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W I T N E S S I N D E X

	<u>WITNESSES:</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RE CROSS</u>
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2					
3	Senator Michael J. Stack	35	--	--	--
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9	Frances Jarrell	52	--	--	--
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11	Lynn Ruben	59	--	--	--
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FORM 2

E X H I B I T I N D E X

NUMBER

FOR IDENTIFICATION

IN EVIDENCE

(None.)

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FORM 2

P R O C E E D I N G S

ADMINISTRATIVE LAW JUDGE CHARLES E. RAINEY, JR.:

Good evening and welcome to this public input hearing.

This public input hearing involves the matters of Pennsylvania Public Utility Commission versus Philadelphia Gas Works at Docket No. R-00049157 at the petition of Philadelphia Gas Works to establish a cash receipts reconciliation clause at Docket No. P-00042090.

My name is Charles Rainey and I am the Administrative Law Judge assigned to hear and write a recommended decision in regard to these matters. This public input hearing is being held for the purpose of allowing interested persons and opportunity to provide testimony regarding PGW's filings. I believe that a brief history of this proceeding may be helpful.

On March the 1st, 2001 PGW filed a supplement to its gas service tariff designed to increase annual rates by \$31.4 million overall effectively September 1st, 2004. According to PGW's filing, a typical residential heating customer using 100,000 cubic feet, or MCF, of natural gas a year would see a \$5.00 increase in his or her monthly bill from \$120.00 to \$125.00. More specifically, PGW's filed tariff supplement includes one, a proposed gas cost rate, or GCR, of 7.4216 dollars per MCF which represents a decrease in the GCR that was in affect on December 1st,

1 2003. Two, a newly purposed Cash Receipts Reconciliation
2 Clause surcharge which based on PGW's current bill
3 collection projections is designed to recover \$46.7
4 million during the first year it is in effect. Three, an
5 increase in the restructuring and consumer education
6 surcharge and four, an increase in the universal service
7 surcharge.

8 This case was assigned to me and a prehearing
9 conference was held on March 15th, 2004. Parties present
10 at the prehearing conference were Philadelphia Gas Works,
11 Office of Trial Staff, Office of Consumer Advocate, Office
12 of Small Business Advocate, Action Alliance of Senior
13 Citizens of Greater Philadelphia, Association of Community
14 Organizations for Reform Now, the Tenant's Action Group,
15 and the Consumer's Education and Protective Association.,
16 collectively referred to as Action Alliance, et al, and
17 the Philadelphia Industrial and Commercial Gas User's
18 Group, PICGUG. PICGUG's petition to intervene in the
19 proceeding was granted at the prehearing conference. I
20 also granted PGW's motion to consolidate its gas cost rate
21 filing with its cash receipts reconciliation clause
22 petition for purposes of hearing and disposition.

23 On April 14th, 2004 a petition to intervene was
24 filed by State Senator Vincent J. Fumo, Philadelphia
25 Council President, Anna C. Verna, and the Philadelphia

1 Council members, James F. Kennedy, Frank DiCicco, Michael
2 A. Nutter, David Cohen, Joan L. Krajewski, and Juan F.
3 Ramos. No Answers in opposition to the petition to
4 intervene were filed. A petition to intervene was
5 granted. On April 14th, 2004 the Philadelphia Housing
6 Authority filed a petition to intervene, no Answers in
7 opposition to the petition to intervene were filed, and
8 the petition to intervene was granted. On April the 20th,
9 2004 a petition to intervene was filed by Philadelphia
10 District Attorney Lynne Abraham. No Answers in opposition
11 to the petition to intervene were filed and the petition
12 to intervene was granted.

13 A schedule for the submission of written testimony
14 and hearings was established at the prehearing conference
15 and the subsequent orders. The parties other than PGW
16 were required to submit written direct testimony by April
17 15th, 2004. Written rebuttal testimony of the parties
18 other than PGW was due by April 30th. PGW's written
19 rebuttal testimony was due on May the 3rd. Parties written
20 surrebuttal testimony is due by May 7th.

21 Public input hearings are being held both tonight
22 as well as tomorrow. Tomorrow's public input hearing will
23 be held at Philadelphia Community College which is at 17th
24 and Spring Garden Streets. There will be two public input
25 hearings tomorrow, one at 1:00 p.m. and the other at 6:00

1 p.m. Evidentiary hearings for the purpose of examining
2 the parties' technical witnesses will be held on May 11th
3 and 12th beginning at 10:00 a.m. at the Philadelphia State
4 Office Building at Broad and Spring Garden Streets.

5 The parties will file main briefs on May 24th and
6 reply briefs on June 1st. I will subsequently render a
7 written recommended decision. The Commission will make a
8 final decision prior to September 1st, 2004. So concludes
9 my presentation of the history of this case.

10 You, the public, may participate in today's hearing
11 in one of three ways. The first way and the one the
12 Commission finds preferable is that you submit sworn
13 testimony under oath. By giving sworn testimony the
14 Commission may consider your testimony when it decides
15 this case. Sworn testimony may be subject to questions
16 from the parties and me. The second way is to provide
17 unsworn testimony. Unsworn testimony will not be
18 considered by the Commission when it makes its decision.
19 The third way is to provide information at a break or at
20 the conclusion of this hearing to either to Office of
21 Trial Staff or the Office of Consumer Advocate or the
22 Office of Small Business Advocate for issues at its
23 discretion at an evidentiary hearing.

24 Let me introduce Karen Graves who's in the back.
25 She's with the Bureau of Consumer Services and she has

1 been assisting me here this evening. There is also
2 consumer information at the back table that Karen has
3 provided. Let me also note that there are representatives
4 of PGW who are here who may help you with any individual
5 questions you might have about your personal bills. And
6 you can see them at a break or at the end of this hearing.

7 I will now allow Counsel present who are
8 representing formal parties to introduce themselves and
9 make a brief opening statement if they so choose. And we
10 will start with Counsel for Philadelphia Gas Works. Mr.
11 Stewart?

12 MR. STEWART: Good evening. Thank you for taking
13 the time to attend this hearing to come slogging through
14 the rain to come out and share your concerns with us. My
15 name is Mark Stewart and I am an attorney representing
16 Philadelphia Gas Works in this proceeding before the
17 Public Utility Commission.

18 JUDGE RAINEY: We are going to do the best that we
19 can, so that as many people as possible can hear.
20 Unfortunately, under the circumstances everyone who is
21 outside of this room will not be able to hear everything
22 that goes on. However, the Commission is interested in
23 the testimony that will be given here this evening and
24 everyone will have an opportunity who wants to testify to
25 testify. And that testimony will be transcribed and that

1 testimony, to the extent that is sworn, will be
2 considered. But we are going to ask everybody's
3 cooperation in order to get through this evening. And
4 I'll thank you very much for that. The Counsel who are
5 going to speak are going to be asked to keep their
6 statements very brief so that we can go right into the
7 testimony which is really what we are after here this
8 evening. So to the extent that you don't hear what
9 Counsel are saying and they are just making brief
10 introductory remarks, the main thing is that the people
11 who are here who want to testify will be able to testify
12 and give that testimony so that it can be considered.

13 We will go back to Mr. Stewart.

14 MR. STEWART: Thank you again, Your Honor. Again,
15 real quick, my name is Mark Stewart. I represent PGW.
16 We'll be here all night if that's what it takes to listen
17 to everybody's testimony. We'll be here until tomorrow
18 morning if that's what it takes. If you have concerns and
19 questions apart from the CRRC or the gas cost rate
20 proceeding that the ALJ described in his opening
21 statement, there are customer service representatives
22 across the hall in the Roosevelt Room that are here to
23 help with those unrelated individual concerns about your
24 specific bills. With that I will pass it on to the next
25 party so we can move along.

1 JUDGE RAINEY: I understand that attempts are being
2 made to put another speaker in the hallway so please bear
3 with us. Thank you very much. Mr. Simms.

4 MR. SIMMS: Good evening. My name is Johnnie
5 Simms. I am the attorney in the Commission's Office of
6 Trial Staff. I want to welcome you to tonight's
7 proceedings. I urge you to testify on the record so that
8 the Commission may use your testimony in its deliberation
9 of this proceeding. Once again thank you for your
10 appearance here tonight and I look forward to your
11 testimony.

12 JUDGE RAINEY: Mr. Popowsky.

13 MR. POPOWSKY: Thank you, Your Honor. My name is
14 Sonny Popowsky. I am the Consumer Advocate of
15 Pennsylvania. Our job is to represent consumers before
16 the Public Utility Commission. We filed expert testimony
17 challenging the PGW rate increase. Tonight we are here to
18 hear from as many of you as possible. If necessary we
19 will ask for additional hearings if not everybody gets to
20 testify. We are going to try to help to make sure that
21 everybody hears what's going on but it is very important
22 that everybody who wants to testify has an opportunity to.
23 Thank you very much for coming.

24 JUDGE RAINEY: Mr. Lloyd.

25 MR. LLOYD: My name is William Lloyd. I am the

1 Small Business Advocate of Pennsylvania. Our office is an
2 agency of state government which is responsible for
3 representing small business customers before the Public
4 Utility Commission. We also have filed expert testimony
5 in opposition to PGW's request. I look forward to hearing
6 your testimony tonight.

7 JUDGE RAINEY: Mr. Hicks.

8 MR. HICKS: Good evening ladies and gentlemen. My
9 name is Renardo Hicks. I am a private lawyer but I
10 represent -- and I brought my list up here so that I got
11 it all right. I represent Senator Vince Fumo, City
12 Council President Anna Verna, Council members James
13 Kennedy, Frank DiCicco, Mike Nutter, Dave Cohen, Joan
14 Krajewski, and Juan Ramos; as well as District Attorney
15 Lynne Abraham and they all oppose PGW's request.

16 JUDGE RAINEY: Mr. Bertocci.

17 MR. BERTOCCI: Hello, everyone. My name is Philip
18 Bertocci. I am an attorney with Community Legal Services.
19 I represent Action Alliance of Senior Citizens, Tenant's
20 Action Group, and ACORN. We are opposed to the CRRC. We
21 think it's unjust and reasonable. And in the past three
22 weeks there have been 40 letters written to the Inquirer
23 and the Daily News as well as four editorials and ten
24 columns, and that's just the tip of the iceberg. Welcome
25 here tonight.

1 JUDGE RAINEY: All right, we are about to start
2 taking testimony. Let me just note a few things before we
3 get started in taking testimony. Now each person
4 presenting testimony should have completed the sign-in
5 sheet as I stated earlier. Prior to giving testimony, I
6 ask that each witness provide and spell their names and
7 provide their address. Each witness should also state
8 whether he or she is a customer of Philadelphia Gas Works.
9 Additionally, witnesses should provide the name of their
10 employer and state the name of the organization they are
11 representing, if any.

12 Now, I have a list here and so I will start on the
13 list. And we'll start with Senator Michael Stack.

14 Senator Stack, may I swear you in?

15 MR. STACK: Yes, Your Honor.

16 JUDGE RAINEY: Would you raise your right hand?
17 Whereupon,

18 MICHAEL J. STACK

19 having been duly sworn, testified as follows:

20 **DIRECT TESTIMONY**

21 JUDGE RAINEY: Would you provide your full name for
22 the record?

23 THE WITNESS: Senator Michael J. Stack.

24 JUDGE RAINEY: And would you provide your address?

25 THE WITNESS: It's 15124 Wayside Road,

1 Philadelphia, PA 19116.

2 JUDGE RAINEY: And Mr. Stack, are you a customer of
3 PGW?

4 THE WITNESS: Yes, I am.

5 JUDGE RAINEY: And whom are you representing here
6 this evening?

7 THE WITNESS: I am representing the Fifth
8 Senatorial District which many of the people of this room
9 are members.

10 JUDGE RAINEY: Go right ahead, Mr. Stack.

11 THE WITNESS: Judge, first of all I would like to
12 thank you for convening this proceeding and I know we need
13 a bigger room and I know there are many people who can't
14 be here so I hope I can speak for some of them.

15 I've come forward to state my formal opposition to
16 the Philadelphia Gas Works' March 1 filing for a petition
17 to establish a cash receipts reconciliation clause.
18 Through this CRRC filing, PGW hopes to raise \$47 million
19 to recoup funds lost to debts that are deemed to be
20 uncollectible. The \$47 million will come from those
21 taxpayers who do pay their bills. These typical
22 residential customers will see their bills increase by as
23 much as \$80.00. The proposed CRRC is in addition to the
24 60 percent average hike in gas bills residential customers
25 have paid since 2002. The Office of the Consumer Advocate

1 has called this proposal unjust and unreasonable. I am
2 here to tell you that I could not agree more. In my view,
3 the PGW filing is bad policy, bad business, and just plain
4 bad news. I don't think it's fair and I don't think it's
5 necessary.

6 The PGW proposal would create a scenario in which
7 normal, everyday hardworking families and retirees who pay
8 their bills on time would be forced to reopen their
9 wallets to pay for services to delinquent customers.
10 Another bewildering aspect of this proposal is that PGW
11 seeks to add this increase to already high rates. A
12 situation that will only serve to diminish the number of
13 customers who can afford to pay their bills. This is
14 especially true, and I think if you look around the room
15 you can see that, for senior citizens and others who are
16 struggling to get by on fixed incomes.

17 Approval of this rate hike would merely establish a
18 short-term fix for PGW, but it would set a precedent to
19 create a series of long-term hardships for ratepayers.
20 Activating the CRRC would provide absolutely no incentive
21 for PGW to improve its collection system or the overall
22 management of its finances. It would shield PGW
23 management from the consequences of any failed business
24 decisions. The only incentive the CRRC will generate is
25 repeat PGW requests for additional surcharges in future

1 years and this could easily become an annual ritual.

2 Pure and simple, PGW's request and the
3 circumstances that prompted it are unacceptable. People
4 who pay their bills on time should not have to bear an
5 additional \$47 million in rates for those who choose not
6 to pay their bills. Instead of a rate increase I believe
7 PGW can recover revenues by improving its collection
8 system for those with delinquent accounts.

9 In fact, I was particularly impressed with a
10 suggested by Lance Haver, Philadelphia's Director of
11 Consumer Affairs. Mr. Haver proposed that PGW be allowed
12 to refuse the offer of a second repayment agreement to
13 ratepayers whose income is above 250 percent of the
14 poverty level. These would be customers who had already
15 broken one agreement and refused to pay their old bills.
16 In this way, PGW would be taking forceful action against
17 those who can afford to pay but are not willing to do so.
18 Nobody is trying to pick on poor people but people who
19 easily can pay, should pay.

20 According to the PUC, PGW could take this action
21 right now because there is no requirement that PGW do more
22 than one payment arrangement unless there has been a
23 change in circumstances. Additionally, under 52
24 Pennsylvania Code Section 56.81 subsections 1 and 5, PGW
25 can terminate services for nonpayment of undisputed

1 delinquent accounts and failure to comply with the terms
2 of a payment agreement. PGW must use these and other
3 tools at their disposal to aggressively collect payments
4 before they increase already high rates on customers.

5 Additionally, in its response to the rate hike
6 request, the Office of Consumer Advocate cogently argues
7 that approving the CRRC would only intensify underlying
8 problems created by the request. A CRRC approved this
9 year and any subsequent CRRC would simply make PGW's rates
10 increasingly unaffordable and uncollectible. Instead, the
11 Consumer Advocate argues, and I quote: "Better
12 uncollectible recovery procedures, more effective gas
13 price hedging strategies, and greater education and
14 enrollment for budget billing plans can all effectively
15 reduce bad debt expenses as they do for other gas
16 distribution companies." In other words, let's explore
17 the maximum range of sound management and financial
18 practices to cure PGW's maladies before wreaking havoc on
19 our citizens will an ill-advised CRRC.

20 Ultimately, as a public official, I come to you on
21 behalf of my constituents, many of the people in this
22 room. The people I represent are those who will truly
23 suffer the consequences if this rate hike is approved.
24 The overwhelming majority of responses I have received and
25 heard reflect confusion and anger. People already saddled

1 with significant financial responsibilities of their own
2 are suddenly asked to take on the additional burden of
3 those unwilling to face their personal obligations. Those
4 who call me have no idea why this surcharge should be
5 approved and I only know that I don't have a ready answer
6 for them. As one constituent notes, the PGW rate hike
7 request will create more delinquency. He then eloquently
8 asks: If everyone becomes a deadbeat, who's left to pay?

9 PGW ratepayers should not and cannot be burdened
10 with the debt of delinquent customers. Collections
11 systems must be improved and other avenues to increase
12 efficiencies must also be pursued. The bulk of PGW
13 ratepayers already have large burdens with wage and
14 property taxes and costly auto insurance. I am willing to
15 work with the PUC to ensure that PGW does not add another
16 unfair burden to the checkbooks of hardworking
17 Philadelphians. As a Senator I am here to offer my help
18 but we have to find a reasonable solution.

19 Thank you, Your Honor.

20 (Witness excused.)

21 JUDGE RAINEY: Representative Cruz?

22 MR. CRUZ: That's me, sir.

23 JUDGE RAINEY: Would you raise your right hand?

24 May I swear you in?

25 Whereupon,

1 ANGEL CRUZ

2 having been duly sworn, testified as follows:

3 **DIRECT TESTIMONY**

4 JUDGE RAINEY: Would you please provide your full
5 name for the record?

6 THE WITNESS: Angel Cruz.

7 JUDGE RAINEY: And are you a PGW customer?

8 THE WITNESS: Yes, I am, sir.

9 JUDGE RAINEY: And would you provide your address,
10 please?

11 THE WITNESS: 302 East Tioga Street.

12 JUDGE RAINEY: And who are you here representing
13 this evening?

14 THE WITNESS: The people in the Commonwealth of
15 Pennsylvania.

16 JUDGE RAINEY: Please go right ahead,
17 Representative Cruz.

18 THE WITNESS: Well, first of all, Your Honor, thank
19 you for giving me the opportunity. On my way in they
20 asked me to call the fire marshal, not because there's a
21 fire but because you've passed the capacity and people out
22 there are not being heard. And I think that, you know,
23 that should be accountable because these people came here,
24 they are affected, they have to pay these bills so we
25 should have given them an opportunity in a bigger space so

1 everyone could be heard.

2 I only have three comments, make it short and brief
3 because there are other speakers. I just wanted to find
4 out, first of all, because I am not sure if this \$80.00
5 rate that we are going to establish is that one flat rate
6 or are you going to charge even more depending on how you
7 use the gas. That's what I needed to know because some
8 people are not sure of that.

9 JUDGE RAINEY: All right, well, we can put that
10 question to PGW.

11 THE WITNESS: And my second comment will be as I
12 heard my constituents in my legislative district, the
13 problem is that there's a lot of hardworking people that
14 are paying gas bills and you have other folks that are not
15 paying and when they get their gas shut off they put it in
16 someone else's name. Why can't they put a lien on that
17 property until they pay it so there's no gas for no one?

18 Finally, the last comment, I think PGW and the
19 executive officers all take a pay cut before we pay more
20 money.

21 (Witness excused.)

22 JUDGE RAINEY: Is Representative Mark Cohen here?
23 Councilman O'Neill?

24 MR. O'NEILL: Thank you.

25 JUDGE RAINEY: May I swear you in, please?

1 MR. O'NEILL: Yes.

2 JUDGE RAINEY: Would you raise your right hand?

3 Whereupon,

4 BRIAN J. O'NEILL

5 having been duly sworn, testified as follows:

6 **DIRECT TESTIMONY**

7 JUDGE RAINEY: Would you please provide your full
8 name for the record?

9 THE WITNESS: Brian J. O'Neill, Councilman, Tenth
10 District, Philadelphia City Council.

11 JUDGE RAINEY: And are you a customer of PGW?

12 THE WITNESS: Yes.

13 JUDGE RAINEY: And who are you representing here
14 this evening?

15 THE WITNESS: 150,000 people in Northeast
16 Philadelphia.

17 JUDGE RAINEY: Go right ahead, Councilman O'Neill.

18 THE WITNESS: Good evening, Your Honor and
19 neighbors. I stand here in firm opposition to the
20 deadbeat tax, I refuse to give it a fancy name. Yet PGW
21 has asked the Public Utility Commission to give it a blank
22 check to raise rates whenever its revenues fall short, no
23 hearings, no accountability, no customer input, no
24 governmental approval. Anytime collections drop, PGW
25 wants to tack on a surcharge. Where is our due process?

1 This proposed surcharge would cost each paying PGW
2 customer as much as \$80.00 a year to provide \$40 million
3 more a year to the company. Why is PGW asking for the
4 surcharge? Because it has failed to crackdown on
5 deadbeats. PGW is asking those of us who pay our bills to
6 pay even more so others can continue to get service
7 without paying a dime.

8 In the strongest possible terms, I urge the Public
9 Utility Commission to reject the proposed surcharge. PGW
10 is the worst run utility in the nation. I'll tell you
11 later how I really feel. PGW reports that only 48 percent
12 of its residential customers, 48 percent, pay their bills
13 in full and on time. While PGW fails to go after
14 deadbeats, it has the nerve to ask honest customers who
15 always pays their bills to finance their mismanagement.
16 Currently such a large part of our gas bill goes towards
17 paying for other people's gas that PGW should issue each
18 paying customer a charitable contribution statement for
19 federal tax deductions. Between ten and 20 percent of our
20 gas bills go to subsidized deadbeats alone.

21 PGW's debt, now \$1.1 billion is staggering. PGW is
22 now asking City Council for permission to borrow an
23 additional \$125 million as soon as possible. PGW has
24 never paid back a dime on the unprecedented \$45 million
25 loan it received from the City three years ago and now the

1 City is facing a huge deficit. The PGW operations go from
2 bad to worse. This is no way to run a company.

3 Again, I urge the PUC to reject the proposed
4 surcharge. I urge PGW to take aggressive measures to
5 collect unpaid bills. With government subsidies such as
6 LIHEAP, no truly needy person should be cold in the
7 winter. However, the deadbeats should not be entitled to
8 free gas under any circumstances. No pay, no heat, no
9 excuses. To the PGW management I say ship out since you
10 are not capable of shaping up. If PGW wants a rate
11 increase it should file for a full rate base hearing where
12 it must justify every part of its budget. PGW has not
13 cracked down on deadbeats, it is not collecting its bills,
14 and it has not cleaned up its own house, it has not
15 improved service and it does not deserve a surcharge.

16 Again, I urge you, the Public Utility Commission,
17 to reject the request for a surcharge. Thank you.

18 (Witness excused.)

19 JUDGE RAINEY: Representative Kenney. May I swear
20 you in?

21 MR. KENNEY: Yes, Your Honor.

22 Whereupon,

23 GEORGE T. KENNEY, JR.

24 having been duly sworn, testified as follows:

25 **DIRECT TESTIMONY**

1 JUDGE RAINEY: Would you provide your full name for
2 the record, please?

3 THE WITNESS: George T. Kenney, Jr., 14020 Trevoise
4 Road, Philadelphia, Pennsylvania, 19116.

5 JUDGE RAINEY: And Representative Kenney, are you a
6 customer of PGW?

7 THE WITNESS: Yes, a high paying customer of PGW.

8 JUDGE RAINEY: And Representative Kenney, who are
9 you representing here this evening?

10 THE WITNESS: I am representing myself and the
11 60,000 residents of the 170th District in Northeast
12 Philadelphia.

13 JUDGE RAINEY: Go right ahead.

14 THE WITNESS: First of all, I do want to thank you
15 and the PUC for holding these public hearings and my first
16 formal request is to ask that you come back to Northeast
17 Philadelphia because I don't think all these people are
18 going to have their voices heard. So I making a formal
19 request that we hold another public hearing in Northeast
20 Philadelphia. Your Honor, I will help pick the site if
21 you don't mind.

22 JUDGE RAINEY: Representative Kenney, let me just
23 state, yes, we will make every effort to come back to the
24 Northeast to a larger facility. Thank you very much. To
25 make sure that everybody who wants to be heard will be

1 heard. Go right ahead, Representative Kenney.

2 THE WITNESS: Thank you. Again, thank you and I
3 too want to join with the concerned citizens of
4 Philadelphia who came out tonight to voice their
5 opposition to the PGW proposed surcharge. I believe most
6 of the people in this room are against the surcharge. All
7 those opposed would you please stand? Your Honor, I too
8 am outraged and strongly oppose the PGW's request to add a
9 surcharge under the gas bill of paying customers in an
10 effort to defray the cost incurred from nonpayment by
11 delinquent customers. In fact, I recently sent a letter
12 to Terrance Fitzpatrick, Chairman of the PUC, expressing
13 my outrage and opposition to this outrageous request. To
14 put it simply, hardworking families of Northeast
15 Philadelphia who pay their bills should not be required to
16 pick up those tabs for those deadbeats that do not.
17 Responsible customers should not be penalized for PGW's
18 inability to collect from irresponsible customers.
19 Putting an extra burden on good faith paying customers
20 will not fix the problem, it will do nothing to change
21 PGW's current inability to collect from deadbeat
22 customers. In fact, the additional charge could force
23 those who make every effort to pay their gas bills in a
24 timely manner putting them in a position of not being able
25 to pay because of the additional charge. And that is

1 wrong.

2 I feel that there are other options that PGW should
3 pursue before it levies an additional charge. I know many
4 of the people in this room agree with me. They are
5 understandably upset and for that reason they are here
6 tonight to voice their opposition to this PGW proposed
7 surcharge. Your Honor, you should take the word back to
8 the PUC that the residents of Northeast Philadelphia
9 oppose this surcharge, that's why they are here tonight.
10 And as their elected representative, I join them in
11 opposing this outrageous and unfair surcharge. Thank you.

12 (Witness excused.)

13 JUDGE RAINEY: Is Representative Mark Cohen here?
14 Cornelia Strowder, may I swear you in?

15 MS. STROWDER: Yes.

16 JUDGE RAINEY: Would you raise your right hand
17 please?

18 Whereupon,

19 CORNELIA STROWDER

20 Having been duly sworn, testified as follows:

21 **DIRECT TESTIMONY**

22 JUDGE RAINEY: Would you please state your full
23 name for the record?

24 THE WITNESS: Cornelia Jean Strowder.

25 JUDGE RAINEY: And would you provide your address?

1 THE WITNESS: 6509 North Eighth Street in
2 Philadelphia, Pennsylvania, 19126.

3 JUDGE RAINEY: And are you a PGW customer?

4 THE WITNESS: Yes, I am. Paid in full.

5 JUDGE RAINEY: And who are you representing here
6 this evening?

7 THE WITNESS: I am a homeowner and I am
8 representing any other homeowner who has been too
9 intimidated to address their problems.

10 JUDGE RAINEY: Go right ahead, Ms. Strowder.

11 THE WITNESS: Thank you for the opportunity to
12 address PGW's request. In response to Philadelphia Gas
13 Works' petition to establish a cash receipts
14 reconciliation clause, I strongly urge you to deny the
15 request for an automatic mechanism to increase rates to
16 compensate for PGW's inefficient and poor collections
17 caused by its noncompliance with rules and regulations as
18 set forth in their own PGW gas service tariff. I base
19 this on my experience with PGW and it's based on a verbal
20 billing experience I had with one of PGW's senior managers
21 in violation of the tariff. Some years earlier, the same
22 senior manager was forced by the no longer Philadelphia
23 Gas Commission to remove an improper lien against a
24 property that I owned. In retaliation, he refused to
25 provide a written bill or lien hearing notice for another

1 improper lien on another property. The manager of
2 collections, who is no longer there at PGW, verbally made
3 a request that the lien be removed because it was
4 improper. The City Solicitor's Office also made the same
5 removal request, stating that the City had a judgment lien
6 against another customer. He still refused to comply with
7 either request. Understanding that all that I have to
8 justify an \$8,207.00 lien is this senior manager's verbal
9 statement. He states that he cannot provide a written
10 bill because it is the account of another customer.
11 Nothing in writing puts me at a disadvantage because it
12 makes it a lien issue instead of a billing or notice
13 issue. Thus, it is out of the jurisdiction of the Public
14 Utility Commission.

15 So you see, the billing of one customer for another
16 customer's bill, even in violation of the present PGW
17 tariff is already a general practice of those with some
18 status in PGW's legal department. This one incident cause
19 PGW a lot of internal confusion for those employees who
20 were attempting to comply with the tariff. His violation
21 resulted in inefficient and nonproductive use of billing,
22 collections, and legal personnel. PGW's inefficiencies
23 due to poor noncompliance should not be rewarded.
24 Changing the rules simply to conform to bad behavior and
25 noncompliance is not the answer. It will only encourage

1 further customer abuse.

2 It is inefficient billing and collection practices
3 used to clean up and justify incidences of noncompliance
4 that is the problem. The absence of written bills and
5 notices makes lien issues unable to be addressed. One can
6 only guess at how many other PGW customers have been
7 prevented from resolving disputes due to the absence of
8 PGW written bills or notices in violation of the tariffs.
9 I thank you for the opportunity to bring this to the
10 attention of PGW's loss of revenues through its
11 noncompliance and inefficient and poor collection
12 practices. PGW is requesting that rules and regulations
13 change to conform to their noncompliance and their poor
14 collection practices. I urge you to deny PGW's request
15 because it would only add fuel to its inefficient and poor
16 collection practices. Thank you.

17 (Witness excused.)

18 JUDGE RAINEY: Jim Lavin. Mr. Lavin, may I swear
19 you in?

20 MR. LAVIN: Yes, you may.

21 JUDGE RAINEY: Would you raise your right hand,
22 please?

23 Whereupon,

24 JAMES LAVIN

25 having been duly sworn, testified as follows:

DIRECT TESTIMONY

1
2 JUDGE RAINEY: Would you provide your full name for
3 the record?

4 THE WITNESS: James Michael Lavin.

5 JUDGE RAINEY: And would you provide your address?

6 THE WITNESS: 9758 Chapelcore Street.

7 JUDGE RAINEY: And are you a PGW customer?

8 THE WITNESS: Yes, I am for many years.

9 JUDGE RAINEY: And are you representing yourself
10 here this evening?

11 THE WITNESS: I am representing 4,725 people who
12 signed my protest against the increase. And now I'll have
13 Frances Jarrell read.

14 (Witness excused.)

15 Whereupon,

16 FRANCES JARRELL

17 Having been duly sworn, testified as follows:

DIRECT TESTIMONY

18
19 JUDGE RAINEY: Ma'am, would you provide your name
20 please?

21 THE WITNESS: Yes, of course. My name is Frances
22 Jarrell. I live at 7102 Garner Avenue, Philadelphia,
23 Pennsylvania 19153. I am a senior citizen but I'm also a
24 paying customer of PGW and I'm one of the people that pay
25 my bills early.

1 Our petition which was started by Jim and I and we
2 have, as he said, 4,725 signatures which we are going to
3 submit to the PUC. And I might add they are still
4 counting, they are still coming in. We would like to, if
5 you don't mind, read our cover letter because it sort of
6 encompasses some of the complaints that we have against
7 PGW.

8 It is addressed to the Secretary of the PUC. "Dear
9 Sir: Attached are approximately 4500 signatures, and
10 counting, that we have collected to protest the proposed
11 surcharge that PGW is asking to apply to all of the paying
12 customers' bills in order to help alleviate the huge
13 deficit that they have incurred due to the thousands of
14 people who have not paid their gas bills. This is an
15 economic issue that affects everyone from all walks of
16 life, the poor, middle income and even some of the more
17 affluent, and confronts every person who receives a bill
18 from PGW. From what we have heard, there are about
19 135,000 people who have not paid their bills and they owe
20 the gas company about \$140 million. Certainly, this would
21 indicate that these people have not paid their bills for
22 years." Not just days, years. "And if my math is
23 correct, that would mean that these people have bills in
24 the thousands. How could this have happened unless the
25 gas company ignored the fact and just let these people go

1 for years without paying their bills. Their service
2 should have been terminated after the first year. I want
3 to know why this deficit is so large. Aren't the officers
4 of this company responsible for allowing this to occur?
5 Don't they review their quarterly and annual reports?
6 Don't they have audits every year? And if they see such a
7 huge deficit, don't they question why and attempt to
8 remedy it? Obviously, they have done nothing. This is
9 total mismanagement of a company. It's a well-known fact
10 that this company has been mismanaged for years. It
11 appears that whenever PGW incurs another deficit they just
12 apply to the PUC for another rate increase. Just a few
13 years back they raised the customer charge 100 percent,
14 from \$6.00 to \$12.00. And they have applied for another
15 rate increase to take effect in September of this year.
16 Since this is a city owned utility, we feel there should
17 be a thorough investigation into this matter by both city
18 officials and the PUC before any further increases are
19 granted to PGW. The people who have signed this petition
20 should not have to pay for all of the other people who
21 refused to pay their bills. As a matter of interest, we
22 have attached a list of the comments people made while
23 signing the petition. So, we are asking that the Public
24 Utility Commission deny this request for the surcharge."

25 You might be interested in some of the comments.

1 PGW, as some of our state reps have indicated, your
2 problems are just -- you think they are bad now, wait
3 until you hear some of the comments. People won't pay
4 next year. This is what they are telling us. Here are
5 some of the comments. "Below are some of the comments
6 that people said while they were signing the petition.
7 The gas company is crazy to think that I'm going to pay
8 for other people's bills. I won't pay my bill next year
9 either and I'll let somebody else pay for me. I hate the
10 gas company. They are killing me with their bills. I'll
11 stop paying my bills too. These people at PGW are out of
12 their minds. I won't pay the surcharge, I'll deduct that
13 part and pay the rest. I'll switch over to electric."
14 Some people have already done this. "This company is a
15 monopoly and we have no other company that we can use,
16 like with the electric and the telephone companies, at
17 least we have options there. If I can pay my bill why
18 can't they pay theirs? I am a senior citizen and my bills
19 are paid on time or early." I am one of them. "So why
20 can't they pay theirs? If they have luxuries they should
21 pay their bills first and then splurge on other things.
22 PGW has mismanaged for years, it should be sold to some
23 group that can manage it properly." And this one as a
24 lady I am not permitted to express the word but: "It's a
25 B company." And you can just imagine what that gentleman

1 said. The only other two items: "If every company ran
2 their business the way PGW does there would be no business
3 left in the City of Philadelphia." And no revenue for the
4 City to collect. And: "The person that conceived this
5 idea is an idiot and should be fired."

6 One thing I would like to submit. We'd ask that we
7 submit our petitions which are in here (indicating) and
8 we'd like the PUC to -- or at least some representative
9 from that group to sign our cover letter if you will to
10 say that they have received that. Thank you.

11 (Witness excused.)

12 JUDGE RAINEY: We'll take those petitions.

13 MR. HICKS: Your Honor?

14 JUDGE RAINEY: Yes, Mr. Hicks?

15 MR. HICKS: May we have both her cover letter and
16 the petitions entered into the record.

17 MR. STEWART: PGW objects to that.

18 JUDGE RAINEY: We have the petitions.

19 All right, is there an Elsie May? Ms. May, may I
20 swear you in?

21 Whereupon,

22 ELSIE MAY

23 having been duly sworn, testified as follows:

24 **DIRECT TESTIMONY**

25 JUDGE RAINEY: Would you provide your full name for

1 the record?

2 THE WITNESS: Elsie May. M-a-y.

3 JUDGE RAINEY: And would you provide your address?

4 THE WITNESS: 12833 Cabell Road, Philadelphia, PA
5 19154.

6 JUDGE RAINEY: And are you a customer of PGW?

7 THE WITNESS: Unfortunately, yes.

8 JUDGE RAINEY: And are you appearing here this
9 evening on your own behalf?

10 THE WITNESS: My own behalf and any other senior
11 citizen on a fixed income that just can't rebudget
12 themselves anymore.

13 I applaud everyone who has previously spoken.
14 There isn't too much more that I could add to what they've
15 said. I'm very happy with that. However, I do feel right
16 now that I'm attending the Boston Tea Party of the
17 Revolutionary period. It's time to wake up and protest.
18 And I really feel that the CRRC clause to me is like a
19 forced charity. It is illegal, doesn't make any sense,
20 and I really think that you should check into the legality
21 of forcing people to pay someone else's bills. It doesn't
22 seem just. And that's all I have to say.

23 (Witness excused.)

24 JUDGE RAINEY: Rita Beer?

25 MS. BEER: I'm here but I didn't know that's what I

1 was signing. But I feel like everybody else.

2 JUDGE RAINEY: All right, Ms. Beer.

3 MR. WALSH: She's going to let me stand in her
4 place. Is that okay?

5 JUDGE RAINEY: Who are you, sir? Did you sign
6 this?

7 MR. WALSH: Yes, I did.

8 JUDGE RAINEY: What's your name?

9 MR. WALSH: My name is James Walsh.

10 JUDGE RAINEY: James Welsh?

11 MR. WALSH: Yes, Walsh, with an A. I signed it in
12 the hallway. I couldn't hear what was going on so I came
13 in the room to hear better.

14 JUDGE RAINEY: Mr. Walsh, I am going to ask you if
15 you would --

16 MR. WALSH: I'll swear anything you want, my man.

17 JUDGE RAINEY: Just for the sake of being proper
18 and appropriate with regard to this, because people did
19 sign earlier than you, we'll go down the list and we will
20 get to you.

21 MR. WALSH: Are we definitely going to get to me?

22 JUDGE RAINEY: We'll get to you.

23 MR. WALSH: I'll be here until midnight.

24 JUDGE RAINEY: We'll get to you, sir. We'll be
25 here as long as it takes.

1 Is there a Lynn Ruben? Mr. Ruben, may I swear you
2 in?

3 Whereupon,

4 LYNN RUBEN

5 having been duly sworn, testified as follows:

6 **DIRECT TESTIMONY**

7 JUDGE RAINEY: Mr. Ruben, would you provide your
8 address please?

9 THE WITNESS: 1560 McKinley Street, 19149.

10 JUDGE RAINEY: And are you a customer of PGW?

11 THE WITNESS: I've been a customer a long time.

12 JUDGE RAINEY: And are you appearing here on your
13 own behalf?

14 THE WITNESS: On my behalf and all these people.

15 JUDGE RAINEY: All right, go right ahead, Mr.
16 Ruben.

17 THE WITNESS: I just want to say that all these
18 gentlemen and women spoke for me in all the things that
19 they want to bring out. And let's get this moving and
20 let's get these deadbeats to pay their bills. That's all
21 I have to say.

22 (Witness excused.)

23 JUDGE RAINEY: John Burke. Would you raise your
24 right hand, please, so I can swear you in?

25 Whereupon,

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JOHN T. BURKE

having been duly sworn, testified as follows:

DIRECT TESTIMONY

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

THE WITNESS: My name is John, J-o-h-n, T. B-u-r-k-e, Burke. I live at 2850 Neptune Road, Philadelphia, Pennsylvania 19154.

JUDGE RAINEY: And are you a PGW customer?

THE WITNESS: Yes, I am, Your Honor.

JUDGE RAINEY: And are you here on your own behalf?

THE WITNESS: I am here on behalf of myself and I empathize with all the hardworking, bill paying honest folks in the Northeast and in the entire city.

JUDGE RAINEY: Go right ahead with your testimony, Mr. Burke.

THE WITNESS: I am going to begin -- I think you started Your Honor, March 1st, 2002. I am going to begin March 12th, 2002 and it's a long saga. I am going to use the PGW words and my own words. I took this right from the press releases. PGW launches Cold Shower Collection Campaign March 12th, 2002. To make a long story short, 100,000 people owed \$70 million. July 1, 2003, PGW shuts off service to thousands of customers who refuse to pay their bills. 60,000 people still owed \$100 million.

1 August 4th, 2003, since April 1 PGW has shut of 16,000
2 customers. They owe \$55 million but there's an additional
3 45,000 customers who owe more than \$93 million and who are
4 eligible to be shut off. 45,000 customers, \$93 million.
5 April 1, 2004, Philadelphia Gas Works is now shutting off
6 service to customers who are -- we heard this already
7 right -- who are more than 30 days past due on their gas
8 bills and have not made any effort to contact the company
9 to make payment arrangements. More than 130,000 customers
10 owe an excess of \$140 million. 130,000 people, deadbeats,
11 to paraphrase Councilman O'Neill, \$140 million. Why
12 doesn't PGW release some dollar amounts collected? I want
13 to know what they collected. I really want to know. They
14 work for me, I pay taxes, they work for the folks here.
15 We want to know what they collect, when they collect it.
16 We want reports given to us, the taxpaying folks of
17 Philadelphia. Here before the City has blamed the state,
18 the state blames the feds, and it's all nonsense. Let's
19 collect the money. So much for cold showers. Now is the
20 time for honest bill payers to turn up the heat. We are
21 not going to pay this increase and if we have to get
22 ourselves some legal representation -- the one thing that
23 I worry about is that if I don't pay that surcharge I am
24 going to be reported to a credit bureau. I have good
25 honest credit. I want a lawyer to come and help us to put

1 this money in escrow and not pay it but protect us against
2 PGW reporting us to a credit bureau and ruining our
3 credit. That's all I have to say. Thank you.

4 (Witness excused.)

5 JUDGE RAINEY: Louis Rabonin. Can I swear you in,
6 sir?

7 THE WITNESS: Yes, you may.

8 Whereupon,

9 LOUIS RABONIN

10 having been duly sworn, testified as follows:

11 **DIRECT TESTIMONY**

12 JUDGE RAINEY: Please provide your full name for
13 the record.

14 THE WITNESS: Louis Rabonin. Address, 1647 Bridge
15 Street, Philadelphia, 19124.

16 JUDGE RAINEY: And Mr. Rabonin, are you a customer
17 of PGW?

18 THE WITNESS: Yes, sir, with a paid up bill but --

19 JUDGE RAINEY: Go right ahead with your testimony,
20 Mr. Rabonin.

21 THE WITNESS: About a year ago -- I'm on a budget
22 and I've been on a budget but about a year ago my budget
23 was around \$75.00 a month. Then it went up to \$86.00,
24 then it went up to \$95.00, then it went up to \$96.00 in a
25 month, and guess what, it is \$110.00. You want to see it,

1 Your Honor? \$110.00 a month. But the best thing of all
2 is I pay \$110.00 a month and I owe my account balance of
3 \$320 and so many cents. That's just to keep my butt a
4 little bit warm from freezing. Well, I have a good
5 suggestion for Philadelphia Gas Works to collect the money
6 that you're owed.

7 First of all, I have a friend of mine who does
8 mortgage searches in City Hall, Room 262. It's open to
9 the public, you can go in Room 262, City Hall and look at
10 the books of people who owe money to the government, to
11 the City, credit cards, et cetera. But the gas lien bill
12 is at least eight inches thick with now \$140 million
13 that's owed.

14 Now, I am going to ask you people here in this room
15 -- I didn't prepare any kinds of things to read tonight --
16 but let's say this lady here buys a car. Two months she
17 pays nothing and within those two months they have sent a
18 lot of notices. What's going to happen? It's going to be
19 repossessed, Your Honor, correct? You people in
20 Philadelphia Gas Works, here's a simple way to collect.
21 People don't like cold showers and when the damn
22 snowflakes fall and somebody's cold, the deadbeats that
23 are driving new cars -- I know that for a fact in my block
24 -- the deadbeats that are driving new cars, cablevision,
25 and all kinds of goodies paid for by me. They have green

1 cars, pink cars, blue cars, new cars, old cars and what,
2 but they don't pay. Here's the thing to do, Mr.
3 Philadelphia Gas Works reps, after two months when a
4 person makes no effort to pay, if the snowflakes are
5 falling you cut their gas off. Now the gas won't be cut
6 off for one reason. They'll give up a car, they'll give
7 up cablevision but they'll find a way to pay that bill.
8 If they are on limited income and a senior citizen like me
9 and they are enjoying all the luxuries of life, what they
10 will do, they will contact Philadelphia Gas Works and a
11 representative will come out and say: Let me see how much
12 you make, all of your income and you are going to pay ten
13 percent to the Philadelphia Gas Works and we'll keep your
14 gas on. This way you collect several million of the \$140
15 million that's owed. And that means that we won't have to
16 pay that stupid surcharge. When a person is forced to
17 give up their car because of a menial payment, they'll
18 find a way to pay it. And when a person gets their gas
19 cut off, if the snowflakes are falling, they'll find a way
20 to afford at least 15, 20, 25 dollars a month if it means
21 giving up cablevision, if it means giving up color sets,
22 et cetera, all the luxuries of life. But you people have
23 not tried to collect honestly.

24 Now, I have my bill here and I pay it at Frankford
25 and it's stamped how much I pay and I am up to date on the

1 budget and I still owe \$320.00. Let me tell you, the rest
2 of you people are crazy because I am not going to pay that
3 surcharge for deadbeats. I am not even speaking for the
4 water department who now wants a 40 percent raise because
5 if you go to Room 262 in City Hall and look at the water
6 lien book it is still high.

7 Now, I am going to apologize to all you officials
8 here and I am going to apologize to all of you people here
9 because I am going to destroy all of your houses if I hit
10 the lottery. There will be a vacuum in Northeast
11 Philadelphia by me leaving and everything will collapse
12 and I'm done. For all of you people and everybody who
13 pays their bill even if it is the budget, I want you to be
14 sure that you're behind me and I thank all of you people
15 here. I have nothing else to say because all of you
16 people ahead of me have said many good things. I had to
17 come off the top of my bald head to talk to you.

18 But anyway, Your Honor and representatives, I speak
19 the truth from my heart that I am not going to pay the
20 surcharge.

21 (Witness excused.)

22 JUDGE RAINEY: Representative Cohen.

23 MR. COHEN: Thank you.

24 JUDGE RAINEY: Representative Cohen, may I swear
25 you in?

1 MR. COHEN: Yes, you may, Your Honor.

2 Whereupon,

3 MARK B. COHEN

4 having been duly sworn, testified as follows:

5 **DIRECT TESTIMONY**

6 JUDGE RAINEY: Please provide your full name for
7 the record.

8 THE WITNESS: Mark B. Cohen.

9 JUDGE RAINEY: And would you provide your address?

10 THE WITNESS: 1415 Brighten Street, Philadelphia,
11 PA 19111.

12 JUDGE RAINEY: And Representative Cohen, whom are
13 you appearing here this evening on behalf of?

14 THE WITNESS: On behalf of my constituents from the
15 202nd District largely in Northeast Philadelphia.

16 JUDGE RAINEY: Go right ahead with your testimony.

17 THE WITNESS: Thank you, Your Honor. Thank you for
18 allowing me to speak tonight on this important issue. For
19 those of you who do not know me, my name is Mark Cohen. I
20 am State Representative from Northeast Philadelphia. I am
21 a member of the Democratic leadership. I am here tonight
22 to speak against the Philadelphia Gas Works' proposed rate
23 increase, which the Gas Works calls a Cash Receipts
24 Reconciliation Clause. A reconciliation which would cost
25 the ratepayers of Philadelphia more than \$80 each year.

1 When Thomas E. Knudsen, President and Chief
2 Executive Officer of the Philadelphia Gas Works, testified
3 before City Council on March 24th, he called the proposed
4 rate increase: A type of insurance policy. But you
5 cannot mitigate the risk of mismanagement. What Mr.
6 Knudsen failed to mention is what everybody here already
7 know, that the Gas Works is either unable or unwilling to
8 collect its debts, a strange practice for a public utility
9 which according to the District Attorney of Philadelphia,
10 Lynne Abraham, is already \$1.1 billion in debt.

11 The Gas Works has actively promoted the LIHEAP
12 program to get a stream of revenue for those customers who
13 claim to be financially strapped. Perhaps the Gas Works
14 should also be seeking property tax rebates for its
15 moderate income senior citizens, Earned Income Tax Credits
16 to low income individuals through the Internal Revenue
17 Service, and Social Security Disability Income and Social
18 Security Supplemental Income for those Philadelphians who
19 qualify for it. It may be that we can help solve PGW's
20 financial problems and the financial problems of the
21 individuals simultaneously and cost effectively.

22 Similarly, if a major component of PGW's problems
23 is over expansion of consumer credit card debt or gambling
24 debts, then perhaps PGW should be promoting restraint in
25 these areas. PGW is a universal point of contact and it

1 may be able to help solve other problems as it plows
2 itself out of debt. What we need is adequate research on
3 the financial state of delinquent customers. Ability to
4 pay has to do with family spending patterns as well as
5 absolute amounts of income. Programs can be devised to
6 both serve the public interest and the interest of ending
7 widespread delinquency of PGW payments.

8 What makes the situation extremely urgent is that
9 customers of the Philadelphia Gas Works, Philadelphians
10 like you and me, already pay more than any other group of
11 natural gas customers in Pennsylvania. Customers of the
12 next highest priced provider, Equitable Gas, pay on
13 average \$200.00 less than we do each year; and customers
14 of PECO Energy Gas, which serves parts of southeastern
15 Pennsylvania, pay on average \$341.00 per year less than we
16 do for natural gas service.

17 Dutiful and fiscally responsible PGW customers must
18 not be coerced into subsidizing payments of those who are
19 less responsible. While PGW's Chief Executive Officer,
20 Mr. Knudsen, talks about a collection goal of 94 percent,
21 the reality is that the Gas Works only collects 87 percent
22 of what is owed. The Gas Works argues that it collects so
23 little because it is legally prohibited from shutting off
24 gas service during the winter months because of the cold
25 weather moratorium. But the cold weather moratorium does

1 not exist to protect delinquent customers who can pay but
2 choose not to. The moratorium exists to protect the
3 vulnerable, low-income persons, the elderly the disabled,
4 those with young children, or the chronically ill from
5 literally freezing to death. The vast majority of people
6 who do not pay their bills during winter are believed not
7 to be the vulnerable; but to be a class of people who have
8 continually and professionally exploited the system at our
9 expense. To the extent that this widespread belief is
10 accurate, the situation it represents is outrageous and
11 intolerable. Further, the ban on shutting off gas service
12 during the winter months is statewide and does not create
13 an unmanageable problem for other utilities.

14 This is not the first time that attempts have been
15 made to bring the Gas Works to task for its lack of
16 successful management. The Gas Commission, which oversees
17 the Gas Works, has every year since 1995 asked the Gas
18 Works to assert their rights to collect from this group
19 during the winter months, but the Gas Works has refused.
20 There is no reason why collection attempts should not be
21 made during the winter, even if termination of service is
22 ruled out as a remedy.

23 Instead of attempting to collect what is owed, the
24 Gas Works blames the Pennsylvania Utility Commission and
25 attempts to justify hundreds of millions of dollars of

1 uncollected debt instead of collecting from the 125,000
2 who refuse to pay. As a State Representative and
3 Democratic Caucus Leader, I will not tolerate it. No one
4 should have to pay someone else's bill. Compassion for
5 hard-pressed consumers should not degenerate into
6 rewarding deadbeats.

7 The PUC, while vigorously scrutinizing the
8 management of the Gas Works, should also consider its own
9 rule. PGW is a collection of assets and not a utility
10 with stockholders and SEC reporting obligations. The goal
11 of the PUC supervision should be to keep rates as low as
12 possible, and not to hold PGW to the standards of PECO.
13 Having no stockholders, PGW does not need to worry about
14 dividends. Its required balances should be based on past
15 experiences and not on standards of fiscal prudence
16 designed to secure a fair return for stockholders.

17 The PUC should consider ordering PGW to examine the
18 best collection practices of utilities inside and outside
19 of Pennsylvania. PGW is now making phone calls to
20 delinquent customers to press for payment. It would be
21 good to know how cost-effective PGW and other utilities
22 have found this practice. Certainly collection problems
23 are far from unique to PGW and there must be various
24 successful model for PGW to emulate.

25 In conclusion, everybody is here because of the

1 outrage of the high cost of PGW gas bills. I have paid a
 2 gas bill of \$700.00 for a single house within the last two
 3 weeks and I've got another gas bills for \$500.00 which
 4 I'll be paying in the next few days. I well understand
 5 the problems my constituents are facing. I strongly urge
 6 that the PUC take this problem with the seriousness it
 7 deserves. I have given forth some outlines of potential
 8 remedies and I urge very prompt action on the PUC in
 9 denying this rate increase. Thank you very much.

10 (Witness excused.)

11 JUDGE RAINEY: Pearl Trackman. Bonnie Troy. Ms.
 12 Troy, may I swear you in?

13 MS. TROY: Yes.

14 JUDGE RAINEY: Would you raise your right hand?
 15 Whereupon,

16 BONNIE TROY

17 having been duly sworn, testified as follows:

18 **DIRECT TESTIMONY**

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

21 THE WITNESS: My name is Bonnie Troy, T-r-o-y.

22 JUDGE RAINEY: And would you provide your address?

23 THE WITNESS: 1025 St. Vincent's Street,
 24 Philadelphia, 19111.

25 JUDGE RAINEY: And are you a customer of PGW?

1 THE WITNESS: Yes, I am.

2 JUDGE RAINEY: And are you appearing here tonight
3 on your own behalf?

4 THE WITNESS: Yes, I am.

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

7 THE WITNESS: I have been living in Philadelphia at
8 least 45 years. I pay all my bills. I am alone, I take
9 care of myself, I work two jobs and I am always on time to
10 pay any payment that anybody sends me a bill for. Maybe
11 sometimes I pay too many bills. The gas company, I
12 noticed in the last couple of years, has been increasing
13 their bills. I was on a budget. When it got up to about
14 65, 70 dollars a month they decided they didn't want me on
15 a budget and I received a letter. First time in the 45
16 years that I ever got a letter saying: We're taking you
17 off the budget. At that time I noticed the bills going up
18 further and further and further and I saw the increases on
19 the bill statements down at the bottom stating that this
20 was happening, they were going to increase this and
21 decrease that and increase this. And I let it go.

22 At this point when I received the latest circular
23 in the gas bill saying that I was going to start paying
24 for the people that weren't paying their bills, I've had
25 it up to the kazazz (phonetic) and I said: That's it; I'm

1 going to speak up. I feel like everybody else in this
2 room and I decided that I am going to stop paying my bills
3 too and then I'm going to go delinquent and then I'm going
4 to get a bad credit against my name. And it's something I
5 don't want to do but if I have to, I'll have to because I
6 can't pay anybody else's bills. Nobody's paying my bills.

7 I'm not near retirement yet and I plan to work
8 until I can't work anymore. At some point I plan to leave
9 Philadelphia and retire to Las Vegas where they don't have
10 any state tax. My parents live there already so I go to
11 visit them. They are not going to wait too much longer
12 for me, they're 80 years old but at least I have a place
13 to go to visit them to get out of Philadelphia. I would
14 like to see more people coming in, more visitors coming
15 in, and they are going to stop visiting when I tell
16 everybody in Vegas what they are doing in Philadelphia.
17 So that's about all I have to say and I hope that this is
18 rejected because it is not fair to the citizens of
19 Philadelphia.

20 (Witness excused.)

21 JUDGE RAINEY: Herb Greenblat. Josephine Olsen.
22 Charles Stitch. M. Margerta. Mike Hartley.

23 MR. HARTEY: I am he but there is no "l" in the
24 name. Hartey.

25 JUDGE RAINEY: Hartey.

1 MR. HARTEY: My name is Michael Hartey.

2 JUDGE RAINEY: Mr. Hartey, may I swear you in?

3 MR. HARTEY: You may.

4 Whereupon,

5 MICHAEL HARTEY

6 having been duly sworn, testified as follows:

7 **DIRECT TESTIMONY**

8 JUDGE RAINEY: Mr. Hartey, would you provide your
9 full name? I am going ask you to spell your last name.

10 THE WITNESS: My name is Michael E. Hartey, that's
11 H-a-r-t, as in Tom, e-y. I reside at 7223 Tabor Avenue,
12 Philadelphia, PA 19111 and I am a customer of the gas
13 company and I am here representing the Bureau of Civic
14 Association and Town Watch. It's a group of about 4,000
15 families located in the Northeast section of the city.

16 JUDGE RAINEY: Go right ahead with your testimony.

17 THE WITNESS: Our community organizations asked me
18 to speak this evening against the surcharge that PGW has
19 requested because it is unfair and unjust. About four
20 years ago PGW increased the administrative service charge
21 from \$4.00 to \$12.00 a month. That's \$96.00 annually or
22 \$43 million, assuming that you have 450,000 "paying"
23 customers. For the last four years that would total \$170
24 million. Two, they have borrowed \$45 million from the
25 City a couple of years ago which if I were a betting man I

1 would say the City won't get that. Plus the annual fee
2 that PGW pays to the City of \$18 billion is in jeopardy as
3 well. Also the fee for a parts and service contract has
4 doubled in the last couple of years as well.

5 Additionally, PGW has had administrative problems
6 that were correctable. PGW customers on phone hold for
7 long waiting periods, employee attitude, excessive
8 absenteeism, management that thought money was their own.
9 Looking at that very poor track record, why would any
10 reasonable person give them more money? Why can't PGW
11 make money when they have a captive market and pass-
12 through pricing? Most companies have to offset material
13 price increases with productivity gains, but PGW resists
14 this. PGW must manage its business, its employees, its
15 cash flow, its debt, its receivables, et cetera. We
16 cannot bail them out, they must do it managerially because
17 what you have is a serial spender who promises to reform.
18 It won't happen. Don't we all wish that we had someone to
19 go to when we need money? Unfortunately, that's not
20 realistic. And I strongly recommend that no additional
21 funds be given to PGW. Thank you very much, Your Honor.

22 (Witness excused.)

23 JUDGE RAINEY: Rita Lees. Mary Jane Hazell. Ms.
24 Hazell, may I swear you in?

25 MS. HAZELL: You sure can.

1 JUDGE RAINEY: Would you raise your right hand,
2 please?

3 Whereupon,

4 MARY JANE HAZELL

5 having been duly sworn, testified as follows:

6 **DIRECT TESTIMONY**

7 JUDGE RAINEY: Please provide your full name. I am
8 going to ask you to spell your last name for the record,
9 please.

10 THE WITNESS: Mary Jane Hazell. H-a-z-e-l-l.

11 JUDGE RAINEY: And Ms. Hazell, would you provide
12 your address?

13 THE WITNESS: 1114 Warwick Street, Philadelphia
14 19116.

15 JUDGE RAINEY: Ms. Hazell, you are a customer of
16 PGW?

17 THE WITNESS: I sure am.

18 JUDGE RAINEY: And you're appearing here tonight on
19 your own behalf?

20 THE WITNESS: I am appearing here tonight for the
21 Somerton Civic Association. We're a membership of about
22 1,000.

23 JUDGE RAINEY: Go right ahead with your testimony.

24 THE WITNESS: My name is Mary Jane Hazell and I am
25 President of the Somerton Civic Association. I am here to

1 protest PGW's rate increase. There are 420,000 people in
2 the Northeast. Sixty-eight percent of that are senior
3 citizens. Most of the people of the Northeast pay their
4 bills even when they are not due yet. They do not ask for
5 any handouts. Before they eat or buy their medicine they
6 pay their bills. We do realize that at one time or
7 another we all need help but when it becomes a person's
8 way of life, needing help, then something is wrong. If
9 you do not pay your oil bill, the oil gets shut off. If
10 you do not pay your electric bill, your electric bill gets
11 shut off. If you do not pay your mortgage, the bank
12 forecloses. Well then, you know what, if they don't pay
13 their gas bill, shut it off. We do not feel it is our
14 responsibility to pay someone else's bill. Everyone has
15 to be responsible for their own actions. There are some
16 people who do not pay gas bills even when they have the
17 money, just like they don't pay their real estate taxes
18 and their water bills so we have to pick it up for them.
19 Philadelphia deadbeats, and there's no other word for
20 them, have a good thing going for them. We are not our
21 brother's keeper and we will not pay extra money for the
22 people who won't help themselves.

23 I am 70 years old, I hold a job, I got a quota of
24 one and a half percent last year and Medicare went up and
25 health insurance went up and my gas bill went from \$114.00

1 to \$133.00 a month on my budget. So there was nothing for
2 the seniors. The seniors got the short end of the stick.
3 And you know what, we're the guys that go out and vote.
4 We don't care what the weather is. We don't care if it's
5 snowing, raining, if we need walkers, we'll use walkers;
6 if we need a wheelchair, we'll need a wheelchair. But
7 we're the ones that vote and we're the ones that put these
8 politicians in office. It's got to stop. It has to stop
9 and we have to say to ourselves we are not going to pay
10 it. And there was a picture out one time called Network
11 and everybody screamed: We're mad as hell and we're not
12 going to take it anymore. And that's what it is now.
13 Thank you very much.

14 (Witness excused.)

15 JUDGE RAINEY: Deborah Schaeffer. Joseph B.
16 McDady. Barbara and Fran McGovern. Dominic Ragucci.

17 May I swear you in?

18 Whereupon,

19 DOMINIC A. RAGUCCI

20 having been duly sworn, testified as follows:

21 **DIRECT TESTIMONY**

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

24 THE WITNESS: Dominic A. Ragucci.

25 JUDGE RAINEY: And would you spell your last name

1 for the record, please?

2 THE WITNESS: R-a-g-u-c-c-i.

3 JUDGE RAINEY: And would you provide your address?

4 THE WITNESS: 15128 Endicott Street, Philadelphia
5 19116.

6 JUDGE RAINEY: And are you a PGW customer?

7 THE WITNESS: Yes, I am.

8 JUDGE RAINEY: And who are you appearing on behalf
9 of this evening?

10 THE WITNESS: I'm here on behalf of myself and the
11 members of the Somerton Civic Association.

12 JUDGE RAINEY: Go ahead with your testimony.

13 THE WITNESS: My testimony is very short. Before
14 this CRRC request can be discussed in any way, these
15 delinquent residential and commercial business customers
16 be made public on a list. Then the paying customers and
17 the media can determine who amongst the nonpaying
18 customers may have political connections. Speaking for
19 myself and the membership of the Somerton Civic
20 Association, we do not want to pay in any way any costs to
21 collect uncollected revenues from delinquent customers.
22 Thank you.

23 (Witness excused.)

24 JUDGE RAINEY: Pat Gregory. Ms. Gregory, may I
25 swear you in?

1 MS. GREGORY: Yes, you may, Your Honor.

2 Whereupon,

3 PATRICIA A. GREGORY

4 having been duly sworn, testified as follows:

5 **DIRECT TESTIMONY**

6 JUDGE RAINEY: Please provide your full name for
7 the record.

8 THE WITNESS: Patricia A. Gregory, G-r-e-g-o-r-y.

9 JUDGE RAINEY: And would you provide your address?

10 THE WITNESS: 7406 Large Street, Apartment C,
11 Philadelphia, PA 19152.

12 JUDGE RAINEY: And are you a PGW customer?

13 THE WITNESS: Yes, sir.

14 JUDGE RAINEY: Are you appearing here tonight on
15 your own behalf?

16 THE WITNESS: Yes and most of the residents in my
17 apartment.

18 JUDGE RAINEY: Please go right ahead.

19 THE WITNESS: Your Honor, I got behind in my bills
20 and I have called PGW for a budget. They allowed me to
21 start out at \$104.00. I could meet that. I was laid off
22 one month so I met half of that payment. I now have in
23 front of me, Your Honor, a bill for \$909.36. I will pay
24 this to the best of my ability, Your Honor, because that's
25 my responsibility. However, what I would like to see done

1 is one, if we could have an office in the Northeast where
2 we can go to take our complaints, our problems, and pay
3 our bills. You had one at Bell's Corner, which is
4 Bustleton and Caster Avenue. It was closed, Your Honor.
5 I would appreciate it if the PGW would take this under
6 advisement. The listings you have on your bills to be
7 able to go down, I just don't have the time. I'm single,
8 I work a one job, I am on a very limited income yet I try
9 to make my payments. I just would like to know and have a
10 breakdown of the \$909.36. I'll pay it if I have to spread
11 it out for the rest of my life but I am not in favor of
12 the increase, I think you've been very unfair to the
13 people of Philadelphia. I don't think there's any
14 consideration for the elderly; and, yes, I think there has
15 to be a plan presented for those who are deadbeats. They
16 have to pay at least \$50.00 a month, then you'll collect
17 your revenue. Thank you.

18 (Witness excused.)

19 JUDGE RAINEY: Bill France.

20 MR. FRANCE: Here, Your Honor.

21 JUDGE RAINEY: Mr. France, may I swear you in?

22 MR. FRANCE: Yes, you may.

23 Whereupon,

24 WILLIAM A. FRANCE

25 having been duly sworn, testified as follows:

DIRECT TESTIMONY

1
2 JUDGE RAINEY: Please provide your full name for
3 the record.

4 THE WITNESS: My name is William A. France. I live
5 at 13011 Proctor Road, Philadelphia, Pennsylvania 19116.
6 I am a customer of PGW. I have been for well over 50
7 years and I want to, before I forget to say it, I didn't
8 prepare anything but I want to say this little bit before
9 I ramble on and then you can shut me off.

10 The CRR Clause, I think that I should thank the PGW
11 for instituting this because by doing this they've gotten
12 some of us to come awake. I don't think that we would
13 have really gathered in this manner if it hadn't been for
14 something like that. I am a great procrastinator. I was
15 up for the Nobel Prize but I didn't quite make it.

16 In 1981 I had extensive experience with the gas
17 company and I don't want to give a reflection on the
18 individual workmen that worked there, they all seemed very
19 competent and on the ball but the management of the PGW is
20 unbelievable. If it were not a kind of an organization
21 that it is, they would have perished a long time ago. I
22 took the trouble to contact the Public Utilities
23 Commission back in '81 and I just got a nice thank you
24 response but nothing happened. I heard some people say
25 this evening, which I concur with 100 percent, that this

1 organization, PGW, is a disaster. I don't know how else
2 to say it. It is no doubt one of the worst public utility
3 organizations in the world and I don't know how to go
4 about making the correction. I'm sure that there are
5 people here, the Consumer Advocates and other folks, some
6 of the political people here, that would know how to move
7 in that direction. If the state representatives and City
8 Council people want to really do something for their
9 constituents, they will attack this problem and they need
10 a new organization. I mean, it is -- I can't find the
11 words to describe it and I thank you for your attention.

12 (Witness excused.)

13 JUDGE RAINEY: Claire Wilson. Catherine Jackson.
14 Ms. Jackson, may I swear you in?

15 MS. JACKSON: Sure.

16 Whereupon,

17 CATHERINE JACKSON

18 having been duly sworn, testified as follows:

19 **DIRECT TESTIMONY**

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

22 THE WITNESS: Catherine Jackson. 1219 Carper
23 Street, Philadelphia, Pennsylvania 19111.

24 JUDGE RAINEY: And Ms. Jackson, are you a PGW
25 customer?

1 THE WITNESS: Yes, I am. The bills are paid.

2 JUDGE RAINEY: And are you appearing here this
3 evening on your own behalf?

4 THE WITNESS: On my own behalf and anyone else who
5 wants to get behind me.

6 JUDGE RAINEY: Go right ahead.

7 THE WITNESS: The Cash Receipts Reconciliation
8 Clause is a tax imposed on us paying customers to pay the
9 bills of the deadbeats. PGW recently stated they sent
10 130,000 shutoff notices to deadbeats. What really matters
11 is how did they follow up on those letters? Did they
12 receive any payments from the letters that they sent? Did
13 they make any shutoffs? I don't think so. The letters
14 were probably idol threats as they were in the past. PGW
15 never follows through on anything that they say. Except
16 raising the rates, yes. I used to pay my bill a week or
17 two ahead of time but I don't anymore. I now pay it so
18 that it arrives on the due date because I don't want them
19 to have my money anymore than they have to have it.

20 Our gas bills include a charge of \$144.00 a year
21 which is for customer service. We don't get any service.
22 If we call with a heating problem, it takes at least four
23 days before they can send someone out to check the problem
24 and that's if your call is answered. Most of the time you
25 get disconnected and you hear the operator say: If you'd

1 like to make a call. Also in our bills, it is billed into
2 the basic rate that we are charged, we are charged 18
3 cents of every dollar that is on our bill, this covers
4 deadbeats and other discounts. This charge -- this \$80.00
5 a year charge that they want to do, is the most lecherous
6 thing I've ever heard of, charging paying customers to
7 subsidize deadbeats who don't care whether they have gas
8 or not. They don't care, why should we? They have their
9 cell phones, they have their cable TV, they pay those
10 bills but they don't pay their gas bills. They don't care
11 that their kids don't have heat.

12 PGW is just too lazy and inept to collect from
13 those that owe money. No matter how you look at it, PGW
14 sucks. Mismanagement of the company for decades, totally
15 irresponsible towards paying customers. They have to
16 become responsible for their own debts and to not force
17 them down our throats. And the way to begin that is to
18 disconnect every single delinquent in the city. If PGW is
19 granted any further increases I will not pay it,
20 especially any surcharge. I will pay my own bill because
21 that's what I am responsible for. I am not responsible
22 for someone else's and I refuse to pay it. I guess that's
23 about it. Thank you very much.

24 Excuse me, one more thing.

25 JUDGE RAINEY: Yes, Ms. Jackson?

1 THE WITNESS: In today's Inquirer a spokesperson,
2 Trish Cole, said that this surcharge, \$80.00 a year, just
3 in case the PGW wasn't able to be fruitful on their
4 collection of deadbeats, that this surcharge was their
5 insurance policy. That's in this morning's Inquirer.
6 Trish Cole said that.

7 JUDGE RAINEY: Thank you for your testimony.

8 (Witness excused.)

9 JUDGE RAINEY: Linda Novak. Ms. Novak, may I swear
10 you in?

11 MS. NOVAK: Yes, sir.

12 JUDGE RAINEY: Please raise your right hand.

13 Whereupon,

14 LINDA L. NOVAK

15 having been duly sworn, testified as follows:

16 **DIRECT TESTIMONY**

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

19 THE WITNESS: Linda L. Novak.

20 JUDGE RAINEY: And your address?

21 THE WITNESS: 4317 Millmore Street, Philadelphia,
22 19124.

23 JUDGE RAINEY: And Ms. Novak, are you a PGW
24 customer?

25 THE WITNESS: Yes, I am.

1 JUDGE RAINEY: And who are you appearing on behalf
2 of this evening?

3 THE WITNESS: I'm representing myself and my
4 community. I am a committee person in a 23rd board, 14th
5 Division.

6 And a lot of people get behind on paying their gas
7 bills but they pay something every month, they are not a
8 deadbeat. Why are they getting shutoff notices because
9 they fall behind a little bit? At least they are
10 attempting to pay something. But these deadbeats, they
11 don't care, they don't bother paying anything; so why
12 should we have to pay for the ones that don't bother
13 paying anything at all? And these people that do try to
14 pay their bill and fall behind, there's a lot of senior
15 citizens. I have a constituent in my division, I thought
16 she was going to have heart failure because she was on a
17 budget, they took her off the budget. Now she owes \$300
18 and some dollars and they will not put her back on the
19 budget until she pays this full amount. Is that fair?
20 No, I don't think so. I think the gas company has a lot
21 to consider with the people that do pay towards their bill
22 but maybe they can't pay everything for one month but they
23 will catch up with it. Why are they being tormented? At
24 least they are paying. And these people on welfare. I'm
25 sorry, the ones that should be collecting welfare, can't

1 because they make five cents too much. And the ones that
2 are collecting welfare, well welfare, do they consider
3 paying something on the gas bill? No, they give them the
4 money and tell them to go pay it. Are they going to pay
5 it? No, they're not going to pay it. And we have the CAP
6 program. If you're really in need you can go to the CAP
7 program. I just don't understand why everyone is being
8 charged. We pay our own bills and we should not have to
9 pay some deadbeat's. If they shut the gas off on a
10 deadbeat, let it be shut off until their entire bill is
11 paid up. Whether it be winter, summer, spring, or fall,
12 it should be paid up then turn it back on. But until
13 then, leave it off. You'll see how fast -- if they can
14 take their drugs and they can smoke their cigarettes and
15 they can drink their booze and they can go partying, why
16 can't they pay a gas bill? And does the gas company think
17 that they are our only bill that we have to pay? No, we
18 have other bills to pay. We have college tuition for our
19 children, we have electric, telephone that we have to pay.
20 Does the gas company take that into consideration? No,
21 they don't care. Just pay somebody else's bill because
22 they're not paying it. Well, I'm not going to pay it and
23 I dare them to turn my gas off. I dare them because I'll
24 throw a lawsuit against them. That's all I have to say.

25 (Witness excused.)

1 JUDGE RAINEY: Pat Hillsinger.

2 MS. HILLSINGER: Sorry, sir, I was unable to get
3 into the room so my neighbor put my name down as a
4 speaker. I am here in agreement with everything I've
5 heard but I've only been able to get in the room in the
6 last 15 minutes so I don't want to repeat what other
7 people have said.

8 JUDGE RAINEY: Do you want to present sworn
9 testimony, Ms. Hillsinger?

10 MS. HILLSINGER: No.

11 JUDGE RAINEY: You just want to make a comment. Go
12 ahead.

13 MS. HILLSINGER: I just add support to everything
14 that I've heard.

15 JUDGE RAINEY: Thank you, Ms. Hillsinger.

16 Trudy Mattica. Bob Reynolds. Mr. Reynolds, may I
17 swear you in?

18 MR. REYNOLDS: Yes.

19 JUDGE RAINEY: Would you raise your right hand,
20 please?

21 Whereupon,

22 ROBERT W. REYNOLDS

23 having been duly sworn, testified as follows:

24 **DIRECT TESTIMONY**

25 JUDGE RAINEY: Please provide your full name and

1 address for the record.

2 THE WITNESS: My name is Robert W. Reynolds.
3 Address is 3368 Chesterfield Road, Philadelphia, PA 19114.

4 JUDGE RAINEY: And Mr. Reynolds, are you a PGW
5 customer?

6 THE WITNESS: Yes, I am.

7 JUDGE RAINEY: Are you appearing here this evening
8 on your own behalf?

9 THE WITNESS: I am on my own behalf and West
10 Torresdale Civic Association.

11 JUDGE RAINEY: Go right ahead with your testimony.

12 THE WITNESS: Well, I didn't come here prepared
13 with any notes taken but I have a few things that I had
14 the time to scribble on the back of my hand. I don't want
15 to basically repeat what a lot of people before me have
16 already said so for the sake of brevity I would just like
17 to say that I, and I know a lot of other people in our
18 civic association will agree, that's it fiscally
19 irresponsible to go ahead and pass along people's gas
20 bills that are unpaid to anyone who does pay their bill on
21 a regular basis, me being one of them. And I would also
22 like to say that there are things that probably -- if the
23 Gas Works would look into, that they could possibly do
24 that would help them collect some of their money. Such
25 as, if you can go ahead and detach a deadbeat dad's wages,

1 why can't you attach a deadbeat utility customer's wages
2 so as to catch up on whatever they owe? I mean, it makes
3 sense to me. Garnish wages of people -- and this will
4 probably apply to the water department too because I know
5 that's coming up. Another thing too, they could possibly
6 create a lottery in the Gas Works to help offset the money
7 that they're losing. I mean, why not? Make it a utility
8 lottery and that way they could run it like a 50/50. It
9 would generate income. The last things I also wanted to
10 touch upon -- I mean, everybody's laughing but if it
11 generates money and it's done legally, who's laughing
12 then, right? How many people that aren't paying their
13 bills are illegal aliens in this country? I already know
14 some of the answers to those questions. I hope that you
15 people up here know. Thank you for your time.

16 (Witness excused.)

17 JUDGE RAINEY: Sue Morris. Joseph Haley. Bob
18 Hall.

19 MR. HALL: Right here.

20 JUDGE RAINEY: Mr. Hall, may I swear you in?

21 MR. HALL: Yes, you may, Judge.

22 JUDGE RAINEY: Will you raise your right hand?

23 Whereupon,

24 ROBERT HALL

25 having been duly sworn, testified as follows:

DIRECT TESTIMONY

1
2 JUDGE RAINEY: Please provide your name and address
3 for the record.

4 THE WITNESS: My name is Robert Hall. I live in
5 the 8700 block of Cottage Street, 8753. And I am a
6 Philadelphia Gas Works customer.

7 JUDGE RAINEY: And are you appearing here this
8 evening on your own behalf?

9 THE WITNESS: I am appearing on my own behalf and
10 for all the citizens of Philadelphia who are tired of this
11 stuff going on.

12 JUDGE RAINEY: Go right ahead with your testimony.

13 THE WITNESS: Okay, number one, I want to thank
14 everybody that showed up here tonight to show PGW that the
15 residents of the Northeast at least aren't going to put up
16 with this. I would like to see all the groups here that
17 are represented tonight to get together, the Somerton
18 group, the Bustleton group, the Holmesberg group. All you
19 groups get together and let's get something done this
20 time. Let's not let them get away with it.

21 Anything thing too, is our elected representatives.
22 They have let us down across the board. They promise
23 things over and over and over again and yet, I remember
24 not too many years ago one of the members' brother had a
25 little problem with a gas bill and that was never taken

1 care of. I don't want to say there's anything political
2 involved here, I don't want to say that; but I am going to
3 tell you what, as long as they keep us separated, the
4 Democrats on one side, the Republicans on the other, we're
5 the losers. We got to get together and say enough is
6 enough. You work for us. You come to us and you ask for
7 your votes and you don't provide nothing back for us. And
8 I for one am tired of it. If you guys want my vote you
9 are going to have to work for it.

10 The same way with PGW. I'd like to show you
11 pictures of my lawn, how you come out and ruined it
12 putting in a piece of plastic into a pipe when my pipe
13 wasn't even leaking. It was somebody else's. And I'd
14 like to tell you about the time because of this supposed
15 gas leak in the neighborhood, some locksmith come and
16 opened up my door when my wife was in the kitchen. If she
17 had my gun there would have been one less PGW employee,
18 today. Come in and breaking in my house with a no knock.
19 I got a phone that's listed. They couldn't call to see if
20 anybody was there? Maybe she was taking a shower when
21 they knocked.

22 And I'm going to tell you, you think this is -- I'm
23 going to tell all of you, this is nothing, this gas
24 company is just the tip of the iceberg. The City is
25 almost in anarchy. Your water bills are next. What is

1 your government doing about it? They are saying: Oh,
2 it's shrinkage. But you know what, when you go into the
3 department store and they add a nickel to that price of
4 that item, you have the option to say: No, I don't want
5 that. But what do you do when somebody blackjacks you for
6 this and they hold you up without a gun? And they are
7 stealing from us left and right. How about those gas
8 company officials that were supposedly being indicted a
9 couple of years ago. Whatever happened to that? Am I
10 mad? Yes, I'm mad, I'm angry. But I pay my bill and I'll
11 continue to pay my bill.

12 But I want to tell you one thing, Judge. I want to
13 tell you one thing. You can see that these people that
14 came here tonight, and they are just a small
15 representative of the people who couldn't come here, the
16 people that were disabled, the people that are blind that
17 are paying their bills. My sister for one of them, 82
18 years old, she's legally blind. You ought to see her gas
19 bill and she cuts it down to nothing. Cuts the heat down,
20 sits around with sweaters on so that to keep the bill down
21 so she can pay it. The conditions are awful here and I
22 just can't emphasize it enough that you know whose fault
23 it is? It's our fault, that's right, because we didn't
24 stand up long ago and tell all you people here that we had
25 enough. Now, I want to see my elected representatives --

1 I want to see them hold hearings, I want to see them find
2 out who's stealing our money that we contribute in taxes.
3 I want it accounted. Listen to this, ladies and
4 gentlemen, you pay a \$12.00 customer charge. Count that
5 up. If there's 500,000 paying customers, what is that?
6 That's \$72 million a year that they're getting and they
7 are doing -- what do we know what they're doing with it?
8 \$72 million. We know one thing, it ain't taking care of
9 the service, is it? It ain't getting people to answer the
10 phones.

11 You know, I hate to say it but these citizens here,
12 these people -- I'm probably the younger senior but I am
13 going to get there if I'm lucky. But these people are the
14 greatest people. My father during the Depression had to
15 walk the railroad to pick up coal that fell off the
16 railroad cars so that we would have heat. And you got the
17 nerve to come around and ask us for a rate increase to pay
18 for people that aren't paying. Why don't you just turn
19 your own gas off? Why don't you take something out of
20 your pockets once in awhile?

21 Well, I guess I ranted and raved enough. But I am
22 going to tell you something folks out there, you people
23 out here, if we don't stick together like the people back
24 in 1775 we'd still be singing "God Save the Queen." I
25 want to tell to stick together. Don't let them do this.

1 Thank you very much.

2 (Witness excused.)

3 JUDGE RAINEY: Donna Impereto. Is there a Merlton
4 Hipple? Is there a Marilyn Chaiken?

5 May I swear you in, ma'am?

6 MS. CHAIKEN: Yes.

7 JUDGE RAINEY: Would you raise your right hand?

8 Whereupon,

9 MARYLYN CHAIKEN

10 having been duly sworn, testified as follows:

11 **DIRECT TESTIMONY**

12 JUDGE RAINEY: Please provide your full name for
13 the record and I'm going to ask you to spell both names,
14 please.

15 THE WITNESS: Marilyn, M-a-r-i-l-y-n, Chaiken, C-h-
16 a-i-k-e-n.

17 JUDGE RAINEY: And Ms. Chaiken, would you provide
18 your address?

19 THE WITNESS: 8841 Rocklehurst Street, Philadelphia
20 19152.

21 JUDGE RAINEY: And Ms. Chaiken, are you a PGW
22 customer?

23 THE WITNESS: Yes, I am.

24 JUDGE RAINEY: And who are you appearing here this
25 evening on behalf of?

1 THE WITNESS: Myself and everybody in Philadelphia.

2 JUDGE RAINEY: Go ahead with your testimony, Ms.
3 Chaiken.

4 THE WITNESS: I wasn't prepared, Your Honor and
5 everybody else, to say anything but I decided that I have
6 to. Number one, I cannot believe that the group of Your
7 Honor and everybody else did not foresee a crowd like this
8 coming, that you put us in a room like this. You should
9 have foreseen on an issue like this that there will be
10 hundreds of people here so don't give me the eye. You
11 mean to tell me that you didn't foresee it? Do you have
12 any idea what was outside? They could not hear, it was
13 hot, they were annoyed and they came here to voice their
14 opinion.

15 I am against this increase 100 percent. My husband
16 is retired, I am a housewife. My husband served four
17 years in World War II which enabled him to get some
18 prescriptions, some prescriptions, from the Veterans.
19 Originally a few years ago at \$2.00 a prescription. Then
20 we get a letter that because of so many Veterans that were
21 unable to pay the \$2.00 -- and if you go to the Veterans
22 at 34th and wherever it is and take a look at what you see
23 there -- they sent them a letter to raise the prescription
24 to \$5.00, to \$7.00. So we were willing to do that to help
25 out these Veterans and especially the Vietnam Veterans who

1 got absolutely nothing when they came back. So we were
2 willing to do that. What you are talking about now is
3 entirely different. You are talking about gas increase,
4 your car gas increase, your water. How is the average
5 senior citizen, my age, 70 years old, and my husband who
6 is 84 who just became ill over the last number of months
7 which has a tremendous increase in medications that I just
8 ordered today was over \$400.00 for three prescriptions,
9 and you expect us to pay that increase and all the other
10 increases? I would like you gentlemen, Your Honor, go
11 down to Atlantic City and tell me how many Philadelphia
12 people are there gambling that are not paying their gas
13 bills. I would like to know that. They have the money to
14 gamble but they don't have money to pay their gas bill.

15 How I feel personally, I would like everybody in
16 Philadelphia to stop paying their gas bill, go out and buy
17 a George Foreman Grill and get a cold grill and use that
18 and stop paying your bill. Maybe that will bring some
19 action to us. How much more, Your Honor, are we supposed
20 to take? Everything is going up and up and up. Not
21 everybody has money. The rich are getting richer, the
22 poor are getting poorer, and the middle class is getting
23 squeezed in the middle. I will refuse to vote. I will
24 refuse to vote for primary, I will refuse to vote for the
25 President, and I will refuse to do any voting at all

1 because I think that Philadelphia is in a real turmoil.
2 Where is our mayor tonight, I would like to know? Does he
3 think that we stood in line, hundreds of people pushing to
4 get in this room, just to show our face? What are you
5 going to do about it? Are you just going to sit there and
6 listen to what we have to say and say: Oh well, they said
7 their piece, we have to do what we have to do; we have to
8 raise them. The deadbeats, absolutely shut them off.
9 Because I believe in my heart truthfully, there's a lot of
10 them gambling in Atlantic City. Losing money in Atlantic
11 City. And if they're winning, why aren't they paying
12 their bill? Are you paying your bill?

13 How do you gentlemen feel about the additional
14 increase? You are making probably very good incomes so
15 you don't have to worry. The President of the United
16 States does not have to worry about an increase in gas
17 bill, the Senate doesn't have to, Congress doesn't have
18 to. What's happening to the poor senior citizens who have
19 worked all their life to try to end up with something for
20 themselves, not to leave to their children, but to be able
21 to take care of themselves. We are living longer because
22 of better and more medications but the prices are
23 skyrocketing and it's making it very difficult. I have
24 been in a drugstore where a woman was in tears because of
25 a tremendous medical bill and she had to make a choice

1 between food, her utility bills, and her medicine bill.
2 And it was Eckerd drugstore on Welsh Road right near where
3 I live. And she was in tears when she got that bill and I
4 felt so bad for her. Or an article in the paper about a
5 woman whose cat got sick and was on an antibiotic and this
6 woman needed an antibiotic and was taking her cat's
7 antibiotic because she could not afford to go out and buy
8 an antibiotic for her and her cat. And she got sick
9 afterwards.

10 So I just really wanted to leave off some steam. I
11 support everybody here in whatever they are saying. I
12 hope your ears are clean and open to what we are saying.
13 We cannot afford it. We don't want to do it. You want
14 all your bills paid, they will be paid, but no more
15 increases. We just can't do it. Shut everybody's gas off
16 and I wish everybody would go out and buy the George
17 Foreman Grill which is marvelous and then we don't have to
18 worry about gas. Thank you.

19 (Witness excused.)

20 JUDGE RAINEY: Is there a Peter Vincent? Vera
21 Vincent? Mike McGowan. Thelma McGowan. Jim Walsh.

22 MR. WALSH: Here I am. Before I start, Your Honor,
23 I would just like to apologize for any offensive motions I
24 did towards you or anybody on the committee.

25 JUDGE RAINEY: Thank you, Mr. Walsh. Mr. Walsh,

1 may I swear you in?

2 MR. WALSH: Yes, you may.

3 Whereupon,

4 JAMES WALSH

5 having been duly sworn, testified as follows:

6 **DIRECT TESTIMONY**

7 JUDGE RAINEY: Would you provide your full name and
8 address for the record?

9 THE WITNESS: Yes. My name is James Walsh, W-a-l-
10 s-h. I reside at 7168 Hergick Street, Philadelphia, PA
11 19135.

12 JUDGE RAINEY: And Mr. Walsh, are you a PGW
13 customer?

14 THE WITNESS: Reluctantly.

15 JUDGE RAINEY: And Mr. Walsh, who are you appearing
16 on behalf of this evening?

17 THE WITNESS: My family, myself, and my bank
18 account.

19 JUDGE RAINEY: Go right ahead with your testimony.

20 THE WITNESS: First of all, I probably did about 20
21 years of mismanagement and I think I'm pretty qualified to
22 work for PGW because if you sent a letter out to like
23 200,000 people and you got a room with I think there's a
24 hundred chairs here, that's pretty mismanagement, you know
25 what I mean?

1 Now, I am here and I'm ticked off because
2 somebody's stealing from me. And like a couple of other
3 people said, it is taxation without representation is what
4 it is. I work hard. I pay my bills, I don't eat out
5 often. I got a family and I don't have to put away for
6 anybody else and I don't think it's right. If I don't pay
7 my electric they shut it off. If I don't pay my insurance
8 they cancel me. If I don't pay my oil -- because I have
9 oil heat in another house and I specifically put it in
10 there because it needed a heater and I said: I ain't
11 putting gas in here, are you kidding me? I'm not getting
12 stuck with that bill. So in the one house if you got oil,
13 if you don't pay the oilman you ain't got heat. It's as
14 simple as that. How many oil companies go out of business
15 because they don't deliver unless they get money. PGW has
16 to be the only company that will just let people go and go
17 and go. It's total mismanagement. I mean, how can
18 anybody do this? How can -- you know, a private company
19 can't run like this. If you order stuff from a builder
20 and you build a house and you don't pay that guy, if go to
21 build another house, he ain't going to sell you anything
22 until you pay your last bill. It's common sense. If you
23 don't have it, you know what, I get the Sunday paper every
24 week, it costs me \$1.50, that help wanted section got to
25 be a quarter inch thick, it's got to be. Now, there's no

1 jobs out there? There's plenty of work out there, all you
2 got to do is get up and go to work. You get up, you go to
3 work, you pay your bills and if you got anything extra
4 maybe you can order a cheesesteak or something from the
5 place around the corner or something, or maybe you can get
6 a car, okay? But they are all luxuries. It's a luxury to
7 have a car today. It's a luxury to do those things. It's
8 a luxury to have cable. That's not like -- you go in the
9 projects, they are already run with cable. You go in the
10 prisons, you know what, they got cable at Gratersford. I
11 don't know it personally but I have friends that were
12 there and they had cable television in prison. And cell
13 phones. A cell phone is not a necessity. Gas is a
14 necessity. If you can't pay your gas bill then you don't
15 have gas. Simple as that. I don't care if it's two
16 degrees or 200 degrees, pay up or, you know, go down to
17 the Goodwill store and buy a heavier jacket. Simple as
18 that. Or get the whole family together and sit on the
19 couch together, stay warm. My mother and father worked
20 their butts off and did without so that they could clothe,
21 feed and heat our house. And we never had a cold night
22 and they did without a lot. I am willing to do the same
23 thing for my family but for somebody else's family that's
24 not willing to work, I am not willing to do that.

25 There was an article today in the Northeast Times

1 and a lot of people said it, I'll pay the bill, I won't
2 pay the surcharge. That's ridiculous. That's robbery.
3 In the last four years, one year I think four years ago we
4 had a warm winter so PGW said: Aw, man, we didn't sell
5 enough gas this year so we got to raise your prices. Then
6 the following year it was really cold, it was cold because
7 I was working in it, and they said: Oh, we sold too much
8 gas so not we got to raise your prices to buy more gas.
9 You know what I mean? Come on, how stupid are we? If I
10 tried that, if I had goods to sell, and said: I sold too
11 many, I am going to raise the price; well, they are going
12 to go down the street and go buy off somebody else. So
13 either PGW got to get abolished or split up. Simple as
14 that. Or get somebody else. Have another gas company.
15 That's why one house that I owned and when it needed heat
16 in it I said: I'm going to put an oil tank in there and
17 an oil heater because if I don't like Mom and Dad's oil
18 company, I am going to call Joe and Mary's oil company
19 because they are a cent or two cheaper. Now, if I don't
20 like PGW's gas prices who am I going to call? I'm going
21 to call nobody, man. I will pay what's fair but I won't
22 pay anybody else's. That's not fair and that's what I was
23 hollering about.

24 You got to get a little better organization. I
25 mean, who sends a letter out to 200,000 people and gets a

1 room with, I swear to God, what's there, a hundred chairs
2 here? And they are spread across. They are spread pretty
3 far, you know what I mean? You should have put them close
4 like in a movie theater to get as many people in as
5 possible. You're thinking with the wrong end, you know
6 what I mean? That's all I got. Thank you very much.

7 (Witness excused.)

8 JUDGE RAINEY: Frank McCloud. Nathan Goertz. F.
9 Kanizzo. Arlene Caruso. Ms. Caruso, may I swear you in?
10 Would you raise your right hand?
11 Whereupon,

12 ARLENE CARUSO

13 having been duly sworn, testified as follows:

14 **DIRECT TESTIMONY**

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

17 THE WITNESS: Arlene Caruso.

18 JUDGE RAINEY: And your address.

19 THE WITNESS: 2124 Shelmeyer Avenue, Philadelphia,
20 Pennsylvania.

21 JUDGE RAINEY: And are you a PGW customer?

22 THE WITNESS: Yes, I am.

23 JUDGE RAINEY: And are you representing yourself
24 here this evening?

25 THE WITNESS: Yes, I am.

1 JUDGE RAINEY: Go right ahead with your testimony.

2 THE WITNESS: I'm here to voice my disapproval of
3 the requested surcharge and also my disapproval of the
4 rate hikes for the past five years. I am requesting an
5 investigation into PGW's mismanagement for the past five
6 years. If any of us in this room performed our jobs the
7 way PGW executives did we would have been fired and
8 prosecuted for stealing. I am requesting a significant
9 decrease in PGW rates. I am requesting that the PUC force
10 PGW to cut their unnecessary expenses in order to provide
11 PGW customers with a reasonable charge. The PUC is
12 supposed to be a watchdog for the people. In reference to
13 PGW, is the PUC a watchdog for fairness to the people or
14 is the PUC simply an arm of PGW? Thank you.

15 (Witness excused.)

16 JUDGE RAINEY: Curtis Blaisdell. Mr. Blaisdell,
17 may I swear you in?

18 MR. BLAISDELL: Yes, you may.

19 JUDGE RAINEY: Would you raise your right hand
20 please?

21 Whereupon,

22 CURTIS J. BLAISDELL

23 having been duly sworn, testified as follows:

24 **DIRECT TESTIMONY**

25 JUDGE RAINEY: Please provide your full name and

1 spell your last name for the record, please.

2 THE WITNESS: Curtis J. Blaisdell, B-l-a-i-s-d-e-l-
3 l.

4 JUDGE RAINEY: And Mr. Blaisdell, would you provide
5 your address?

6 THE WITNESS: 4311 Marple Street, Philadelphia
7 19136.

8 JUDGE RAINEY: And are you a PGW customer?

9 THE WITNESS: Yes, I am.

10 JUDGE RAINEY: And for whom are you appearing here
11 this evening?

12 THE WITNESS: Myself and any other citizen that's
13 upset with the way PGW has run and our elected officials
14 have allowed the utility commission to treat us as
15 customers.

16 JUDGE RAINEY: Go right ahead with your testimony.

17 THE WITNESS: First off I am alarmed by the fact
18 that some of our representatives who came in here this
19 evening bullied their way through many older people in the
20 hallway that weren't able to gain access to this room
21 because they are among the privileged group who has
22 allowed this situation to come about and us as consumers
23 to be overcharged and disregarded; and also the news media
24 some of which did the same thing to us who waited in the
25 hall and actually I gained access by following somebody.

1 I'm not sure what representative or who he represented but
2 he bullied his way through in a suit coat with another
3 gentleman and then the media came in right behind him.
4 And that earlier was the only way I was able to get into
5 the room and once in the room and standing in the aisle,
6 was knocked down by somebody who I believe was news media.
7 So the way the meeting is being conducted is a disregard
8 for human safety to begin with right here in a hall this
9 size.

10 But that aside, the fact that the utility
11 commission and our elected officials have allowed this to
12 happen to us -- I've been at this residence for over 33
13 years paying the gas bill. I watched, just like everybody
14 else had stated, things change drastically from the time I
15 was a young man at 20 years and started paying my bill and
16 I paid it ever since like most people in this room, and
17 that's why they're here. The fact that other people are
18 not willing to pay their bills and that the Gas Works is
19 not willing to collect that is not reason to charge the
20 paying customer additional fees year after year. I made a
21 change years ago and was investigated twice by the gas
22 company because my gas bill was drastically reduced
23 because I started heating with wood and continue to heat
24 with wood. I am not in the situation that many people in
25 this room probably are where they can't afford to pay

1 their gas bill but the simple fact that people who can
2 afford and don't is not reason to charge other people
3 excessive amounts of money. Our political hierarchy, the
4 gas company, and the utility commission all better start
5 representing the consumer. Thank you.

6 (Witness excused.)

7 JUDGE RAINEY: Robert Sterner. Anthony Taglieri.
8 Dorothy Day. John V. Kagnooki. City Councilwoman Joan
9 Krajewski.

10 MS. KOZLOWSKI: I am a representative from her
11 office.

12 JUDGE RAINEY: All right, may I swear you in?
13 Would you raise your right hand please?
14 Whereupon,

15 PATRICIA KOZLOWSKI

16 having been duly sworn, testified as follows:

17 **DIRECT TESTIMONY**

18 JUDGE RAINEY: Please provide your full name for
19 the record.

20 THE WITNESS: Patricia L. Kozlowski. K-o-z-l-o-w-
21 s-k-i.

22 JUDGE RAINEY: And what is your association with
23 Councilwoman Krajewski?

24 THE WITNESS: I am her legislative aide.

25 JUDGE RAINEY: Please go right ahead with your

1 testimony.

2 THE WITNESS: This testimony is on behalf of City
3 Councilwoman Joan Krajewski. "The City of Philadelphia
4 lost more residents last year than any other city in
5 America. Our residents have to move to the suburbs, New
6 Jersey, or out of the state of Pennsylvania because they
7 have had it with everything from their property taxes,
8 their car insurance, and now by charging them \$80.00
9 surcharge we just gave them another 80 reasons to leave
10 the City. Our office has received hundreds of calls from
11 people refusing to pay this surcharge. Now, we all know
12 the name we call these people who do not pay the tab and
13 let others pick up the bill. They are moochers, they are
14 freeloaders, and on behalf of the residents in the
15 Councilwoman's Sixth District, the gravy train stops here.
16 This is beyond PGW playing Robin Hood. You are not taking
17 from the rich and giving to the poor. Is anyone in this
18 room a millionaire? What happens when you don't pay your
19 cell bill, your internet, your cable TV., or your electric
20 bill? You get turned off. What happens when you don't
21 pay PGW? Nothing because the hardworking taxpayers in
22 this room will pick up the tab. Why should anyone pay
23 their PGW bill? Why should these people stay in our city?
24 Why should these people pay for something that they don't
25 even use?" Thank you.

(Witness excused.)

JUDGE RAINEY: Carol Senske. May I swear you in?

MS. SENSKE: Yes, Your Honor.

Whereupon,

CAROL SENSKE

Having been duly sworn, testified as follows:

DIRECT TESTIMONY

JUDGE RAINEY: Please provide your full name for the record and spell your last name, please.

THE WITNESS: Carol Senske. S-e-n-s-k-e.

JUDGE RAINEY: And Ms. Senske, are you a PGW customer?

THE WITNESS: Yes, sir.

JUDGE RAINEY: Would you provide your address?

THE WITNESS: 12020 Farwell Road, 19154.

JUDGE RAINEY: And whom are you here on behalf of this evening?

THE WITNESS: I'm representing my family and I'd like to speak on behalf of hardworking families with young children in the City of Philadelphia.

JUDGE RAINEY: Go right ahead with your testimony.

THE WITNESS: The first thing I would like to do is apologize to the many senior citizens that I see in this room, and I am speaking from the heart because I did not plan on speaking tonight. I am ashamed that more younger

1 people did not come out and show their support on this
2 very important issue.

3 It is so hard for middle class, lower class
4 families. I am trying to raise three children. I am
5 trying to raise them with morals and values and to have
6 pride in the America way, to have pride in our government
7 system. My son, my seven year old son, helped deliver
8 fliers tonight to try and get people to come out to speak
9 out against this atrocity. Many of the families could not
10 come. The younger people in my neighborhood don't want to
11 come because they think this is a load of BS, this is
12 nothing but bureaucracy, that our demands will not be
13 heard and they will not be met, so why should they bother?
14 Many families in my neighborhood could not come tonight
15 because those parents are working. Some parents are
16 working night work while the other works day work and
17 someone's got to be home to watch the kids because you
18 can't afford a babysitter.

19 My husband and I work hard, we barely get by. We
20 live paycheck to paycheck. Honey, I have to go food
21 shopping, do we have money in the account? No, hon,
22 there's only \$20.00 in checking, we've got to wait till
23 next week. It's disgusting but we work hard, we pay our
24 bills in full, on time. Tonight my son said to me:
25 Mommy, why aren't you coming to my soccer game? I said:

1 Hon, I have to go and I have to stand up. I have to voice
2 for our family that this is unfair. I explained to him
3 that PGW, who helps keep us warm in the winter, wants to
4 charge us extra money so we can pay for the other people
5 that don't pay their bills. And in the wisdom of a seven
6 year old child he said: Mommy, that's not fair.

7 Judge, what I am asking you tonight is to go to the
8 PUC and you tell them what my seven year old son said.
9 It's not fair and I want to go on record and say I'm not
10 paying any damn surcharge. I'm not paying it. You charge
11 me what you want. I'm going to pay what's right and I'm
12 going to pay what's just and I'll pay my fair share but
13 don't dare have me bust my butt to provide for my family,
14 have my mother take care of my children during the day, 65
15 year old woman whose health is declining, who helps us out
16 because she knows that we can't afford daycare, so we can
17 pay our bills and keep a roof over our heads for our
18 children. It's disgraceful and I want to know where did
19 common sense go? Thank you.

20 (Witness excused.)

21 JUDGE RAINEY: Mark Evans. Mr. Evans, may I swear
22 you in?

23 MR. EVANS: Yes, you may.

24 Whereupon,

25 MARK EVANS

1 having been duly sworn, testified as follows:

2 **DIRECT TESTIMONY**

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

5 THE WITNESS: Mark Evans. 7517 Clarence Street,
6 Philadelphia, PA 19111.

7 JUDGE RAINEY: And Mr. Evans, are you a PGW
8 customer?

9 THE WITNESS: Yes, I am.

10 JUDGE RAINEY: And who are you testifying on behalf
11 of here this evening?

12 THE WITNESS: On behalf of myself and my fellow
13 coworkers at the Philadelphia Gas Works.

14 JUDGE RAINEY: Go right ahead with your testimony,
15 Mr. Evans.

16 THE WITNESS: I really didn't prepare anything
17 tonight because I really didn't think I was going to come.
18 But today when I opened the paper, tonight I was reading
19 it, the business section, there is 60 percent more layoffs
20 this month than last month. Now, in 30 years of working
21 at PGW I never have heard the rage tonight and as I hear
22 on the street, because I do work out on the street, I am
23 not one of the people that answer the phones, I'm not one
24 of the people that work inside, I am one of the guys on
25 the street that you see out there. In 30 years I have

1 never heard the rage from customers in my daily work
2 expressed as far as this outrage right now. I don't think
3 it's fair. I think there's other means of -- other ways
4 of probably looking at it and maybe collecting it or
5 attacking the problem. One of the ways, I think would be
6 a change in the governess issue. I think we should change
7 the way PGW collects its debt so far as a bill such as the
8 water department imposes a tax, it's based on a tax, and
9 when you go and make settlement on a property there's a
10 water and sewer tax that you have to pay on a prorated
11 basis. So why can't gas, the commodity of gas, become a
12 tax in the city in the Northeast area, the quadrant? Why
13 can't it become a tax? This way, if the tax is
14 uncollected at settlement or at the settlement on the
15 estate this gas bill, which we will call a tax at the
16 moment, can be collected more effectively. And then there
17 are other good reasons tonight. I think two percent of
18 the people tonight probably did their homework and 98
19 percent are probably outraged, probably everybody's
20 outraged. But I think the politicians are the ones that
21 we should look at for the answers because we all know, and
22 all of you gentlemen know, that this has been going on too
23 long, this is nothing new at PGW. And you know it's not
24 going to get fixed overnight or before the election or
25 after the election; or if a new management team comes in

1 or when they decide to hire another management team after
2 they spend a half a million dollars to look for that
3 management team which the last management team stole that
4 money and the management team before that, the Phoenix
5 Group, took \$4.6 million from that stake which is
6 ratepayers' money. And that's never been brought back,
7 and what did they do for that money? The only thing they
8 did to us is tell us as PGW employees: You are not going
9 to work any overtime. You are not going to work it. You
10 are just going to be a barricade on the trench, pack it
11 up, and bring it in. And then you knock on the door and
12 tell the customer: We'll be back tomorrow to fill your
13 trench in and fix your lawn. And that's it. I could
14 speak forever but I'm not. Thank you.

15 (Witness excused.)

16 JUDGE RAINEY: Anita Jones. George Moy. Mr. Moy,
17 may I swear you in?

18 MR. MOY: Yes.

19 JUDGE RAINEY: Please raise your right hand.

20 Whereupon,

21 GEORGE P. MOY

22 having been duly sworn, testified as follows:

23 **DIRECT TESTIMONY**

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

1 THE WITNESS: My name is George P. Moy. I live at
2 9676 St. Anne Road, Philadelphia 19115.

3 JUDGE RAINEY: And Mr. Moy, are you a PGW customer?

4 THE WITNESS: I wish I had another choice.

5 JUDGE RAINEY: And who are you appearing on behalf
6 of here this evening?

7 THE WITNESS: I am appearing on behalf of myself
8 and also the community group that I belong to and helped
9 found, the Philadelphia Chinatown Development Corporation.

10 JUDGE RAINEY: Please go right ahead with your
11 testimony.

12 THE WITNESS: I am here today representing the
13 Philadelphia Chinatown Development Corporation (PCDC) and
14 our Chinatown community and also for myself.

15 We, the responsible gas customers, are vehemently
16 opposed to any effort by the Philadelphia Gas Company to
17 pass onto us the losses incurred by delinquent customers.
18 Passing the losses onto the honest bill payer is
19 ridiculous. It is tantamount to robbing Peter to pay
20 Paul. Is PGW also trying to collect the high interest
21 penalty in addition to the normal charges? That would be
22 a double whammy. Such a plan will cause undue hardship,
23 especially on top of recent rate increases and a harsh
24 winter. Many, particularly people who are having a hard
25 time paying their bills, will become delinquent themselves

1 if they are made to cover the losses. Then what? Does
2 PGW come back every few years seeking another bailout? We
3 see no end if this is how PGW seeks to solve their
4 problems. Any private firm that allows customers to
5 continue to use their product and not pay their bill, time
6 after time, would not survive very long. Just because PGW
7 is a monopoly and has no competitors they should not have
8 the right to pass on the cost of poor management onto
9 their customer. Management should be the first to make
10 the sacrifices; for the company to become whole PGW must
11 become more efficient and frugal. Get rid of the
12 deadwood; remove unnecessary layers of management and
13 duplicity. That is what the private sector has to do in
14 hard times to survive. If the losses are due to
15 mismanagement and PGW cannot solve it without charging the
16 innocent, then it is time for the City to consider
17 privatizing management or the entire firm.

18 I want to get off the path a little bit to give you
19 an example of what I consider mismanagement that I
20 referred to previously. It cost our organization, a non-
21 profit, nearly \$30,000.00 of extra cost because of
22 intransigent bureaucrats at PGW. Under ordinary
23 circumstances when planning a housing development the
24 developer seeks to work out and resolve all the problems
25 well before starting construction. This does not appear

1 to be the case at PGW. Developers are told only when you
2 are about to begin construction will the gas company
3 review the construction plans as it pertains to their gas
4 service. There appears to be no set of rules. What PGW
5 approves at one time does not apply the next time.

6 As an example, at our 55-unit housing development
7 PCDC completed in 1998, gas meters were approved for
8 installation in an enclosure inside the houses. Four
9 years later, in our recently completed eleven unit housing
10 development, PGW insisted that the meters be installed at
11 the exterior of the front wall of the new houses, even
12 though the architect has designed a special enclosure to
13 conceal the meter in the kitchen at the rear of the house.
14 This unfeeling decision on the part of PGW not only ruined
15 the esthetics of a well designed housing development, it
16 contributed to a cost overrun.

17 When the architectural firm was designing the
18 project, the architect hired an engineering firm to design
19 the plumbing systems. They discovered that there were no
20 gas lines at the front of the newly designed buildings.
21 Therefore, the engineers designed a gas system that would
22 connect to an existing gas line that terminated at the
23 rear driveway of the new houses. The new gas line would
24 then be installed below the driveway and along the back of
25 the houses. This of course made a lot of sense, but not

1 to the bureaucrats at PGW. They insisted that a new gas
2 main be located at the front of the houses in spite of the
3 multitude of utility lines in the way. It is not in my
4 statement but there was a cable, steam line, electric
5 line, and other lines in the street that they were going
6 to be confronted with. At PGW's insistence, they made our
7 contractor dig up the middle of Ninth Street for their gas
8 main. This created an additional cost of thousands of
9 dollars to our organization. What is ironic is that they
10 abandoned the idea of installing their main in the newly
11 dug trench, we had to dig the trench and then they
12 decided: Oh, we can't get across the utility lines. So
13 they didn't use the trench due to the difficulties they
14 encountered which we foresaw. To us this is gross
15 ineptitude. Does this exemplify how PGW is managed? It's
16 time to drastically overhaul PGW. Otherwise the future
17 looks bleak.

18 And I have a serious of questions that I would like
19 to put forth. How much of the last rate increases are due
20 to the past nonpayment of gas usage? Has any effort been
21 made to determine who are the repeat offenders? If not,
22 why not? How many have had their gas supply shut off for
23 not paying? What effort has been made to collect monies
24 due? Was any effort made as to the ability of delinquent
25 gas users to afford payments? Do they have cable or

1 satellite service? How about cell phones? If they are
2 evident then I think you don't have to be hardnosed just
3 go ahead and shut the gas off. They'll decide what is
4 more important. How many cars or vehicles do they have?
5 How expensive are their homes? Has a lien been placed on
6 their assets if they are not paying their bill? Has any
7 determination been made as to how many more families will
8 be unable to pay the surcharge and become delinquent
9 themselves because of the extra cost? Will PGW request
10 another rate increase or an additional surcharge in future
11 years to cover future delinquencies? Thank you.

12 (Witness excused.)

13 JUDGE RAINEY: Geralyn Chapuis. May I swear you
14 in?

15 MS. CHAPUIS: Yes, you may.

16 JUDGE RAINEY: Please raise your right hand.

17 Whereupon,

18 GERALYN CHAPUIS

19 having been duly sworn, testified as follows:

20 **DIRECT TESTIMONY**

21 JUDGE RAINEY: Please provide your full name and
22 would you spell both names, please?

23 THE WITNESS: Geralyn Chapuis. G-e-r-a-l-y-n C-h-
24 a-p-u-i-s.

25 JUDGE RAINEY: And Ms. Chapuis, would you provide

1 your address?

2 THE WITNESS: 3111 Bell Green Terrace,
3 Philadelphia, PA 19154.

4 JUDGE RAINEY: And are you a PGW customer?

5 THE WITNESS: Yes, I am.

6 JUDGE RAINEY: And who are you appearing on behalf
7 of this evening?

8 THE WITNESS: I'm here on behalf of myself and when
9 I came here 632 other signatures that are against the
10 proposed rate increase and since I was stuck in the
11 hallway another hundred people were able to sign my paper.

12 There's not much more that I can say since I've
13 been in here in the last hour that hasn't already been
14 said. I'm a young family of five. We struggle to make
15 ends meet. We reduce our heat, wearing an extra layer of
16 clothing, just in order to pay the bills we have to pay.
17 Where as I know there are other abusers out there in the
18 City that leave their thermostat at 85 and cool off by
19 opening up the windows. So we've got flagrant abuse that
20 I'm sure everyone is already aware of and has probably
21 already been said.

22 I have a relation that has worked -- or did work
23 for PGW for 37 years when it was a proper company managed
24 by the UGI. They came a time where UGI was let go and all
25 of the sudden PGW's in the red. We all know that there's

1 politicians involved and PGW became a goldmine. It was a
2 place to go to get things done, to get money that you
3 needed. And we seem to be that ending that they seem to
4 search for now to get the money that they need to take
5 care of their mismanagement. There are changes that need
6 to be made. We can't go on like this and it's not just
7 the proposed increase to pay for people that don't pay.
8 Certainly we are not going to pay that. But it's the
9 entire organization. It cannot be run the way it's run.
10 It is a non-profitable company. I don't know any other
11 company on the face of this earth that would be allowed to
12 survive the way that they do. I don't know how they --
13 well, they survive on our pocketbook, that's how they
14 survive.

15 What I want to know is we are all here, we've sat
16 here now for three hours, we've listened to a lot of
17 testimony, what I want you to tell me is what's going to
18 be done. Can any of you do anything? Sitting here there
19 is about ten of you here. I unfortunately am sorry, I was
20 out in the hallway so I missed who you are. I can read, I
21 see I assume some of you are from the PUC, I guess some of
22 you are from the gas company. Do any of you have the
23 ability tonight to do anything? Anybody here. Or are we
24 just wasting our time and wasting our breath? Because I
25 can tell you that there are going to be a lot of pissed

1 off people. They sat here for three hours and nothing
2 gets done because you just sat here and you were the yes
3 men and somebody to come and go shake your head like the
4 donkeys that you see in the back of the car. Are we just
5 blowing off air or is something going to get done? I
6 would like to know before I leave this room that I just
7 didn't waste three hours on a babysitter, to watch my
8 three kids, to come here tonight to say my piece to have
9 nothing done. I want to know, can something be done, Mr.
10 Office of Trial Staff?

11 JUDGE RAINEY: Ms. Chapuis, maybe if I can start.
12 We are, as you know, in the midst of a proceeding in terms
13 of evaluating PGW's proposal. And before you are the
14 parties who are involved in litigating this particular
15 matter. And we will have additional hearings in addition
16 to the public input hearings which are held tonight as
17 well as two tomorrow. And your testimony, the testimony
18 that has been sworn to by the people here today, will be
19 considered in the analysis of this particular case and
20 will be given weight. And the parties have the
21 opportunity also to use your testimony in their particular
22 positions which they will additionally be presenting on
23 the 11th and 12th of this month, so next week when they put
24 their technical witnesses on the stand.

25 THE WITNESS: And this is for the proposed

1 increase?

2 JUDGE RAINEY: This is in regard to the proposed
3 increase of PGW. That is correct. And then I will be
4 rendering a recommended decision with regard to the matter
5 and then the Commission then will be rendering a final
6 decision sometime before the 1st of September. So that the
7 testimony you are providing here this evening, everyone's
8 testimony, is valuable.

9 THE WITNESS: Okay, so then can you give me some
10 information on what my next step would be, or could be, to
11 dissolve PGW, to perhaps turn PGW over to a private
12 company, to bring UGI back? Because, you know, this
13 proposed increase is just one issue and what happens next
14 year when it comes again? Are we going to go through all
15 this again? We've got a big problem and I would like to
16 know what next step I can take because I really don't
17 know, maybe you can tell me.

18 JUDGE RAINEY: All I can speak to is what the PUC
19 itself can do in terms of what we have jurisdiction over
20 and what my particular job is right now which is to deal
21 with PGW's proposed filings, both in terms of the gas cost
22 rate and their petition for a Cash Receipts Reconciliation
23 Clause. So that's what's before me right now and that's
24 what I have to deal with in the form of a recommended
25 decision. So that's what I am --

1 THE WITNESS: Do you answer to anyone?

2 JUDGE RAINEY: I am a civil servant and my
3 decisions are an independent decision that I make which is
4 a recommended decision and then the Commission takes that
5 and it does what it wants with that, it can adopt my
6 decision, it can modify my decision, it can reject my
7 decision outright. The Commission --

8 THE WITNESS: Is there anyone here from the
9 Commission?

10 JUDGE RAINEY: The commissioners make the final --
11 there are no commissioners here.

12 THE WITNESS: Is there any reason why? They didn't
13 think it was important.

14 JUDGE RAINEY: That's their option whether or not
15 to -- I cannot speak for --

16 THE WITNESS: So you can sit here and you can make
17 a huge big wonderful decision and they can say: We are
18 going to raise it anyway. They can do that?

19 JUDGE RAINEY: I can't speak for the commissioners.

20 THE WITNESS: Okay, so we all need to then send our
21 letter definitely to the commissioners or maybe show up on
22 their doorstep, maybe also, to maybe get them to hear our
23 story.

24 JUDGE RAINEY: Certainly everyone can exercise what
25 options that you have that are available to you.

1 THE WITNESS: And the PUC are regulated by anyone?
2 I don't know this.

3 JUDGE RAINEY: PUC regulates the public utilities.

4 THE WITNESS: I understand that but do the PUC
5 answer to anyone?

6 JUDGE RAINEY: Well, PUC's decisions are appealable
7 to Commonwealth Court.

8 THE WITNESS: Commonwealth Court.

9 JUDGE RAINEY: That's correct.

10 THE WITNESS: And as far as dissolving PUC, public
11 company, anybody can answer that for me? How do we get
12 PGW changed, how do we get the management changed? The
13 situation that --

14 MR. HICKS: Your Honor, may I make a comment?

15 JUDGE RAINEY: Go ahead, Mr. Hicks.

16 MR. HICKS: I will really be brief. The Judge is
17 objective. His job is to be objective.

18 THE WITNESS: I understand that, absolutely.

19 MR. HICKS: I am not objective. I represent a
20 number of Philadelphia public officials, including Senator
21 Vince Fumo, Frank DiCicco, James Kennedy, Michael Nutter,
22 David Cohen, your Councilwoman Joan Krajewski, and Juan
23 Ramos; all of whom oppose this request by PGW. One of the
24 reasons why they are a part of this proceeding is because
25 they have more concerns than those concerns in this

1 proceeding. So my recommendation to you on some of the
2 broad suggestions you have --

3 THE WITNESS: Yes.

4 MR. HICKS: -- is to contact your city and you
5 state legislatures.

6 THE WITNESS: So right now it is between them and
7 the people to be able to make the change? And there is
8 enough that they can make changes?

9 MR. HICKS: The kinds of issues that you raise are
10 bigger than this proceeding.

11 THE WITNESS: Absolutely.

12 MR. HICKS: And those issues --

13 THE WITNESS: But this is bigger than this issue.
14 That's why everybody's here.

15 MR. HICKS: That's why I recommend you talk to your
16 legislatures.

17 THE WITNESS: Okay, he got you off the hook.

18 JUDGE RAINEY: Thank you both.

19 (Witness excused.)

20 JUDGE RAINEY: Lance Haver. Mr. Haver, may I sear
21 you in?

22 MR. HAVER: Before you do, Your Honor. Somebody
23 was unable to get in the room and asked if I could submit
24 testimony. I did not know your ruling on submitting
25 written testimony.

1 (Document handed to Judge Rainey.)

2 JUDGE RAINEY: If you raise your right hand I will
3 swear you in.

4 Whereupon,

5 LANCE HAVER

6 having been duly sworn, testified as follows:

7 **DIRECT TESTIMONY**

8 JUDGE RAINEY: Please provide your full name for
9 the record.

10 THE WITNESS: My name is Lance Haver. I live at
11 6803 Laughton Avenue. It's Philadelphia, Pennsylvania
12 19126. I am a PGW customer. I work for the City of
13 Philadelphia.

14 JUDGE RAINEY: And who are you appearing on behalf
15 of here this evening?

16 THE WITNESS: I am appearing for myself as Director
17 of the Mayor's Office of Consumer Affairs.

18 JUDGE RAINEY: Please go right ahead with your
19 testimony.

20 THE WITNESS: My name is Lance Haver. I am the
21 Director of the Mayor's Office of Consumer Affairs. If I
22 could I would start my testimony with a scream of pain and
23 anguish. PGW wants to raise the rates of those that are
24 paying to pay for those that are not. If they are allowed
25 to do so without any other change all that will happen is

1 that next year there will be more who can't pay which will
2 lead to another rate increase. Certainly this is the
3 beginning of what economists call the death spiral. Every
4 time we raise rates more people fall behind, leading PGW
5 to raise rates even higher until there is no one left who
6 can afford to pay. It should be clear that when we talk
7 about PGW the situation is grim but we must start with
8 some basic truths so the conclusions we come to won't be
9 of little value.

10 First, we must recognize the overwhelming
11 majorities of the problems that have been caused by
12 mistakes made by the previous management of the company,
13 the rising level of poverty in the City, and the recent
14 spikes in the price of natural gas. The previous
15 management of PGW was not just bad, it was criminal. The
16 four top executives were charged with crimes of theft and
17 fraud, two were convicted. They bought the wrong computer
18 system, couldn't send out accurate bills, answer the
19 phones in a timely fashion, or provide basic service. The
20 current management is making improvements. Most of the
21 bills that are sent are now accurate, the phones are
22 answered in more of a timely basis, costs have been cut,
23 and efficiency has improved. More to the point, the
24 abuses of the past have stopped. No longer are we, the
25 Philadelphia ratepayers, being forced to pay for massages,

1 parties, security systems, and gifts to colleges as we
2 were under the past management. The workforce at PGW has
3 been reduced by over 200 people and no longer will PGW
4 consumers have to pay the \$18 million a year to the City
5 of Philadelphia. Mayor Street has eliminated this
6 regressive tax that the former mayors forced PGW
7 ratepayers to pay. PGW, under the new management, has
8 increased the number of people receiving LIHEAP and
9 started to work with the Working Families Campaign to help
10 our citizens qualify for the Earned Income tax credit so
11 people will have the money to pay their bills. PGW is
12 headed in a better direction but still faces serious
13 problems. Gas bills have gone up by over 50 percent in
14 the last two years. The income of the poor, working poor,
15 and even middle class has in real dollars been declining
16 since 2000. On average, Philadelphia families have seen
17 their incomes decline by seven percent. Over 20 percent
18 of the City is living below the federal poverty level. It
19 should be clear that people who were barely making ends
20 meet last year can't keep up with the rising prices of
21 natural gas.

22 The Commission knew, or at least should have known,
23 that low and moderate income families would have trouble
24 keeping up with their bills this winter. Last fall the
25 Commission itself completed an investigation into the

1 skyrocketing prices. In many ways the problems we face
2 tonight have been caused by this Commission sticking its
3 head in the sand in trying to believe that PGW is like
4 other utilities. It is not. PGW requires different
5 solutions. The Commission must give PGW the tools it
6 needs to go after those who can pay and don't, while
7 protecting consumers who are simply too poor to keep up.
8 In doing so, the Commission must leave the winter
9 moratorium in place. Not just because it's the moral
10 thing to do, but also because shutting people off in the
11 winter will actually cost the City more than allowing
12 people to pay what they can. Winter shutoffs mean water
13 pipes will break, homes will become abandoned, real estate
14 taxes will not be paid, the number of people using the
15 shelter system will increase, and eventually the City will
16 have to pay to either board up the home or knock it down
17 or both. Winter shutoffs only shift costs, it doesn't
18 eliminate them.

19 The Commission should create economic incentives to
20 the management and workers of PGW to perform; compensation
21 to be tied to efficiency benchmarks. Unless we do that
22 there is little, if any, incentive for PGW to improve its
23 practices. Private utilities uses the profit motive to
24 drive efficiencies. PGW can use the same motive to drive
25 its workforce.

1 The Commission must also do whatever it can to
2 convince our state and federal delegation that current
3 energy policy is hurting Philadelphia consumers and PGW.
4 Pennsylvania is one of only two cold weather states that
5 does not add anything from the state budget to LIHEAP.
6 The Commission should ask to meet with the governor and
7 the leaders of the Senate and House to explain why it is
8 necessary to add money to LIHEAP. On a federal basis we
9 must ask our delegation to introduce legislation that will
10 tie the annual LIHEAP funding authorization to the price
11 of natural gas and heating oil. As it stands now the
12 federal government purposefully allows gas and oil prices
13 to rise to encourage more drilling. It does nothing to
14 protect seniors or protect the others who, from no fault
15 of their own, cannot keep up with the rising prices. No
16 one should be forced to freeze so that a handful of
17 multinational corporations can increase their profits.
18 Instead, the LIHEAP authorization should be tied to the
19 price of natural gas and oil. When the prices go up, the
20 amount of the LIHEAP grant should be increased in the same
21 proportion. Funding for conservation programs must be
22 dramatically increased and targeted to paying and troubled
23 customers. We should ask the Department of Energy to
24 float weatherization bonds that can be paid for with
25 energy savings so that we can help everyone conserve and

1 keep their gas bills down.

2 Many of the problems that consumers at PGW now face
3 should have been anticipated by this Commission. It
4 should be clear that no amount of litigation, delay, or
5 finger pointing will solve all the problems we are facing.
6 The Public Utility Commission should represent the public,
7 place these hearings on hold, and order a settlement
8 conference with all the parties including the governor and
9 leaders of the legislature. Unless we begin to address
10 the chronic problems of inability to pay, inability to
11 collect, and inability to properly regulate, nothing we do
12 here, today, will have any value. Thank you.

13 (Witness excused.)

14 JUDGE RAINEY: Joan Keyser. May I swear you in?

15 MS. KEYSER: Yes.

16 JUDGE RAINEY: Would you raise your right hand?

17 Whereupon,

18 JOAN KEYSER

19 Having been duly sworn, testified as follows:

20 **DIRECT TESTIMONY**

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

23 THE WITNESS: Joan Keyser. K-e-y-s-e-r. 1935
24 Deveraux Street, D-e-v-e-r-a-u-x. Philadelphia. I am a
25 resident in Philadelphia. I have been living in my house

1 since 1956.. I pay my bills on time. My bills have gone
2 up 100 percent. I come home -- I was working in 2002, I
3 took off from work, I came to Spring Garden Street to
4 protest the rate increase. People said to me: Why are
5 you doing that? Talk to the wall, you'll get the same
6 results. And I did; the bills went up. There was no
7 effect from me going there. Today I came with six pages
8 of petitions. There were 200 people in that hallway that
9 couldn't get in here that were signing whatever my sister
10 and I had left. The people in the senior center would
11 come, older people, but they can't so I am representing
12 them as well as myself. Someone that I work will told me
13 that they had found a bill in the parking lot from the gas
14 company, this isn't recent, there was \$1,000.00 owed to
15 the gas company. The bill belonged to Mayor Street. Why
16 was it allowed to go that high?

17 When I was working or when I go out I lower my
18 thermostat, I come home, it's cold in my house. I put my
19 coat on until the heat goes on again and my bill has
20 increased. I pay more than my budget. My budget was
21 around \$50.00; it's maybe \$85.00 now. I pay \$90.00 on my
22 budget and I had a \$200.00 balance. I live alone. I keep
23 my heat on 68 and my bill has increased so much that my
24 budget is not covering it, that I have a balance. I know
25 someone that went bankrupt because they couldn't pay their

1 medical bills, their prescriptions, their drug bills, but
2 they are paying their gas bill.

3 The gas company executives were stealing, were
4 doing all these things, did they pay back the money that
5 they stole? Some of them were indicted. Did they pay
6 back the money that they took? The gas company should be
7 run as a private organization because private companies
8 have a profit. They make sure they have a profit. The
9 City, the way they run the gas company, they don't. It's
10 so mismanaged they don't know how to do what they should
11 be doing. This gentleman that was talking before about
12 those houses, that's just an example, that they told them
13 to put meters in the front and they wanted to put them in
14 the back and then said: Now you can't put it in the
15 front. There were too many lines there which is just
16 exactly what they were told. I hope this is not a useless
17 hearing like it was when I went to Spring Garden Street,
18 that you are just going to listen and then turn around and
19 say: Well, the gas company needs the money, we'll have to
20 put in that increase. People who aren't paying their
21 bills, they can't afford it, they talk about LIHEAP, then
22 let them get help from there but the people who can should
23 be made to pay their bills. Thank you.

24 (Witness excused.)

25 JUDGE RAINEY: William Kitsch. Now, Mr. Kitsch,

1 you are a formal complainant and an active party in this
2 case; is that correct?

3 MR. KITSCH: I am, Your Honor.

4 JUDGE RAINEY: Would you prefer to testify here
5 tonight as opposed to at the evidentiary hearings next
6 week on the 11th and 12th?

7 MR. KITSCH: I would, Your Honor.

8 JUDGE RAINEY: All right, if you'll raise your
9 right hand I will swear you in.

10 Whereupon,

11 WILLIAM KITSCH, III

12 having been duly sworn, testified as follows:

13 **DIRECT TESTIMONY**

14 JUDGE RAINEY: Please provide your full name for
15 the record and spell your last name, please.

16 THE WITNESS: William Jacob Kitsch, III. K-i-t-s-
17 c-h.

18 JUDGE RAINEY: And Mr. Kitsch, would you provide
19 your address?

20 THE WITNESS: 1233 Stanley Street, Philadelphia,
21 Pennsylvania 19111.

22 JUDGE RAINEY: And Mr. Kitsch, are you a PGW
23 customer?

24 THE WITNESS: I am, Your Honor.

25 JUDGE RAINEY: And are you representing yourself

1 here this evening?

2 THE WITNESS: I am, Your Honor.

3 JUDGE RAINEY: Go right ahead. I will ask you to
4 keep your voice up, Mr. Kitsch. Go ahead.

5 THE WITNESS: Your Honor, today I downloaded
6 something from the internet from the Philadelphia
7 Information Locator Service. It is record group 151 and I
8 won't quote the lengthy website address. I would like to
9 enter this into evidence if that's okay after I read what
10 I wish to read from it.

11 PGW is regulated by the Philadelphia Gas Commission
12 and not the Pennsylvania Public Utility Commission. My
13 question on that basis, I don't believe that's been
14 changed, has it?

15 JUDGE RAINEY: The Commission regulates PGW.

16 THE WITNESS: This is inaccurate then?

17 JUDGE RAINEY: There are still some regulation
18 that's done by the Philadelphia Gas Commission but with
19 regard to rates and service, the Public Utility Commission
20 does regulate PGW now.

21 THE WITNESS: Okay. On April 1st, City Council
22 passed resolution 040348 authored by Marian Tasko. The
23 resolution condemns the CRRC, it talks about the
24 unfairness of the rate increase and in fact, let's call it
25 what it is, it's welfare, it's forced welfare for

1 nonpaying customers in Philadelphia. I've heard a lot of
2 talk about the mismanagement of PGW. I submit that since
3 City Council is inextricably tied to PGW's management
4 through the Gas Commission that the mismanagement of PGW
5 is one in the same with the mismanagement of the City of
6 Philadelphia. I do not believe that the PUC, even if they
7 do have jurisdiction to rule on rate increases has any
8 jurisdiction to approve a CRRC, which is unprecedented in
9 the Commonwealth as I understand that. I do not believe
10 there is any mechanism by which that can be approved
11 without the legislature becoming involved.

12 UGI ran a profitable PGW. The downward spiral of
13 PGW can be tracked from roughly 1972 when UGI was
14 summarily dismissed. Again, a close examination will show
15 that this mismanagement of the entire city resulting in
16 this problem. In Mary Tasko's resolution she calls for a
17 brief phrase "a bailout" of PGW of state and federal
18 monies. I believe this is where this is all leading and I
19 believe that the PUC cannot grant the CRRC and the next
20 step will be a request for state and federal money.
21 Without getting into any further details that's all I have
22 this evening.

23 (Witness excused.)

24 JUDGE RAINEY: Michael DeSanto.

25 Is there anyone else who wants to testify here this

1 evening? I think some people want to add some addition to
2 their -- yes, ma'am, do you want to testify here this
3 evening? Would you come up and sign the sign in sheet,
4 please? May I swear you in?

5 MS. COHEN: Yes.

6 JUDGE RAINEY: Would you raise your right hand?
7 Whereupon,

8 PAULA COHEN

9 having been duly sworn, testified as follows:

10 **DIRECT TESTIMONY**

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

13 THE WITNESS: Paula Cohen. 9019 Revere Street,
14 Philadelphia, 19152.

15 JUDGE RAINEY: And Ms. Cohen, are you a PGW
16 customer?

17 THE WITNESS: Yes.

18 JUDGE RAINEY: And who are you appearing on behalf
19 of this evening?

20 THE WITNESS: Myself and my parents.

21 JUDGE RAINEY: Please go right ahead with your
22 testimony.

23 THE WITNESS: I lived in where I live now for 45
24 years and this is the first year that I actually owe, in
25 May, \$330.00. I've had new windows put in, new doors put

1 in, and I am paying three times as much on a budget as I
2 was before. I also take care of my mom and dad's house.
3 I pay their bills and they just got a notice -- this is
4 something -- I wasn't going to say anything but they got a
5 letter that their senior discount is going to be
6 discontinued. My mom is 93 so that means I have to go
7 down to Frankford Avenue and bring five forms of ID for
8 them to stay on it. I didn't know that was going happen.
9 I never applied for it. I'm on a budget which keeps going
10 up because I know the gas company doesn't want to be in
11 the banking business. I just wanted to know if after 35
12 years of being on the senior discount, do you have to go
13 down and bring all this ID, like how long they've lived
14 there, their Social Security number? My mom doesn't drive
15 so she doesn't have a driver's license. My dad passed
16 away two years ago. There's no proof besides her Social
17 Security number and the deed to their house.

18 JUDGE RAINEY: There are representatives from PGW
19 who are here this evening and maybe Mr. Stewart or Mr.
20 Stunder -- and we are winding down now -- can have you
21 discuss with them this particular matter.

22 THE WITNESS: Okay.

23 JUDGE RAINEY: Was there anything else you wanted
24 to testify in regard to?

25 THE WITNESS: That was it because everybody else

1 has said everything that I feel.

2 JUDGE RAINEY: All right. Thank you, Ms. Cohen.

3 (Witness excused.)

4 JUDGE RAINEY: Is there anyone else who wants to
5 testify here this evening? You want to add to your
6 testimony, sir?

7 MR. BURKE: Yes, I do, Your Honor.

8 JUDGE RAINEY: All right, why don't you come back
9 to the podium. Identify yourself again for the record.

10 MR. BURKE: My name is John T. Burke. 2850 Neptune
11 Road in Philadelphia, Pennsylvania 19154. I am a
12 customer.

13 JUDGE RAINEY: You previously testified; is that
14 correct?

15 MR. BURKE: I previously testified. What I did
16 previously was I married the PGW press releases with my
17 own comments.

18 Whereupon,

19 JOHN T. BURKE

20 having previously been duly sworn, testified further as
21 follows:

22 **DIRECT TESTIMONY**

23 JUDGE RAINEY: Now you want to add to your
24 testimony. Go right ahead.

25 THE WITNESS: Thank you, Your Honor. I'm very

1 concerned that when you go back, I guess, to Harrisburg or
2 wherever you go back to that --

3 JUDGE RAINEY: I'm at the Philadelphia State Office
4 building.

5 THE WITNESS: Okay, to the Philadelphia office
6 building. I am concerned about the comments that Mr.
7 Haver made. Well, you talk about socialistic. It bothers
8 me. I'm going to tell you something and I speak plain.
9 The fact of the matter is that people who are poor, who
10 are more than poor, and who cannot afford to pay their gas
11 bill should be taken care of, no ifs, ands, or buts. We
12 live in a society where people don't freeze to death
13 because they honestly can't pay. Now, the other side of
14 the coin is and I believe in my gut that most of the money
15 that's owed to PGW are owed by deadbeats. Not the
16 category one which are the people that we ought to take
17 care of. Assume for a moment that I'm correct, PGW, the
18 State of Pennsylvania, somebody has to do a means test in
19 reverse and spend money to find out if indeed these people
20 can pay their bill. And if they can, get the money or
21 turn off the heat. It's as simple as that. We don't need
22 anybody with the fancy words about this and that and this
23 left wing, and the right wing, and all this other crap.
24 You can either pay your bill or you can't. The people who
25 cannot pay their bill, we take care of them. The people

1 who can pay their bill, we turn off the gas and guess
2 what, they'll begin to pay the bill. And that's the
3 comment that I wanted to make. Let's not run a socialist
4 country here. I don't mean anything nasty against anyone
5 but there are people we must take care of and there are
6 people who should pay their own bills. Thank you.

7 (Witness excused.)

8 JUDGE RAINEY: Is there anyone else here who wants
9 to present testimony? Anyone else?

10 If not, I would like to thank you all very much for
11 appearing here this evening. Please have a very safe
12 journey home and this hearing is adjourned. Thank you
13 very much.

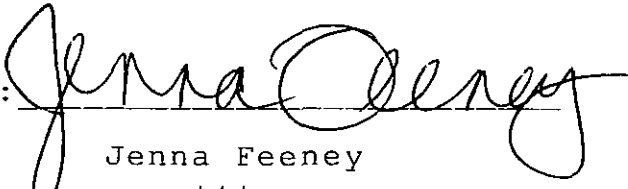
14 (Whereupon, at 10:15 p.m., the hearing was
15 concluded.)

16 * * *

C E R T I F I C A T E

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

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