said,
6 five or six years later, there is a state law if your gas went
7 off for so many years we need to come out and cut it off in the
8 street. I said cut it off, because if I'm not going to pay for
9 it, I'm not going to steal it.

10 Some of these young mothers, they got kids, and
11 even some young fathers, and I'm saying to you the way you're
12 doing business has to change. It has to start changing right
13 now. I am going to Representative Evans and all the other
14 guys on the Hill and start talking about how to change things,
15 because the way that you operate now is not going to change
16 anything.

17 The first time I was in this, it was 20 years
18 ago, I went over to the gas company, why don't you want to pay
19 \$200. I said we have been using gas for five years, I had all
20 the bills, all the bills for five years added together wasn't
21 \$200. I have a \$200 bill, I'm not paying it. They said we will
22 agree with you. We will let some of this bill slide, and you
23 will pay this as long as you don't put it in the Consumer Voice.
24 But I'm a champion of the people. I said I'm putting it in the
25 Consumer Voice.

1 And you know, here I am a few years later now
2 you're going to go out and ask for it for people to pay more
3 because other folks are not paying. There are people who can't
4 pay. There is other information that you will receive that the
5 Gas Works needs to know and also all of these polititians.

6 Because we're going to change this system because
7 there is no use of us coming down and wasting your time and ours
8 when we could have a better system so everybody could be home
9 and happy and trying to pay their bills. God bless you.

10 JASPER JONES,

11 having been duly sworn, testified as follows:

12 JUDGE RAINEY: Please provide your full name and
13 address and state whether you are a PGW customer.

14 THE WITNESS: Jasper Jones, P.O. Box 47227,
15 Philadelphia. I'm a customer with PGW. I'm here to say that
16 it's costing me so much money. I can't pay it. My testimony is
17 in support of Mr. Royal's testimony. If the PUC is now managing
18 the Philadelphia Gas Works it needs to be operated as an energy
19 company. Strategic management plans need to be put in place as
20 part of a legal process that look at alternative technologies
21 that are available so it could be run not as a gas company that
22 sticks it to us but as an asset of the community to lower the
23 energy costs so that we could come out of the depression that
24 Philadelphia County is in. I was born here. We went from coal
25 to oil and now to gas because it was cheaper to go to gas.

1 Now the gas company officials have lost their
2 ability to manage. They still think we're in the last century.
3 This is a century where we have an issue of global warming. If
4 we are going to recover and bring industry back to Philadelphia,
5 things are going to have to change.

6 Philadelphia is blessed with an abundance of water
7 supply, and we need technology that could mix and create
8 hydrogen, then mix it with natural gas and use the existing
9 infrastructure to lower the cost of fuel. Notice I didn't say
10 gas but fuel. It's an energy company not a gas company. We
11 consume energy for heat and other things.

12 The people that are managing this City and the Gas
13 Works have lost that concept. That's why we as citizens who own
14 the gas company, it's our company, we need to put pressure on
15 them to come into this century and not function like last
16 century. We need a company that serves the ordinary needs of
17 people in the County of Philadelphia.

18 Philadelphia County was once one of the richest
19 agricultural counties in America, and was once one of the
20 richest manufacturing counties in America. We had water and
21 good soil when it was an agricultural county. Because we had
22 iron and coal which made energy and certain things cheap to do
23 it here it became a manufacturing power house.

24 If we're going to come back we have to use what we
25 have now at the universities who have people who know how to

1 apply new technology for energy production at lower costs that
2 will bring us back.

3 Thank you for your time, Your Honor, and to the
4 rest of the Commissioners and the people.

5 JUDGE RAINEY: Thank you. Rudolph Tolbert.

6 THE WITNESS: Yes.

7 JUDGE RAINEY: May I swear you in?

8 THE WITNESS: Yes.

9 RUDOLPH TOLBERT,

10 having been duly sworn, testified as follows:

11 JUDGE RAINEY: Please provide your name and
12 address and state whether you are a PGW customer and state who
13 you are representing here today?

14 THE WITNESS: My name is Rudolph Tolbert. My
15 address is 1924 Arch Street, Philadelphia 19103. We're a
16 customer of PGW organizationally and I'm one personally. I'm
17 representing the Energy Coordinating Agencies and its director
18 Liz Robinson. We tried to testify last night but it was a
19 little difficult.

20 JUDGE RAINEY: Thank you for coming today and
21 welcome. Go ahead with your testimony.

22 THE WITNESS: The ECA is a quasi-public nonprofit
23 dedicated to effectively addressing energy problems of low and
24 moderate income people. We work closely with a network of 10
25 energy centers, who provide services to about 30,000 people

1 each year in an area of energy conservation, bill payment
2 assistance and education. One of the programs we provide is
3 PGW's Conservation Works Program, which has been independently
4 evaluated as one of the most effective conservation programs in
5 the country. It's extremely cost effective and reduces the same
6 uncollectable problems that we're dealing with here today.

7 PGW is on the horns of a dilemma, not only because
8 people are angry at PGW, but because they have a circular thing
9 going for them. As the wholesale price of gas goes up, PGW
10 passes those costs onto customers, then the uncollectables rise
11 even higher and faster and the utility can no longer pass these
12 increases on without increasing bill payment problems. As rate
13 increases now lead to higher uncollectables and then to more
14 terminations.

15 Utility service terminations have a very damaging
16 effect on Philadelphia. All indications are that we're now
17 facing an unprecedented level of utility service termination of
18 all kinds not just PGW but also electricity. I think we're
19 also looking at increasing levels of fires in homes due to
20 alternative heating sources.

21 We're at the point where PGW itself does not
22 have the resources to solve this problem. Indeed PGW is facing
23 its own crisis. This is not a brand new crisis. The ECA was
24 founded twenty years ago when the cost of utility services
25 went sky high. What is new now is the depth of the problem,

1 and the fact that we have no more subsidies to tap into either
2 from the federal government, taxpayers or from PGW's rate
3 payers.

4 The question then arises how do we solve the
5 problem in a way that keeps PGW healthy and able to perform its
6 vital services to the City and at the same time that we provide
7 affordable gas service to Philadelphians. This time we need
8 lasting solutions and not band-aids. This time PGW needs help.
9 This utility can't solve this problem alone. The solution lies
10 in using gas more efficiently.

11 Natural gas is almost doubled in price in the last
12 five years adding approximately \$1,000 to the average customer's
13 gas bill. This drains over 500 million dollars each year out of
14 the City, and that goes to gas producing states. This is an
15 economic burden that Philadelphia can't carry.

16 The City together with the PGW other utilities
17 must work to increase energy efficiency in all sectors,
18 residential commercial and industrial. We have several
19 recommendations. Number one, Philadelphia and Pennsylvania
20 should immediately adopt a new energy efficiency standard for
21 all affordable housing.

22 The national standard of excellence in energy
23 efficiency is the Energy Star Standard. Last year the New
24 Jersey Legislature decided that public subsidies would no longer
25 build inefficient homes. All affordable housing in New Jersey

1 must meet or exceed the Energy Star standard. It makes sense.
2 Why build a house for a low income family they can't afford to
3 live in.

4 Two, the energy efficiency standard should also
5 be incorporated into everybody's low income repair and rehab
6 program. This should include all rehabilitation programs funded
7 by the City and also the Philoan Program. PGW should consider
8 whether expanding its highly successful Conservation Work
9 Program should be cost effective for the company at this
10 juncture.

11 CWP has consistently saved gas for less than PGW's
12 wholesale price. It's less expensive for PGW to reduce its low
13 income customer usage than it is to continue to provide gas they
14 don't pay for.

15 The City should put its weight behind energy
16 conservation education in ways that are essentially no cost to
17 them. I might add that PGW should be one of the advocates with
18 the City to get that implemented. This City should strengthen
19 its Homelessness Prevention Program and triple its funding in
20 anticipation of the increase in homelessness which will
21 certainly result from increased utility terminations.

22 If all of these recommendations were implemented,
23 PGW's uncollectable problems would diminish, which would relieve
24 pressure on the rates for all rate payers. Implementing these
25 recommendations will also create jobs and strengthen the local

1 economy, which is one of the root causes of PGW's uncollectables
2 problem. Thank you.

3 JUDGE RAINEY: Thank you, Mr. Tolbert.
4 Mary Miller.

5 THE WITNESS: Yes.

6 JUDGE RAINEY: Ms. Miller, may I swear you?

7 THE WITNESS: Yes.

8 MARY MILLER,
9 having been duly sworn, testified as follows:

10 JUDGE RAINEY: Please provide your full name,
11 address and state whether you are a PGW customer.

12 THE WITNESS: Mary Miller, 6816 Upland Street.
13 Yes, I am a gas customer.

14 JUDGE RAINEY: Thank you. You may testify.

15 THE WITNESS: I have lived in Philadelphia all my
16 life. I'm a disabled corrections officer and I guess I'm about
17 the youngest one here. I'm also the head of my household. I
18 have three sons who are in school. Now the problem with that,
19 yes, I do get LIHEAP. The only reason I get LIHEAP is because
20 one of them falls underneath the guidelines of which next year
21 he won't. However, I only get \$95 from LIHEAP anyway.

22 It won't make any difference. I fall into that
23 situation where I am sure there are thousands of customers in
24 the same situation where I am in between the crack line. I make
25 so much on my pension to afford LIHEAP to get anything that is

1 even helpful.

2 I fell on bad times. I have a past bill with the
3 gas company. I'm one of them people that the nice preacher was
4 talking about, who pays a fee on the back bill, who pays the
5 current bill. Now you want to charge me for someone else who
6 can't pay the bill. I'm one of those ones who has struggled,
7 truly struggled, to pay these bills. And I pay my bills on
8 time. My bills are always paid.

9 And what it comes down to, if you do this I'm
10 going to be falling right on back into the situation that I was
11 in before and can't pay the bill. It's either that or we don't
12 eat, plain and simple. I do feel like, and I am going to use a
13 term that the Judge understands, this is going to fall under the
14 federal lines of cruel and unusual punishment to people that pay
15 their bills.

16 I don't feel this should happen. I don't
17 understand, but I don't feel it should happen. I'm one of these
18 people who is actually in the middle. I'm not old enough to
19 collect Medicare. I'm not old enough to collect anything else.
20 I have to pay for my own medical insurance. I have to pay for
21 my son's medical insurance. I have to pay for my own
22 prescriptions. I have to pay for everything.

23 I want you to know that this past winter I have
24 had the thermostat shut off at night. We learned to live
25 without heat at night. I had to shut the thermostat way down

1 during the day.I kept it high enough not to freeze the pipes.
2 I live in a corner home, but still I receive a bill of 300 and
3 400 dollars a month.My gas bill is higher than my mortgage
4 payment.

5 Now nobody seems to want to be able to help, but
6 yet you want help when your clientele embezzle our money.
7 Nobody said these people would have to pay it back and neither
8 have they paid it back. Yet you come to us and say you want us
9 to pay. Where do we get this money from? What am I supposed
10 to, do go rob a bank? I used to work in prisons, and you're
11 going to make me have to go live in a prison. Thank you.

12 JUDGE RAINEY: Thank you. Flossy Jordan.

13 THE WITNESS: Yes.

14 JUDGE RAINEY: May I swear you in?

15 THE WITNESS: Yes, you may.

16 FLOSSY JORDAN,

17 having been duly sworn, testified as follows:

18 JUDGE RAINEY: Please state your name and address
19 for the record.

20 THE WITNESS: Flossy Jordan, 2242 Moore Street,
21 Philadelphia.

22 JUDGE RAINEY: Ms. Jordan, are you a PGW
23 customer?

24 THE WITNESS: Yes, I am.

25 JUDGE RAINEY: Please provide your testimony.

1 THE WITNESS: Well I've never been a speech maker.
2 And I hope that what I say don't fall on deaf ears. But I did
3 write a letter to the Public Utility Commission. In this letter
4 I explained as best I could my problem. "To whom this may
5 concern. I'm an 82-year-old senior citizen. I live in a seven
6 room house alone. Last year, October 2003 my heater, gas went
7 completely bad. I went over three months in the cold weather
8 before the Philadelphia Housing Development Corporation put a
9 heater in my house, January 14.

10 Before that PGW was sending me bills for \$98.10 a
11 month. When I had no heat to use, there gas, when I called them
12 December the third 2003 about this matter they told me that they
13 were entitled to ten percent of my income, even if I am not
14 entitled to that they're entitled to ten percent of my income.
15 I asked them even if I'm not using the gas, and I explained to
16 them about my heater being out. And they told me that they
17 still was entitled to the monthly payment and they collected.
18 I sent them \$98.10 each month of those cold months before I got
19 a heater.

20 I get a partial income from 1199C benefit. I get
21 partial for Social Security. I haven't had an increase from the
22 benefits, I haven't had an increase from them in 3 years going
23 into three years, but yet and still all of that PGW is asking
24 for this increase. This is why I wrote to the Commission and
25 explained all this in my letter. I'm sure they have the letter.

1 That is, if they haven't throwed it in the garbage can.

2 Aside from that, I think when I stand here today
3 and speak, I speak for all of those who pay their bills and have
4 enough to do to pay their bills. None of us can eat gas. And
5 if we did find ourselves eating gas, there won't be nobody to
6 pay no bills.

7 I hope that PGW can find enough sensitivity to
8 understand that what don't maybe affect them it's affecting
9 millions of people, right here in Philadelphia. Gas is not the
10 only thing that people have to pay. They have to eat, they have
11 to buy clothes sometimes. The only time I can buy something to
12 wear, I buy it on time.

13 I could remember back before it became PGW years
14 ago when it was Mid-Atlantic. As far back even then up until
15 the present day I have never owed their company a dime. And if
16 they looked through my records they would see that I should not
17 have to try to pay my bill and pay somebody else's bill, too.
18 It's not decent. It's not fair. I hope you understand that.
19 I hope you're sensitive enough to understand. Thank you.

20 JUDGE RAINEY: Thank you. William Davis.

21 THE WITNESS: Yes.

22 JUDGE RAINEY: May I swear you in?

23 THE WITNESS: Yes.

24 WILLIAM DAVIS,

25 having been duly sworn, testified as follows:

1 JUDGE RAINEY: Please provide your name, address,
2 and state whether you are a PGW customer.

3 THE WITNESS: My name is William B. Davis. My
4 address, 5726 Pemberton Street 19143. I am a PGW customer.

5 JUDGE RAINEY: Please go ahead with your
6 testimony.

7 THE WITNESS: I have a few brief notes of my own
8 and then I have some statements from people that I have been in
9 contact with that I would like to enter into testimony. I have
10 been out of work for two years when my company left the City and
11 didn't invite me. I have been living on my savings for some
12 time now. I have been making a go of it only because I budget
13 very tightly. I thought I had problems.

14 Recently I have been dealing with some people, and
15 my problems are pretty much insignificant. It's appalling what
16 is happening to these people. I'm finding a casual contempt
17 from utility companies. They're not letting us live. They're
18 fighting us far beyond our capacity to survive.

19 JUDGE RAINEY: Take your time, sir.

20 THE WITNESS: Let me read the statements from the
21 individuals that could not be here today. The first is from a
22 Lilian Clark. She lives at 5167 Ogden Street. "PGW need not add
23 anything to our bills. They need to let people have a chance to
24 pay their old bills and not make us fall even further behind.
25 They're making it difficult for customers to do anything.

1 How can you pay off a loan if you can't pay your gas bill?

2 I think what they're doing is taking rich people's bills and
3 treating them differently. It seems like the small person is
4 the one who always has to pay.

5 "Yesterday my neighbor told me that she's using a
6 barbecue grill for all of her cooking because she has no gas.
7 She has had to bring the grill inside of the house, which is a
8 fire hazard and might be life threatening. The fumes could kill
9 her. She's trying to take care of a friend who is 76 years old.
10 That's how they have to live without any gas, using a hot plate
11 and barbecue grill. What is going to happen when wintertime
12 comes and the heat from the barbecue grill is going to make the
13 old woman sick? He's a Veteran and he's already ill.

14 "They can't even afford a phone. So if there is an
15 emergency they have to go to a corner store to use a phone. She
16 has to choose to pay either the phone bill or the gas bill. They
17 don't have money to pay the gas bill because the bill is so big.
18 The woman is a retired nurse and a home health care worker. So
19 hold off on a rate increase to give people a chance to pay their
20 old bills, and give people a chance to survive."

21 The next statement is from Dorothy Taylor of 255
22 Mercy Street Philadelphia. "Current gas rates are outrageous.
23 Raising rates again really has life and death consequences.
24 I am doing my best to pay, but conditions are becoming more
25 and more impossible. I recently had a gas leak at my home.

1 "I received a bill for thousands of dollars because of a leak.
2 My monthly bill jumped from 50 to 100 to \$1,000. Workers came
3 out and dug up the street and sidewalk. When my new bill came
4 they hadn't removed the charge for the leaked gas from my bill.

5 I have taken my new bills to PGW's office numerous
6 times. Because I was told it would be adjusted I thought I had
7 solved the problem but each time my new bill comes it's the same
8 old problem. I still can't get it resolved. I'm worried that my
9 next bill will contain a shut-off notice. I'm not alone in this
10 experience. A volunteer I know at a senior center received a
11 bill for \$23,000. You've got to do something because we can't
12 afford your gas. Your gas is getting too high for us to
13 afford."

14 Final statement from Reverend John Kasher, Pastor
15 of New Hope Temple Baptist Church 12th and Bainbridge. "People
16 are already overwhelmed by increasing property taxes, gasoline
17 prices and other expenses. We can't endure these outrageous
18 hikes in our natural gas bills. All of my parishioners are
19 impacted by high gas bills. I am, too. At my church we have
20 helped more families this year restore their gas service than
21 any year in our history. We have gone from three to four cases
22 per year to 16 cases. In each case we pay to have their service
23 restored or keep them from being shut off. The question is what
24 happens to those who don't have someone like my church to help
25 them.

1 People are already facing higher bills because of
2 increases at the gas pump, and now they want to increase our
3 heating and cooking bills. This is a burden people can't bear.
4 It must end now. Thank you very much.

5 JUDGE RAINEY: Thank you very much. Judith
6 Sussholtz. May I swear you in?

7 THE WITNESS: Yes.

8 JUDITH SUSSHOLTZ,
9 having been duly sworn, testified as follows:

10 JUDGE RAINEY: Please provide your full name, and
11 spell your last name for the court reporter, and also provide
12 your address, and state whether you are a PGW customer.

13 THE WITNESS: Judith P. Sussholtz.
14 S-U-S-S-H-O-L-T-Z. I live at 712 East Phil-Ellena Street,
15 East Mount Airy 19119.

16 JUDGE RAINEY: Ms. Sussholtz, you are a PGW
17 customer?

18 THE WITNESS: PGW supplies my house heating, hot
19 water and stove.

20 JUDGE RAINEY: Please testify.

21 THE WITNESS: I have such an assortment of things.
22 I can testify to ineptitude, to being ripped off at the time of
23 the change from meters which had to be read within my house to
24 those which could be read from the outside, correspondence that
25 ensued. But I'm going to speak of something quite different.

1 This is a very familiar room to me. I teach at
2 CCP. When I came to Philadelphia in 1968 I began to teach in
3 the public schools. I taught At Olney, Girls High. I retired.
4 I'm 65, just started to receive Social Security. I computed
5 that my gas bill alone would take almost two checks each year.
6 I teach here half time. I love teaching, and I'm fine with
7 working. I've been teaching for 45 years. I had two children,
8 no maternity leave, two sabbaticals.

9 Two years ago I would have run up the stairs, one
10 year ago I would have walked. This year I took the elevator.
11 I'm concerned how long I can continue to teach. Once I stop I'm
12 concerned how I will be able to continue to live. I'm not in the
13 dire straights end of the spectrum. I will have enough money
14 for food, clothing and shelter. I paid off a 25-year mortgage.
15 My home is my free and clear. All I have to worry about is
16 rising real estate taxes.

17 It seems so many things are rising at this time
18 and this gas proposal increase that I'm concerned about the
19 quality of life, it will be impossible on people throughout the
20 City, those who are considering moving here as I did in 1968.

21 I sing with a volunteer chorus. It's a fine
22 chorus. We go on tour. It's entirely out of our pocket. We
23 pay \$130 year dues. When we travel we pay for that as well.
24 Case in point about my concern. Two years ago, the government
25 of Venezuela, two performing organizations in Venezuela invited

1 us to come sing with them. The government offered a very modest
2 subsidy. It would cost us as individuals about \$1700 to perform
3 three concerts during the course of a week. Enough signed up so
4 that it was a go. Then the Government of Venezuela changed, and
5 there was no longer a subsidy.

6 The manager came to us and asked if we could put
7 out the extra money. Many people could not. It was within the
8 limit of possibility with the earlier sum. We went to people
9 who had in the past supported us with contributions. That was a
10 rough year. They could not. We couldn't go down to Venezuela.

11 I was thinking about this, this morning as I
12 watched the news and current consternation about the photos
13 coming out of Iraq. When we travel whether in the States or
14 abroad we're representatives of the best that this country has
15 to offer. We're the human side of the United States of
16 America. We need especially at this point to counter balance
17 other non-typical aspects of our national character, which are
18 currently center on the world stage.

19 Quality of life, whether it's that I can't go out
20 as often to a local restaurant or theater, whether I have to say
21 no when the Art Museum or concerto soloist contacts me for an
22 annual donation. Quality of life is diminishing because the
23 cost of maintaining that life is raising precipitously. This is
24 one more instance of that. I'm very worried about it.

25 I hope that you will consider that while this is

1 the outer ripple of the pebble dropped in the middle we won't be
2 inundated at the outer edges. Thank you.

3 JUDGE RAINEY: Next on our list is Alice Burton.

4 THE WITNESS: Judge Rainey, I am here for Alice
5 Burton. She had to leave. My name is Elizabeth Signal,
6 S-I-G-N-A-L. I live at 2328 Dickinson. I am reading it for
7 Alice Burton.

8 JUDGE RAINEY: Can you spell Burton?

9 THE WITNESS: B-U-R-T-O-N.

10 JUDGE RAINEY: Do you know where she lives?

11 THE WITNESS: 1133 South Clieve Street 19146.

12 JUDGE RAINEY: She's a PGW customer?

13 THE WITNESS: Yes.

14 JUDGE RAINEY: Go ahead with the statement.

15 THE WITNESS: "Seniors and disabled persons are on
16 a fixed income. The cost of living increased maybe \$20 for
17 Social Security, Medicare and prescription costs take a large
18 bite out of my monthly income as utility rents or mortgage
19 payments. Food clothing and shelter are basic needs of all
20 persons. As a newly disabled person two years ago paying my gas
21 bills to have heat for winter I missed mortgage payments and
22 went into foreclosure in January 2001. God blessed my family
23 who stepped in and made payments. Pace and Pacenet has increased
24 this year, two dollars per prescription. the United States is
25 not ready for us to go to Canada. Generic brands do their work.

1 That Medicare has a \$15 copayment plan. "

2 She's leaving to go to youth age seventeen
3 District Police Council meeting. Thank you.

4 JUDGE RAINEY: Is there a Rapko, R-A-P-K-O?
5 That's the last name. Then we will move onto Francina Ball.
6 Ms. Ball.

7 THE WITNESS: Francina Ball.

8 JUDGE RAINEY: Let me swear you in.

9 FRANCINA BALL,
10 having been duly sworn, testified as follows:

11 THE WITNESS: Yes

12 JUDGE RAINEY: Please provide your full name for
13 the record, also state your address and state whether you are a
14 PGW customer.

15 THE WITNESS: Francina, F-R-A-N-C-I-N-A, F,
16 B-A-L-L, address, 201 High Street, Zip 19144.

17 JUDGE RAINEY: You are a PGW customer?

18 THE WITNESS: Yes.

19 JUDGE RAINEY: Please go ahead with your testimony.

20 THE WITNESS: I have, I live alone, I raised my
21 son from seven years old and now I'm 83. I can't afford to pay
22 for someone else, I have to pay for myself. I have bills
23 electronically paid by the bank. Recently the bank did not pay
24 the check to PGW. So it had a surcharge, I have been paying it
25 in person for a few months.

1 When I walk into the Cheltenham office, people
2 sitting their with braids in their hair, nice boots. If they
3 can pay for braids and fancy clothes then they can pay their
4 bills. Because I don't wear fancy clothes. I have helped my
5 granddaughter through college and grandson. I raised my son
6 from seven years old. I don't have money to pay for nobody
7 else. I know plenty of people in my shoes. I would like that
8 for the record please.

9 JUDGE RAINEY: Thank you, Ms. Ball. Wanda
10 Rivera. Let me swear you in.

11 WANDA RIVERA,
12 having been duly sworn, testified as follows:

13 JUDGE RAINEY: I will ask you to provide your full
14 name, spell your last name for the court reporter. Also provide
15 your address, and state whether you are a PGW customer.

16 THE WITNESS: Wanda Rivera, R-I-V-E-R-A, I live at
17 4327 High Street in Philadelphia. The ZIP code is 19124. I am
18 a PGW customer.

19 JUDGE RAINEY: Please provide your testimony.

20 THE WITNESS: First I am going to read a letter
21 that I wrote to the newspaper and was published April 27 of this
22 year. "I would like to congratulate the public relations firm
23 of PGW for blaming the 140 million deficit of PGW on deadbeats.
24 So called people that don't want to pay their bills. They have
25 shifted blame of those who stole millions of dollars from cash

1 payments of people like myself to the very victims of this
2 crime. What a brilliant idea.

3 Of course PGW the Mayor, City Council and others
4 thought this would actually work. They thought that if they
5 could get the people's who cash payments were wiped out from
6 their accounts and have them pay again that their problems would
7 be solved and nobody would ever notice, much less mention the
8 disappearance of close to 100 million dollars. But of course
9 solutions based on lies and injustice and exploitation of the
10 less fortunate never work.

11 Those that paid cash to PGW in the 70's and 80's
12 and 90's were basically the poor, minority seniors and
13 immigrants accustomed to paying cash for everything. These of
14 course are the citizens that no one dares to defend."

15 Now I would like to relate my story. I arrived in
16 Philadelphia in August of 1993. I got a job in three months and
17 signed a contract with PGW for a tiny studio apartment in May
18 1994 for connection of the gas. At the time I worked with the
19 Philadelphia School District as a Spanish teacher. I moved to a
20 new home in September, around September of 1998. When I moved
21 to the new home they planted, and I won't say the amount, but
22 it's a huge amount, thousands and thousands of dollars on my
23 bill claiming that from 1993 through 1998 I had never paid one
24 penny to them. Of course they wanted their money. They kept
25 sending me shut off-notices, shut-off notices, shut off notices

1 after another.

2 Finally I requested an investigation -- may I say
3 in 1998 this was the time when I read in the newspapers that
4 close to 100 million dollars had been stolen from PGW. It was
5 about the same time. So, I did request an investigation and
6 informed the investigator that I paid my bills, when I moved,
7 very, very naively I threw everything out and brought everything
8 new to my new house. So I had no receipts because I had thrown
9 everything out.

10 So, he said well, you have to pay. You need
11 proof. You don't have any proof. I told him I think you should
12 harass the executives that stole the money. Why don't you
13 harass them and stop harassing me. He ignored that and changed
14 the subject and put me on a 20-year payment plan. Of course,
15 there was no way I could pay. It was -- I had to pay my monthly
16 bill and a payment plan. It was a huge amount of money. Of
17 course I started getting shut-off notices again.

18 I demanded a hearing with PUC. Of course I told
19 the Judge and PGW attorneys I paid my bill on a monthly basis.
20 It seems to me that someone stole my cash payments. There is
21 nothing, not even the down payment for my studio apartment
22 appeared on the profile history of payment, blank, blank, blank,
23 blank. Not even the down payment. Absolutely nothing was on
24 there. So of course at the hearing the judge when you mentioned
25 that they changed the subject.

1 He said nobody has ever said that before. Something
2 along these lines. You know, of course the result of the
3 hearings was really that I had to pay. It was close to \$10,000
4 to this day.

5 So, what I am saying, there are thousands and
6 thousands and thousands of people like me. And also what I am
7 saying 500,000 people who are being said they can't pay their
8 bills I'm wondering how many of those 500,000 people are people
9 like me whose cash payments disappeared from their account.

10 We need a new investigation into this. I want to
11 know who stole my money. Can anybody initiate an investigation
12 and tell me who stole my money?

13 JUDGE RAINEY: Have you filed a complaint against
14 PGW?

15 THE WITNESS: Yes.

16 JUDGE RAINEY: You have gone through the process?

17 THE WITNESS: I've gone through the process. This
18 was a six-year battle. I'm still going to fight, not for myself
19 because I know a lot of people have 10,000, 15,000 \$20,000 on
20 their accounts and who are saying someone stole my cash money.

21 In the 90's there was one family that one attorney
22 told me from 1978 their cash payments were stolen. They shut
23 their gas off. They had a \$30,000 bill. Who is defending
24 these people? What has been done? Who is going to return my
25 money?

1 I settled with them. I will give them money,
2 money that was really actually to do my kitchen, which I had
3 been saving for. The money for remodeling of my kitchen, which
4 is in pretty bad shape, I'm going to give to PGW this month
5 after a six-year battle. I'm paying them twice because I
6 already paid. The majority of the 500,000 people, they have
7 already paid, but their cash payments were stolen. I'm one
8 example. There are thousands. Something has to be done about
9 these people. Thank you.

10 JUDGE RAINEY: Thank you for your testimony.
11 Ann Baker. May I swear you in?

12 ANN BAKER,
13 having been duly sworn, testified as follows:

14 JUDGE RAINEY: Please provide your name, address,
15 and state whether you are a PGW customer.

16 THE WITNESS: Ann Baker. I reside at 1309 Haines
17 Street, Philadelphia 19126. Yes, I am a longtime PGW customer.
18 Just like the gentleman who testified earlier, I took time off
19 work. I think it was important enough to appear in person to
20 address my concerns to the Commission. I've been a PGW customer
21 since 1980 when I first purchased my home in the East Oak Lane
22 Section of Philadelphia. My husband and I have raised
23 children. Our children are grownup and are out of the house.

24 We're both employed. We leave the house. When I
25 leave my home in the morning I turn down the thermostat as low

1 as it will go, down to 58 degrees. When I return in the evening
2 I turn it up to 65, just enough to get chill off the house. I
3 don't allow my husband to touch the thermostat. I give him a
4 blanket and a cup of tea. When I go to bed at night I turn it
5 down three more degrees, I turn it down to 63 degrees.

6 I received a gas bill for \$161. No one is in my
7 house during the day. I don't get home until seven o'clock in
8 the evening. I received a bill another month for \$406. My gas
9 usage hadn't changed. The temperature over those two months
10 were relatively the same. How can there be a discrepancy from
11 one month to the next?

12 I filed a complaint with the PUC. They responded
13 and said -- not from PUC, but from Philadelphia Gas Works. They
14 said well the bills you were getting before were estimated. Now
15 we have a true reading which was \$406. I said how can that be
16 since I have an electronic meter, there should never be any
17 estimated bills.

18 I have a dispute with the PUC with my bills. I
19 will continue to dispute it until I get a satisfactory answer.
20 They asked what would I like for them to do to resolve my
21 complaint. I said put someone else in charge of Philadelphia
22 Gas Works. It has been grossly mismanaged for the past several
23 decades all the way back to 70's, has been a gross mismanagement
24 of Philadelphia Gas Works. I would like someone to go in there
25 and see what is going on.

1 There is absolutely no way I could be using that
2 much gas. I know people who are getting bills that are higher
3 than that. I live in a 3-bedroom house. There is no way when a
4 house is empty all day long that I should have a gas bill for
5 \$406. I thank you for listening to my testimony.

6 JUDGE RAINEY: Thank you. Mamie Wiggins.

7 MAMIE WIGGINS,

8 having been duly sworn, testified as follows:

9 JUDGE RAINEY: Please provide your name and also
10 provide your address and state whether you are a PGW customer?

11 THE WITNESS: Mamie E. W-I-G-G-I-N-S. 211 North
12 Creighton Street, Philadelphia, Pennsylvania 19139-1505. I am
13 one of these people.

14 JUDGE RAINEY: Please provide your testimony.

15 THE WITNESS: Plus that. I am the President of
16 the Action Alliance of Senior Citizens of Philadelphia with a
17 membership of over 12,000. I am supporting them also and
18 fighting for them. This statement is on behalf of all of those
19 senior citizens out there, some who could not come here today,
20 others who do not understand, and those for some reason or
21 other. This is my statement for them.

22 JUDGE RAINEY: Go right ahead.

23 THE WITNESS: "I do appreciate this opportunity
24 to let people know all of you that are here now will some day be
25 where these senior citizens are now and then you will look back

1 -- I might not be around, but you will remember this finger that
2 pointed at all of you to let you know and to remind you that one
3 of those days you are going to be a senior citizen and you will
4 answer to the call like we're doing today.

5 The Philadelphia Gas Works request for a 47
6 million surcharge to cover the cost of those people who are not
7 paying their bills is unfair to all rate payers in the City of
8 Philadelphia, particularly the senior citizens. Senior citizens
9 are the most loyal customers of PGW. They are also the best
10 customers. They pay their bills. They struggle for it. They
11 pay their bills on time.

12 It's unfair to punish in the pocketbook the people
13 who are there for you every month and who are the least able to
14 afford being hit this way. Just when you go home think about
15 the things that you have heard here today and sort of roll it
16 around in your head and say when I go to my next Gas Works
17 meeting, speak up, don't be afraid to speak up. You speak up
18 like we are doing now.

19 This surcharge if approved by the PUC could add an
20 additional \$80 per year to the average customer. Again, this is
21 an additional expense that we're least able to afford in these
22 times of high gas prices. In addition, this rate request is
23 also a danger to the agreement made in Philadelphia to continue
24 operating the Twenty Percent Senior Citizens Gas Discount for
25 low income seniors in the City.

1 We're here to make sure that no one tries to
2 derail what took all of us many months of tense negotiations
3 and comprise to achieve. Every month that goes by and the PUC
4 does not approve the Senior Citizens Gas Discount Agreement is
5 another month that hundreds, hundreds of poor seniors go without
6 help.

7 Again, in our loudest voices and honest voices we
8 as senior citizens, yes, I am here speaking for senior citizens
9 but I happen to be one myself. I don't have to talk about what
10 somebody has told me. I'm here because I am one. Don't forget
11 you're going to be one, one day.

12 Again, we call on the PUC to reject this surcharge
13 request and tell PGW management to collect in its own way what
14 is owed to them. I thank you.

15 JUDGE RAINEY: Thank you, Ms. Wiggins.
16 C. Ricks. May I swear you in?

17 THE WITNESS: Yes.

18 CHERON RICKS,
19 having been duly sworn, testified as follows:

20 JUDGE RAINEY: Please provide your full name,
21 also provide your address, and state whether you are a PGW
22 customer..

23 THE WITNESS: Cheron Ricks, 4250 Styles Street. I
24 am not a customer of the gas company but my mom is one of the
25 elderly people.

1 JUDGE RAINEY: And what is your mother's name?

2 THE WITNESS: Claire Ricks.

3 JUDGE RAINEY: She lives with you?

4 THE WITNESS: She does not.

5 JUDGE RAINEY: What is her address?

6 THE WITNESS: Center City.

7 JUDGE RAINEY: Go right ahead with your
8 testimony.

9 THE WITNESS: This plan to charge more to some
10 customers to compensate for nonpayment of others seems unfair.
11 It's a ridiculous thing to do. It looks like there is another
12 motive in mind. You're dividing one group of customers against
13 another in order to get some public support on your side. If
14 you can get some people upset over unfair rates they will push
15 to get others cut off.

16 The problem with this, people who will get cut off
17 will be poor and elderly who can't afford to pay. Three or four
18 years later with public outcry with rates you will be able to
19 cut off the poor people. It will save the PGW some money but
20 you will have elderly and poor people freezing in their houses
21 during the winter. That's it.

22 JUDGE RAINEY: Thank you. Valerie Henderson
23 Monterio. May I swear you in?

24 VALERIE HENDERSON MONTERIO,
25 having been duly sworn, testified as follows:

1 JUDGE RAINEY: Please provide your full name
2 for the record, and I will ask that you spell your name please.

3 THE WITNESS: Valerie Henderson Monterio,
4 M-O-N-T-E-R-I-O, 1545 East Beverly Road. Philadelphia, PA
5 19138. I am a PGW customer.

6 JUDGE RAINEY: Go right ahead and provide your
7 testimony.

8 THE WITNESS: Last year I went into the gas
9 company in my area to get an agreement, a CPR agreement. I
10 signed for X amount of dollars. September this comes in the
11 mail. They increased it \$28 more. I'm on a fixed income. I
12 know that a lot of people talk about senior citizens, but
13 there are some people on disability who are on a fixed income.
14 I don't get a paycheck like you guys do every two weeks.
15 I'm on disability.

16 So, like I said, I agreed to X amount of dollars.
17 They increased it to \$28 more. I can't pay it. I called the
18 gas company, and they kept reminding me of the letter, which I
19 did not need because I can read. I called the PUC and spoke to
20 Isaac Dunstan, investigator, and he did the same thing, like I
21 said, I don't need to hear you repeat. So they have arrears
22 added onto my bills.

23 In the meantime I'm going through troubles. I
24 just lost my mother, everything is on me now. I'm trying to,
25 I have to go back to the gas company, work out another deal,

1 which I can't do because I'm trying to take care of my mother's
2 estate.

3 You can't say people are deadbeats, because you
4 don't know the circumstances of what they're doing. I'm on
5 disability. I did payments that I did make, and when they
6 increased, I couldn't pay it. But I paid the agreement that I
7 made with them.

8 It's sad unfortunately, things like that happen.
9 They're talking about shut-off notices. I had LIHEAP, which
10 helped. They have a Crisis Center that they send you to for a
11 payment. But the fact is that there are people who you can
12 get so much out of a person. How can you shut things off and
13 they're having trouble trying to make ends meet as it is.

14 You are going to have people dying behind being
15 cold. It's murder, when you shut them off. A lot of people are
16 going to be dead. It seems to be, money talks, and you know
17 what else walks. It's sad. Something should be done about
18 this.

19 JUDGE RAINEY: Thank you.

20 THE WITNESS: You're welcome.

21 JUDGE RAINEY: Evelyn Norris? Evelyn Norris is
22 the last name that I have on the sign-in sheet. Is there anyone
23 else here who wants to testify? I will check outside to see
24 whether or not anyone else has signed up. Karen Graves has
25 informed me that no one else has signed up.

1 I would like to thank everyone who has attended
2 this Public Input Hearing and for appearing here today. If
3 there is nothing further, this Public Input Hearing is
4 adjourned. We will have another one at 6:00. Thank you.

5 (Whereupon, at 3:30 p.m. the hearing was
6 adjourned.)

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C E R T I F I C A T E

I hereby certify, as the stenographic reporter,
that the foregoing proceedings were taken stenographically by
me, and thereafter reduced to typewriting by me or under my
direction; and that this transcript is a true and accurate
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