

ORIGINAL

COMMONWEALTH OF PENNSYLVANIA

PUBLIC UTILITY COMMISSION

----- x
:

Pennsylvania Public Utility Commission :

v. Philadelphia Gas Works :

: Docket No.

Requesting a general rate increase :

of \$65,000,000. : R-00006042;

: R-00006042,

Public Input Hearing. : C0001, et al.

:

----- x

Pages 60 through 166 Ormandy West Meeting Room
Double Tree Hotel
Broad and Locust Streets
Philadelphia, Pennsylvania

Wednesday, March 28, 2001

Met, pursuant to notice, at 2:05 p.m.

BEFORE:

CYNTHIA W. FORDHAM, Administrative Law Judge

APPEARANCES:

CHARLES F. HOFFMAN, Esquire
P. O. Box 3265
Harrisburg, Pennsylvania 17105
(For the Office of Trial Staff)

WENDELL F. HOLLAND, Esquire
Obermayer Rebmann Maxwell & Hippel LLP
19th Floor
One Penn Center
1617 JFK Boulevard
Philadelphia, Pennsylvania 19103
(For PGW)

J.M.
RECEIVED
01 APR - 3 PM 3:08
PA.P.U.C.
SECRETARY'S BUREAU

DOCUMENT FOLDER

DOCKETED

APR 5 2001

Commonwealth Reporting Company, Inc.
700 Lisburn Road
Camp Hill, Pennsylvania 17011

33

APPEARANCES (CONTINUED):

JAMES A. MULLINS, Esquire
CHRISTY M. APPLEBY, Esquire
Fifth Floor
555 Walnut Street
Harrisburg, Pennsylvania 17101
(For the Office of Consumer Advocate)

BERNARD RYAN, Esquire
1102 Commerce Building
300 North Second Street
Harrisburg, Pennsylvania 17101
(For the Office of Small Business Advocate)

PHILIP A. BERTOCCI, Esquire
Community Legal Services
Fourth Floor
1424 Chestnut Street
Philadelphia, Pennsylvania 19102
(For CEPA, ACORN, TAG and Action Alliance)

-- 0 --

Commonwealth Reporting Company, Inc.

700 Lisburn Road
Camp Hill, Pennsylvania 17011

WITNESS INDEX

<u>WITNESS</u>	<u>DIRECT</u>
Geoffrey Seay	76
Darnell M. Deans, Sr.	79
Violet B. Johnson	82
Betty-Ann Workman	84
Edmund A. Tierno	91
Harriette Taylor	99
Janice Smith	100
Leeanna Purnell	104
John Rowe and Ingrid Leon	106
Sara Wing	114
Eleanor Grear	119
Margaret Gross	121
Helen J. Cutner	123
David Scholnick	128
Blanche Speller	133
Janet Mills	136
Darryll Williams	142
Robert Latimore	147
Ken Knight	151

WITNESS INDEX

<u>WITNESS</u>	<u>DIRECT</u>
Sue Groveman	160
Alphonso Cohen	162

-- 0 --

EXHIBIT INDEX

<u>NUMBER</u>	<u>FOR IDENTIFICATION</u>	<u>IN EVIDENCE</u>
---------------	---------------------------	--------------------

(None.)

-- 0 --

P R O C E E D I N G S

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

JUDGE FORDHAM: Good afternoon.

I am Administrative Law Judge Cnythia Williams Fordham and this is the time and place for a Public Input Hearing in the matter of Pennsylvania Public Utility Commission versus Philadelphia Gas Works at Docket Number R-00006042.

I would like to introduce the Counsel that are involved in this hearing. They are at the table to my left.

We have for the Philadelphia Gas Works Wendell Holland, Esquire, who is the main Counsel. We also have Les Fyock there and Laureto Farinas.

For the Office of Trial Staff we have Charles F. Hoffman.

For the Office of Consumer Advocate we have James Mullins and Christy Appleby.

For the Office of Small Business Advocate we have Bernard Ryan.

For the Consumers Education and Protective Association, the Association for Community Organizations Reform Now Action, Alliance of Senior Citizens of Greater Philadelphia and the Tenants Action Group we have Philip A. Bertocci

In this particular case which is before the Public

1 Utility Commission 166 formal complaints have been filed,
2 and some of you may have filed a formal complaint in this
3 action. Let me explain the ratemaking process a little
4 bit.

5 First of all, PGW is a municipally owned natural
6 gas company providing service within the City of
7 Philadelphia. Before the passage of the Natural Gas
8 Choice and Competition Act the Public Utility Commission
9 did not regulate PGW. On July 1st of 2000 the PUC began
10 to regulate PGW.

11 There are two types of rate proceedings for gas
12 companies. This particular proceeding is a base rate
13 proceeding. The other type is a gas cost rate
14 proceeding.

15 On August 8 of 2000 PGW filed an interim base rate
16 case with the PUC and requested an expedited proceeding.
17 The PUC granted the request for an expedited hearing.
18 After the hearings the Commission entered an opinion and
19 order on November 22 of 2000 allowing PGW an \$11 million
20 rate increase with certain conditions. The rates were
21 not increased, however, because PGW appealed this order
22 to Commonwealth Court.

23 On February 8 of 2001 PGW and the Commission's Law
24 Bureau filed a joint settlement petition resolving the
25 issues raised in the appeal. The Commission approved

1 this joint settlement petition by order entered on
2 February 22 of 2001.

3 Therefore, effective March 1st of 2001, the gas
4 cost rate will increase from .661985 to .66959. This is
5 about \$8 a year for the typical PGW residential customer.

6 The customer charge for residential customers
7 increased from \$8 to \$11.66 per month effective March
8 1st. The customer charge also increased for commercial
9 customers to \$14.57 a month and for industrial customers
10 to \$29.14. This is a \$7 million increase in annual
11 billed revenues.

12 As you know, there have been some increases in the
13 gas cost rate and I will let PGW explain that further.
14 That was a separate proceeding. That is not this
15 proceeding.

16 We are dealing with the commodity costs. If you
17 look at your bill you see the gas cost rate and you see a
18 commodity cost. We are dealing with the commodity cost
19 and the customer charge in this particular proceeding.

20 This particular base rate proceeding was filed on
21 January 5 of 2001. It was to become effective on March
22 6, 2001. However, since there were complaints filed the
23 Commission is having an investigation into this
24 particular matter. The investigation is for the
25 lawfulness, justness and reasonableness of the proposed

1 rate increase. This is pursuant to section 1308(d) of
2 the Public Utility Code, that the particular tariff was
3 suspended by operation by of law until October 6, 2001,
4 unless otherwise directed by order of the Commission. In
5 addition to looking at the proposed rates, the Commission
6 is investigating the lawfulness, justness and
7 reasonableness of PGW's existing rates.

8 The matter was assigned to the Office of
9 Administrative Law Judge for resolution by hearing and
10 for issuance of a recommended decision.

11 There was a petition filed by PGW at the time that
12 they filed the rate increase petition and this petition
13 asked that certain notification and filing requirements
14 be waived. The Commission did waive the section which
15 required that an utility file written notice with the
16 Commission 30 days prior to the filing of the rate
17 increase. However, there were two other parts of the
18 petition that were not granted, and one was a waiver for
19 providing certain information filed by all utilities that
20 seek rate increases. PGW is to request each one
21 individually as opposed to getting a blanket waiver from
22 the Commission.

23 The schedule for this particular proceeding started
24 on January 5 of 2001 with the filing of the company's
25 direct testimony. We had a prehearing conference on

1 February 23rd, which was attended by the parties and at
2 that time we set the rest of the schedule.

3 The direct testimony for the other parties is due
4 on April 10. This is written testimony by the attorneys
5 that are seated to my left. The rebuttal testimony is
6 due by Tuesday May 8, surrebuttal by May 16. Then we
7 will have public hearings where we will have
8 cross-examination related to that written testimony.
9 That is Tuesday, May 22, through Friday, May 25, and
10 Wednesday, May 30, and Thursday, May 31.

11 The record will close on May 31. Main briefs are
12 due June 21. The Friday, June 29, is for the reply
13 briefs. The recommended decision will be on July 26 and
14 the end of the suspension period is October 6. So the
15 Commission will make their ruling by that time.

16 For this particular hearing there are three
17 options. One is to testify formally in the case and be
18 subject to cross-examination. You either swear or affirm
19 that your testimony is the truth and the testimony will
20 be recorded by the court reporter, who is seated right in
21 front of me to my left. And this will be reviewed by me
22 in making my decision.

23 The second option is to make unsworn or unaffirmed
24 statements at the hearings. These statements are off the
25 record and will not be subject to cross-examination, they

1 will not be transcribed by the court reporter and will
2 not be considered by the Presiding Officer in the
3 recommended decision.

4 The third option is to provide information to the
5 attorney from the Commission's Office of Trial Staff,
6 Mr. Hoffman, or to the attorneys from the Office of
7 Consumer Advocate, that is Mr. Mullins and Ms. Appleby,
8 for possible use by them in hearings at their discretion.

9 At this time I would give the attorneys an
10 opportunity to make an opening statement, starting with
11 Mr. Holland for PGW.

12 MR. HOLLAND: Thank you very much, Your Honor.

13 I would like to have our Vice-president of
14 Communications and Governmental Affairs give the
15 company's opening statement. That is Harvey Clark.

16 JUDGE FORDHAM: Thank you.

17 MR. CLARK: Good afternoon. I am Harvey Clark, the
18 Vice-president of Corporation Communications.

19 There is not a single person in this room that has
20 to be reminded that this has been a very painful and
21 difficult year for customers like yourselves and for gas
22 distribution companies like the Philadelphia Gas Works.
23 So I am not going to sit here and tell you anything other
24 than we recognize that it has been a difficult year. We
25 also recognize that the year is not over and we are not

1 sure of what the near future is going to bring.

2 But what I am here to say is that in this base rate
3 case that while gas cost rates have soared over this last
4 year, in this area of operational costs PGW has not
5 raised rates in ten years -- not necessarily something
6 that makes your seats any more comfortable sitting there
7 when you are the ones writing the checks and suffering
8 through this with us. But recognize that we are in tune
9 with your problems and your concerns. That is the reason
10 that we are here today. We appreciate the opportunity to
11 hear from of your concerns.

12 And while I had hoped to sit through the entire
13 hearings I recently had back surgery and it is going to
14 prevent me from doing that.

15 But right next door, in addition to the staff that
16 we have on board here to answer any questions that you
17 may have, in the accompanying Ormandy West room right
18 next door if there are problems that can be dealt with in
19 short order we have a staff of people right next door
20 where you can take those concerns and they are available
21 to help you with those. That is the customer service
22 setup just next door.

23 While PGW feels that over the last couple of years
24 we have made a lot of progress in the company that
25 certainly had not been administered to, we also recognize

1 that there is still one heck of a lot of work yet to be
2 done. But we are here to listen to your concerns. You
3 are not here to listen to me.

4 Thank you very much.

5 JUDGE FORDHAM: Thank you, Mr. Clark.

6 Mr. Ryan.

7 MR. RYAN: Thank you, Judge. I am Bernard Ryan. I
8 am the Small Business Advocate of Pennsylvania. Our
9 office represents small business customers of public
10 utilities and that now includes PGW. So if any of you
11 are here on behalf of a small business I hope you will
12 identify that at the time you make your statement.

13 But I think you have now heard enough from me.
14 Thank you very much.

15 JUDGE FORDHAM: Thank you.

16 Mr. Hoffman.

17 MR. HOFFMAN: Thank you, Your Honor.

18 I also will be brief. My name is Chuck Hoffman. I
19 am the director of the Commission's Office of Trial Staff.
20 We have an attorney assigned to this case named Johnnie
21 Simms, one of our senior prosecutors, and I am
22 substituting for him today.

23 My purpose for being here today is to listen to
24 your testimony and I urge you to be sworn in and give
25 your testimony.

1 That is all I have to say. Thank you.

2 JUDGE FORDHAM: Thank you.

3 Mr. Mullins.

4 MR. MULLINS: Thank you, Your Honor.

5 Good afternoon. My name is James A. Mullins and I
6 am an attorney with the Pennsylvania Office of Consumer
7 Advocate. With me today I also have Christy Appleby, a
8 fellow attorney in our office.

9 The Office of Consumer Advocate was created via
10 statute to represent the residential interests before the
11 Pennsylvania Public Utility Commission. Our office is
12 headed by Irwin Popowsky, otherwise known as Sonny
13 Popowsky, who has been the Consumer Advocate since 1990.
14 Our office is located in Harrisburg, Pennsylvania.

15 We are an active participant in this proceeding and
16 towards that end we have retained three expert witnesses
17 that are currently analyzing PGW's filing. Once that
18 analysis is complete those consultants will make a
19 recommendation to the Office of Consumer Advocate and we
20 will in turn make that recommendation before the
21 Pennsylvania PUC.

22 As you know, the company is requesting a \$65
23 million increase at this time. Naturally our proposal or
24 recommendation before the PUC will be between zero and
25 65. We don't know what that number is at this time but

COMMONWEALTH REPORTING COMPANY, INC.

1 (800) 334-1063

1 it will be somewhere in that range.

2 I would like to thank you for coming out this
3 afternoon. As Judge Fordham mentioned, you can testify
4 on the record, off the record or you can just provide an
5 informal statement to myself or Ms. Appleby or any of the
6 other attorneys at this table.

7 I would encourage you to make a statement on the
8 record because that way your comments become a part of
9 the official record in this proceeding and the parties at
10 this table, the Administrative Law Judge, Judge Fordham,
11 and also the PUC can take those comments into account.
12 In other words, your comments become an official part of
13 the record in this proceeding.

14 Once again, thank you for coming out and I look
15 forward to hearing your comments.

16 JUDGE FORDHAM: Thank you.

17 Mr. Bertocci.

18 MR. BERTOCCHI: Hello, everyone. I represent the
19 CEPA, TAG, ACORN and Action Alliance of Senior Citizens.

20 Much of what I was going to say has already been
21 said by some of the other parties. I want to remind you
22 that just as early as November of last year the annual
23 monthly bill for a family using 100 mcf a year, which is
24 typical usage, was \$72.25 a month. If this proposed rate
25 increase is granted the average monthly bill will be \$112

1 per month. That is an increase of 55 percent over
2 between November of 2000 and when this proceeding will be
3 finished. As it is, rates have already risen over 40
4 percent. So you know what the impact of that is.

5 The second thing that I went to say and the last
6 thing that I went to say is that PGW is saying, well, we
7 have not had a rate increase for a long time. In that
8 long time PGW has dug itself into a huge hole with
9 tremendous debt. It is not the fault simply of PGW. It
10 is the fault of the owner of PGW, the City of
11 Philadelphia. The owner, Philadelphia, has chosen each
12 time that the opportunity came to raise rates rather to
13 borrow more money or to take a lot of shortsighted
14 measures which in the end just end up costing ratepayers.
15 Now they are asking not merely for money to keep the
16 utility going but they are asking you for money to help
17 them dig themselves out of the hole which they created
18 for themselves. And that is the issue that I think I
19 want you to speak to.

20 The Judge has said justness and reasonableness is
21 going to be the standard that is going to be applied.
22 What we are asking is is it really fair for ratepayers to
23 pay exclusively the cost of getting PGW out of this hole
24 without the city, the owner, putting up at least its
25 share for the problems that have been created.

1 the people who sent me to Harrisburg to fight for them.

2 Right now I have to sell you that my constituents
3 are tired of paying for the mistakes and misdeeds of
4 Philadelphia Gas Works.

5 There had been a 400 percent increase in the price
6 of natural gas in the year 2001 and the burden of this
7 increases falls heaviest on our most vulnerable citizens,
8 those on fixed and low incomes. The average cost to a
9 PGW customer this year was \$200 to \$300 more than last
10 year and that cost increase was partly driven by the
11 mismanagement at PGW. The customers should not be
12 required to pay for those kinds of mistakes.

13 My constituents aren't just concerned, they are
14 downright terrified about the possibility of another
15 price increase. Saying warm in the winter should not be
16 a luxury available only to the wealthy, but this basic
17 necessity is increasingly being placed out of the reach
18 of hardworking families and it is not fair.

19 Last month I introduced legislation in the Senate
20 that would provide an emergency grant to PGW which in
21 turn would provide customers credit on their bills.
22 Under my bill the Public Utility Commission would
23 calculate the average cost of natural gas service for the
24 City of Philadelphia and the four surrounding counties
25 for the period between December of 2000 and March, 2001.

1 The difference between the average bill in the city and
2 the average bill in Bucks, Montgomery, Delaware and
3 Chester Counties would be the amount of that grant.

4 PGW customers need relief and they cannot be
5 expected to bear more rate increases. They are already
6 struggling to pay among the highest gas costs in the
7 state.

8 Just last week my colleagues in the House of
9 Representatives agreed to investigate PGW's outrageous
10 bill collection policies and management practices. This
11 is a scandal ridden organizations which has been allowed
12 to pass on the cost of its mistakes to the hard working
13 customers who struggle to pay their bills.

14 Ladies and gentlemen of the Commission, I implore
15 you to keep upper-most in your mind the effects of
16 another rate increase on city dwellers who are
17 ill-equipped to bear the additional burden.

18 I thank you very much for your time and attention.

19 JUDGE FORDHAM: Thank you.

20 Does anyone have any questions?

21 (No audible response.)

22 THE WITNESS: I do have a copy of the statement if
23 anyone wishes one.

24 JUDGE FORDHAM: Thank you very much.

25 (Witness excused.)

1 JUDGE FORDHAM: The next speaker will be Darnell M.
2 Deans, Senior, from Senator Kitchen's office.
3 Whereupon,

4 DARNELL M. DEANS, SR.
5 having been duly sworn, testified as follows:

6 DIRECT TESTIMONY

7 JUDGE FORDHAM: Would you please state your name
8 and business address for the record?

9 THE WITNESS: My name is Darnell M. Deans, Senior.
10 I'm from state Senator Shirley M. Kitchen's office, who
11 represents the third senatorial district.

12 I so much didn't come prepared in a terms of a
13 statement to say. But I did come prepared to want to
14 speak on as being a case manager for the Senator, we
15 assist senior citizens who are facing the problems that
16 we are facing now.

17 I do not have something prepared so I am going to
18 speak as being one who works with them every day as they
19 come in, they are facing are problems where their service
20 is getting ready to be terminated in the month of April.
21 We know that the moratorium states that during the months
22 of January, February and March they will not be touched.
23 But as that time go on, their gas bill is continuing to
24 rise. So their concern is when April, May, June and July
25 should come they are faced with the opportunity of, for

1 one, not having a bill and then having to pay for the
2 bill.

3 Now, it is not so much that it is fair that they
4 were already faced with the matter that they have now on
5 top of a rate increase. It is not truly their fault that
6 the city has -- that the city and the gas company is in
7 the jam that they are in. It has not been created by the
8 consumer. It it has been created by PGW itself.

9 It's not fair to have them, who is going to suffer
10 in the long run, to be the ones who is going to pay the
11 penalty in the end. It is something that we are hoping
12 that even though we have these forums that you just don't
13 take lightly.

14 You can listen to everybody that is going to speak.
15 You have a bunch of seniors that are sitting out there.
16 We are hoping that you just don't hear what they say but
17 hear what they say. We are asking and we are hoping, you
18 know, listen, 65 percent is an awful lot of money. \$65
19 million is a lot of money. But we can't be held
20 accountable for something we did not create.

21 You have to take the initiative to look at what we
22 are going to say and what they are saying to help those
23 who are in need. Because I have to say, as my pastor
24 said, you do things decent and in order. And the way you
25 are doing things at this procedure is decent but now the

1 outcome is that you just don't hear what they say and
2 then tomorrow everybody is giving you words of what they
3 think should be done and tomorrow you pass the bill that
4 we have the rate increase. Because then if you do that
5 there is no need for purpose and there is no purpose of
6 forums like this.

7 So I am hoping that you take what everyone is
8 saying here, listen to what they are saying, we, the
9 consumers, need help. We cannot afford to pay what PGW
10 is asking. It's no way.

11 And, you know, the bottom line, you know, you look
12 at it as if, you know, it would be a shame if all the
13 citizens of Philadelphia just banded together and say
14 they are not paying PGW nothing. What would you do? You
15 can't get nothing. You can't get water from a rock. And
16 if they ever band together and say, no, they are not
17 going to pay PGW will be in world of trouble.

18 So we are just hoping that as people come forth and
19 as I'm standing up here on behalf of the constituents
20 that come in, which is the majority of senior citizens --
21 you know, I mean, we still have some young people too but
22 we are looking at the senior citizens that come in every
23 day because they need help. They are getting ready to
24 turn off their gas. They have no way of paying that.

25 So we are hoping that when, you know, everyone

1 comes and speak that you just hear what they say and then
2 when you convene and have to speak to those in reference
3 to what the situation is that you do not disregard what
4 every said, maybe hear what they say and do something
5 about it.

6 Thank you very much.

7 (Applause.)

8 JUDGE FORDHAM: Are there any questions for
9 Mr. Deans?

10 (No audible response.)

11 JUDGE FORDHAM: No questions.

12 Thank you.

13 (Witness excused.)

14 JUDGE FORDHAM: The next speaker is Violet S.
15 Johnson.

16 Whereupon,

17 VIOLET B. JOHNSON

18 having been duly sworn, testified as follows:

19 DIRECT TESTIMONY

20 JUDGE FORDHAM: Would you state your name and
21 address for the record and also spell your name for us?

22 THE WITNESS: Yes, I will.

23 My name is Violet B. Johnson. I live at 3902 North
24 Smedley Street in the Tioga Nicetown area.

25 I am at the present time president of the Tioga

1 Nicetown Civic League. But today I am here in the
2 interest of our neighbors since I am also a block
3 chairperson.

4 We sent out a petition to our block and we had many
5 people to sign it because of the fear of the rate with
6 the gas company.

7 I want to tell you that our block, or our blocks,
8 which include 17th Street, is comprised of senior
9 citizens, convalescents, people who live alone, people
10 who have one family dwellings or children or take care of
11 children. We have grandparents taking care of
12 grandchildren. And we have people who use gas to heat
13 their whole home and do whatever they want to do in their
14 house. They use gas for it. We have others who use it
15 for cooking and whatever. But in thinking about who they
16 are, what they are and what their needs are, we at a
17 meeting feel that the increase in our gas bill would
18 certainly not help the people in our community.

19 I can't reiterate again, we have senior citizens.
20 And there are 64 houses on our block and 32 houses on
21 17th Street and both of them, both blocks, are comprised,
22 as I said before, of older people.

23 We try to understand the condition of the gas
24 company and I feel that we do. But I also feel that we
25 do not think nor feel that it is our direct

1 responsibility so we are looking forward to the gas
2 company to understand our problem and perhaps be able to
3 do something about it.

4 I thank you very much for your time.

5 JUDGE FORDHAM: Thank you.

6 Does anyone have any questions for Ms. Johnson?

7 MR. HOLLAND: No, Your Honor.

8 JUDGE FORDHAM: Thank you, Ms. Johnson.

9 THE WITNESS: You're welcome.

10 (Witness excused.)

11 JUDGE FORDHAM: The next speaker is Betty-Ann
12 Workman.

13 Whereupon,

14 BETTY-ANN WORKMAN

15 having been duly sworn, testified as follows:

16 DIRECT TESTIMONY

17 JUDGE FORDHAM: Would you state your name and
18 please spell it and your address for the record?

19 THE WITNESS: My name is Betty-Ann Workman.
20 My address or addresses, 7007 Boyer Street, Philadelphia,
21 19111. The other address, the same residence, two
22 addresses, is 201 East Sedgwick street.

23 I want to address a couple of issues that I am
24 concerned about, not just for myself, clearly, but for a
25 group of people. Standing here you see the obvious. I

1 am a senior citizen. I am a woman. And I am African
2 American. And what you don't see is that I am a native
3 Philadelphian and that I live alone. I am a widow and I
4 have lived in the same house for the last 36 years where
5 with my husband I raised my children and everybody else's
6 children.

7 I think that there are quite a few people in here
8 who can address the pain, the agony, the misery of what
9 it means for people on fixed incomes to try to meet their
10 monthly expenses. And I number myself among that group.
11 I also number myself among a group of people who are
12 fairly blessed. I can handle my bills if they don't get
13 out of proportion.

14 The gas company has made it almost impossible for
15 me to meet my monthly obligations through what I consider
16 now to be a form of chicanery, social chicanery, if you
17 will, mostly visited upon the people who do not have
18 resources or resources that are fairly curtailed.

19 As I say, this is a house I have lived in for 36
20 years and I have always been appalled by the gas bill.
21 But now that I am widowed and live alone in that same
22 house and being much more cautious than I was when the
23 children were there and running the stereos all night and
24 running the television and leaving the lights on in every
25 room. I have become much more careful because I know

1 just how far my money will stretch. And the gas company
2 has made it almost impossible for the money to stretch
3 far enough. It is what my old neighbor in the 3800 block
4 of 16th Street used to say as the elastic limit. The gas
5 company has forced us to a point where we have reached
6 our elastic limit.

7 I have heard several people and in conversations
8 with other people, my neighbors specifically, talk about
9 fairness. I really don't want to address the fairness
10 issue because I am sure that each one of us in here,
11 certainly this board that we are testifying in front of,
12 are aware of the definition of fairness. Fairness is a
13 moral attribute.

14 We want to talk about the business attributes of
15 what the gas company has been up to and is in some cases
16 in collusion with the City of Philadelphia. On the one
17 hand, that is not fair. That relationship, as I say, has
18 some very devious stuff in it that even I am not aware
19 of.

20 What I do know is that the \$65 million rate
21 increase feels like it is going to fall all on me. I
22 can't divide that up by the number of citizens in
23 Philadelphia and be sure what my gas bills will look
24 like. So I implore this entire board, the attorneys for
25 the PGW specifically, to look not only at the fairness

1 issues but to balance them against the business and
2 management issues, of the city that should be doing more.

3 I am a native Philadelphian. I know what
4 Philadelphia can do when it puts its mind and heart to
5 the job.

6 What I want to talk about now and what I really
7 came here to carry on about is customer service. How
8 many hours do I have, Judge? I'm sorry.

9 JUDGE FORDHAM: Go ahead.

10 THE WITNESS: Maybe I should call it customer
11 disservice.

12 (Applause.)

13 THE WITNESS: I can't tell you the number of times
14 in the last 36 years I have had to call the gas company
15 or march down to one of those incredibly crowded impolite
16 offices and wait my turn interminably to settle something
17 should have been an easy dispute or misunderstanding with
18 the gas company: refunds for overpayment of bills. Can
19 you believe that? Three and four months in a row of
20 estimated bills before we got automatic readers. People
21 showing up from the gas company with their little shovel
22 or whatever that thing is in their hands to cut off the
23 gas for non-payment of the bill only to discover that the
24 bill was not only paid for that month but for the month
25 in advance.

1 I don't get it. Now, that becomes not only, again,
2 a management issue. But there is the fairness issue.
3 Why should I have to teach the gas company how to do its
4 job?

5 Now, my current set of complaints dates back to
6 September of 2000. In September, 2000, I paid my gas
7 bill. \$200. October, 2000, I paid my gas bill. \$150.
8 November, 2000, I paid my bill. \$150. I have not since
9 November 8 received a gas bill. Remind you I have been
10 in the same house 36 years, 7007 Boyer Street/201 East
11 Sedgwick. The very self same place. Where is the gas
12 bill?

13 So I go to the post office, which also is gaining a
14 reputation for disservice, to find out where my gas bill
15 is. But not relying on either of these two entities, I
16 wrote the gas company a letter dated November 8, 2000.

17 "This letter is in reference to the fact that we
18 have not received a bill from PGW in the last two months
19 for reasons that are unclear to us. Since we have
20 occupied this property for the past 36 years it is
21 mystifying to us why there seems to be this unclear
22 situation. The address is Lawrence Workman, now deceased
23 husband, 7007 Boyer Street, also known as 201 East
24 Sedgwick, Philadelphia, Pennsylvania 19119. We would
25 appreciate clarification on this matter immediately."

1 To this date I have not received any response from
2 the gas company, despite the fact that I have been
3 calling them, calling customer service, on the average of
4 three times a week.

5 Last week my neighbor, who lives in the twin to my
6 house, and her address is 7009 Boyer Street, said, oh,
7 Mrs. Workman, I have your mail. The mail turned out to
8 be -- I am sure this looks familiar to you -- this is my
9 overdue notice.

10 "Your gas account is overdue. Please paid your
11 overdue bill immediately. If you are unable to pay," et
12 cetera, et cetera, et cetera.

13 The amount of the bill -- all of you senior
14 citizens who have heart trouble hold on to yourself --
15 the amount of the overage, \$2,093.94. On an average bill
16 which I read to you somewhere between \$150 and \$175 a
17 month.

18 Now, December, January, February and we are at the
19 end of March. Four times \$175. Help me. Does that come
20 anywhere near 2000?

21 MEMBER OF AUDIENCE: \$700.

22 THE WITNESS: Thank you.

23 Does that come anywhere near \$2,093.94? Nowhere
24 close.

25 I called the gas company and I said where is my gas

1 bill. I don't know, says he, we have been mailing it. I
2 said I tell you what you do. I don't doubt that you have
3 been mailing it. It's not reaching me but you have been
4 mailing it. So would you please send me a duplicate bill
5 ASAP. That was three weeks ago. I have not seen it to
6 this date. But I did get this, sent to my neighbor's
7 house.

8 So, as I said, I am not concerned about the
9 fairness issues because I am sure all of you are good
10 people. And you are aware of the moral uprightness of
11 fairness. But what I am concerned about, even more
12 concerned about, and perhaps the two issues overlap and
13 dovetail, is the cavalier attitude the gas company has
14 towards its consumers. That is the first thing.

15 And the second thing is the appalling mismanagement
16 that results in pain for the consumer. We become the
17 victims. I refuse to become a victim, as well as I am
18 sure I am speaking for everybody in this room. This is
19 the City of Philadelphia. We deserve better all the way
20 around.

21 (Applause.)

22 JUDGE FORDHAM: Are there any questions for
23 Ms. Workman?

24 MR. HOLLAND: Your Honor, there are no questions
25 but I would like to invite Ms. Workman to join our

1 Counsel, Harry Cane, next door so she can immediately
2 find out how we can start correcting her problem.

3 And I guess as a general statement, again let me
4 invite, as you did, Your Honor, let me invite anyone who
5 has an individual complaint similar to Dr. Workman to go
6 next door and have immediate attention.

7 THE WITNESS: Thank you.

8 MR. HOLLAND: Yes, Ma'am.

9 (Witness excused.)

10 JUDGE FORDHAM: The next speaker is Ida and John
11 Falcone.

12 MEMBER OF AUDIENCE: She said it all for me. But I
13 will go next door.

14 JUDGE FORDHAM: Okay. Thank you.

15 MEMBER OF AUDIENCE: Your Honor, I am too angry to
16 say what I had to say on TV. And I am half asleep
17 because I didn't sleep all night. And on behalf of my
18 mother I am here.

19 JUDGE FORDHAM: So you will go next door. Okay.

20 Edmund A. Tierno.

21 Whereupon,

22 EDMUND A. TIERNO

23 having been duly sworn, testified as follows:

24 DIRECT TESTIMONY

25 JUDGE FORDHAM: Would you state your name and

1 address for the record and please spell your name?

2 THE WITNESS: Edmund A. Tierno, T-I-E-R-N-O, 1016
3 Dickinson Street, Philadelphia.

4 Good afternoon, Your Honor.

5 JUDGE FORDHAM: Good afternoon.

6 THE WITNESS: Members of the board.

7 I am here today on behalf of my mother and her home
8 in south Philadelphia. I really didn't pay much
9 attention honestly to the articles in the paper
10 pertaining to the rate raises up until about a
11 week-and-a-half ago.

12 While working one evening in my office and
13 listening to the radio in the background I began to hear
14 a squeaking noise come out of the radio. And that
15 squeaking noise was the beginning of the public relations
16 and marketing program for PGW's collection efforts. By
17 the time I got finished listening to that message I was
18 appalled because I believe that was not a message at all.
19 That was an outright threat. And if anybody knows about
20 threats it is a person from south Philadelphia. So I
21 know the difference between a threat and a non-threat.

22 I am architect, engineer and real estate developer.
23 I took the time to get my mother's bills and do a
24 spreadsheet for the past year-and-a-half. My concern
25 about the figures are not only the exorbitant amounts but

1 the differential between the amounts of her bills and
2 what is stated in the advertising in the newspapers put
3 out by Philadelphia Gas Works.

4 Philadelphia Gas Works is saying that the average
5 bill now is going to be approximately \$112 a month.
6 Well, my mother's bills are \$240 a month. To prove that
7 I took a billing period from November 12, 1999, through
8 April 18, 2000 -- I'm sorry -- November 12, 1999, through
9 November 14, 2000, which is a 365 day billing period. My
10 mother's total bill for that year was \$771.37. That
11 averages out to \$2.11 a day, which is livable.

12 Then I took the same period, time period, November
13 14, 2000, through March 16, 2001, my mother's last bill
14 to date. That is 92 days. \$737.98, which averages out
15 to \$8.02 a day. That is a 400 percent increase.

16 My question is if I understand the Pennsylvania
17 law, which hopefully I do somewhat, when PGW puts an
18 advertisement in the paper that says with all these rate
19 increases the average homeowner is going to pay \$112 a
20 month and in fact they are paying double is that not
21 misrepresentation of fact? Is that not false
22 advertising? If I as a businessman would attempt to put
23 some type of an ad in the paper about my company and
24 misrepresent the facts or advertise falsely, I would be
25 in a cell. But for some reason or another PGW gets away

1 with it.

2 Now, as much as these rates hurt, I believe we have
3 to be fair. The gas went up. PGW cannot do anything
4 about the gas price going up. They have to pay X-amount
5 of dollars for X-amount of feet of gas. It can't be
6 helped.

7 But I think what can be helped is any given day if
8 you go out on the street and observe a PGW maintenance
9 crew, I believe every maintenance crew member owns stock
10 in Dunking Donuts. Because the crews consist of four,
11 five or six people. One man in the hole with the shovel
12 the other five drinking coffee.

13 Now, you say they are allowed a coffee break. Yes.
14 Morning and afternoon. But any given time when you go to
15 one of those sites they are drinking coffee. So it is
16 one continuous break.

17 Secondly, as the woman before me testified,
18 customer service. Approximately three months ago I went
19 to a gas company office to attempt to get my mother put
20 on a budget. I waited there four hours. I wasn't waited
21 on. The people that handle the customer complaints in
22 this particular office downtown averaged two customers an
23 hour. No more. After the first customer they disappear
24 for 20 minutes and then they come back and take a second
25 customer.

1 On the day that I was there I was sitting directly
2 across the doorway from one of the PGW clerks that deals
3 with the customers. A woman came in with four children.
4 The four children sat on the floor in the office. She
5 sat down and her first statement to the man behind the
6 desk was I have no intention of paying this bill. I owe
7 \$1,900. But I talked to my committeeman and he said he
8 would call your manager and he would straighten it out.
9 Fifteen minutes later that woman walked out with an
10 agreement for \$30 a month. Now, for her to pay off the
11 \$1,900, she would be dead before she paid it off.

12 Finally after five hours and 45 minutes I got in to
13 see this clerk. I wanted to make arrangements for my
14 mother to go on a budget for \$80 a month because she had
15 an amount of \$321 unpaid. You know what the man told me?
16 Totally unacceptable. He just let a woman leave for \$30
17 a month that owed \$1,900. My mother owes \$321. So my
18 question is where is the fairness? Is there no
19 compromise? Where does it end?

20 I spoke to 51 homeowners in a one block area of my
21 mother's home. They are all in the same position. Seven
22 people since February put their houses up for sale. They
23 are moving to Jersey. They don't want to move. They
24 have no choice.

25 In the past 18 months I designed five residential

1 developments for Philadelphia. Took them to Wall Street
2 to get financing because nobody in Philadelphia is going
3 to finance anything in Philadelphia. Wall Street loved
4 the figures. They said economically they all made sense,
5 but they didn't want to do the finances because
6 Philadelphia is running their people out of the city.
7 The first reason they gave was the gas company, which I
8 believe is not totally fair. But at the same time you
9 are talking about Wall Street. They know about PGW.
10 They don't say anything positive about it. They have all
11 negative things to say. And then of course they added
12 SEPTA and the water department and so on and so forth.

13 Now, I am not going to let the gas company shut my
14 mother's gas off. That is ludicrous. That is not going
15 to happen, whether that person at the gas company said it
16 was totally unacceptable or not. But what about the
17 people in my mother's area that don't have anyone to care
18 for them, that are all alone?

19 I spoke to a man that I knew from when I was in
20 grammar school a couple days ago. He was sitting on a
21 step smoking his pipe. He is 91 years old. He was
22 crying. He is one of the men that has his house for
23 sale. He said I have to leave where my wife and I lived
24 all our lives. His wife died. He said I have to leave
25 all my memories. I can't afford to live here anymore.

1 I said what happened. I can't handle this gas
2 bill. And he showed me the bills. His house is smaller
3 than my mother's. He is getting bills for over \$300 a
4 month. And he is on a fixed income.

5 Now, this LIHEAP help from the government to pay
6 the bills, because of the upgrade in social security this
7 past January he is \$42 over the amount. Of course
8 LIHEAP, totally unacceptable, you can't qualify. There
9 isn't any leeway with these people. There isn't any
10 compromise.

11 PGW puts the ad in the paper. We have to pay our
12 bills to buy gas; you have to pay yours. Otherwise you
13 will hear the wrench. What could we as the public turn
14 around to PGW if we were allowed to and say to them about
15 how they mismanaged year after year after year? These
16 people that are up going to trial now from PGW they
17 should put them in the cell and throw the key away.

18 (Applause.)

19 THE WITNESS: But if they throw the key away that
20 is not going to do these people any good because the
21 bills are still going to go up anyway.

22 So it still comes back to, yes, we have to accept
23 some of the increase because PGW has no control of that.
24 But what about the part that PGW has control over? What
25 about the part that PGW keeps shying away from? Oh, yes,

1 we are making headway in this, we are setting up this
2 management, we are doing this and doing that. The only
3 thing anybody sees is they are upping the bills. If you
4 want people to trust you you have to be trustworthy.

5 It's not only hurting senior citizens, it is
6 hurting everyone. But it is also hurting the city as a
7 whole. It is growing like a cancer. Five real estate
8 development projects down the drain. No one wanted to
9 finance them because of the infrastructure of the city.

10 I have 35 years experience on the street in
11 business. The only thing that makes sense to me is some
12 type of compromise where the people from PGW have to
13 understand what they are asking the general public to do.
14 It is next to impossible. It is going to hurt people.
15 It is going to hurt them so bad they are never going to
16 be able to recover.

17 What consequences does PGW suffer for that? None.
18 None at all. The people suffer. So where is the
19 justness in that and where is the justification for the
20 PR program pertaining to the wrench? That is an outright
21 threat. There is no two ways about it. We have to be
22 threatened because of PGW's mismanagement. No matter how
23 you try to equate that answer it doesn't pan out.
24 Something is drastically wrong here and everything
25 possible is being done to hide it. That is totally

1 unfair to the people of this city.

2 I am finished.

3 (Applause.)

4 JUDGE FORDHAM: Any questions for Mr. Tierno?

5 (No audible response.)

6 JUDGE FORDHAM: Thank you very much.

7 (Witness excused.)

8 JUDGE FORDHAM: The next speaker is Harriette
9 Taylor.

10 Whereupon,

11 HARRIETTE TAYLOR

12 having been duly sworn, testified as follows:

13 DIRECT TESTIMONY

14 JUDGE FORDHAM: Would you state your name and
15 address for the record, and please spell your last name?

16 THE WITNESS: Harriette Taylor, H-A-R-R-I-E-T-T-E,
17 T-A-Y-L-O-R. My address is 5717 Spruce Street.

18 JUDGE FORDHAM: You may proceed, Ms. Taylor.

19 THE WITNESS: First of all, I would like PGW to
20 know that for some people this temperature would be cold,
21 but I keep my heat and 62 and 64. I don't go no higher
22 than that. It is ridiculous what my bill came to.

23 From November 15 to December 15 my bill was \$260.

24 From December 15 to January 18, \$522. One month.

25 I work. My daughter goes to school and she works.

COMMONWEALTH REPORTING COMPANY, INC.

1 (800) 334-1063

1 There is no one home. My bill should not be this high.

2 The following month my gas bill was \$359. Again,
3 it is too high. So what I did towards the middle of
4 November to about two weeks ago, I had -- excuse me --
5 the middle of February to about two weeks ago -- I
6 started cutting my heat off during the day. Cutting it
7 on at night so when my daughter and I get up the house
8 will be warm, and then I will cut it off again. My gas
9 bill has the nerve to be \$379. That is ridiculous.
10 There is only two of us in the house.

11 What I would like to know -- I don't know if this
12 is possible, and I don't have that much to say, I am
13 finished after I say this -- I would like to know if the
14 citizens in the City of Philadelphia could get a class
15 action suit against PGW because this is outrageous. We
16 don't have the money to spend.

17 (Applause.)

18 JUDGE FORDHAM: Thank you, Ms. Taylor.

19 (Witness excused.)

20 JUDGE FORDHAM: The next speaker, I think, is
21 Rudell Rouse.

22 Whereupon,

23 JANICE SMITH

24 having been duly sworn, testified as follows:

25 DIRECT TESTIMONY

1 THE WITNESS: I am here to speak on her behalf.

2 JUDGE FORDHAM: Is your name LEEANNE Purnell?

3 THE WITNESS: No.

4 JUDGE FORDHAM: What is your name?

5 THE WITNESS: My name is Janice Smith.

6 JUDGE FORDHAM: Would you state your name and your
7 address and then also give her address?

8 THE WITNESS: Okay. My name is Janice Smith, 5643
9 Kingsessing Avenue.

10 JUDGE FORDHAM: Please speak into the mike.

11 THE WITNESS: Rudell Rouse, she lives at 5246
12 Sansom street.

13 JUDGE FORDHAM: You may proceed.

14 THE WITNESS: She has been getting outrageous gas
15 bills. On November of last year she had a gas bill of
16 \$1,139.24. In the year 2001 she had a bill of \$2,200.
17 We were co-workers together and now she is on disability.
18 I used to work at the University of Pennsylvania Hospital
19 and my job was outsourced after 33 years. So this was
20 due to a business decision that they made which they
21 didn't care about the employees and what they were going
22 to do. Our livelihoods were taken away. So upon that I
23 have to decide how I can pay the gas bill, which my gas
24 bill went up from \$272 to \$324.

25 Me, being unemployed, it is very hard for me to try

1 to get that kind of money together, you know, which I
2 have always paid my gas bill on time every month as it
3 came. A lot of people don't even bother to pay the gas
4 bill. But it is always the good people that have to
5 suffer. The people that are willing to pay when they
6 can't pay. The people who have to give up their food and
7 their style of living just to pay the gas bill. And I
8 don't think that is fair.

9 Plus, with customer service, when you call customer
10 service and you have to stay on the line and they tell
11 you to push button one for this and button two for that
12 and button three for that, and you are on the phone and
13 it is 20 minutes before they answer and they play the
14 music. Most of the time people don't want to hear the
15 music, they want customer service like we have all been
16 used to. When we call on the phone you get a
17 representative to answer your questions. But now by the
18 time you sit on the phone and wait for them to come, you
19 done fell asleep because they take so long to come and
20 answer your questions. And they are not always very nice
21 about answering the questions that you have, you know.

22 So I think that maybe sometimes we need competition
23 in order to get the ball rolling. Since there is only
24 one gas company and only owned by the city, I feel that
25 that is where the problem lies, you know. I think the

1 problem lies in management. I think the problem lies at
2 the very top, you know. And I think that, you know, they
3 don't always realize that the people down here, we just
4 can't afford to pay those high gas bills. It is too
5 ridiculously high.

6 When I was a kid I can remember in the '50's when
7 the gas bill was \$2.35. And now you have people with gas
8 bills of \$2000. That is ridiculous. You know what I
9 mean? It is just too high, outrageous and something
10 needs to be done.

11 And I am sure that something will be done, you
12 know, after everybody testifies to the fact, you know,
13 that this is going on and has been going on, you know,
14 for a long time. And then there is a lot of people, you
15 know, that, you know, they are on the low income or not
16 working at all and they get breaks. But what about the
17 people that worked all their life, the senior citizens
18 especially. They are on a fixed income. And I have
19 become and a fixed income and I am not a senior citizen
20 but I have to make ends meet too.

21 That is all I have to say. Thank you.

22 (Applause.)

23 JUDGE FORDHAM: Thank you.

24 (Witness excused.)

25 JUDGE FORDHAM: The next speaker is Leeanna

1 Purnell.

2 Whereupon,

3 LEEANNA PURNELL

4 having been duly sworn, testified as follows:

5 DIRECT TESTIMONY

6 JUDGE FORDHAM: Would you state your name and
7 address and please spell your name?

8 THE WITNESS: My name, Leeanna Purnell,
9 L-E-E-A-N-N-A, P-U-R-N-E-L-L. Address, 2029 North 62nd
10 Street. Philadelphia, Pennsylvania.

11 JUDGE FORDHAM: You may proceed.

12 THE WITNESS: Well, most what I wanted to say have
13 been said. These people has really brought out the
14 truth. The only thing I am here for is the difference in
15 my gas bill.

16 I do have a small business. I take care of people
17 with disabilities and I thought last year and the year
18 before my gas bill was outrageous then, as much as 500
19 and something a month. Now I get bills now \$938.74.
20 They talk about a \$8 and \$10 increase.

21 Now, I have -- in some of these houses -- I have
22 four homes -- some of these houses we don't cook. One
23 house is not a business home. My son live there. And
24 that is at 1150 North 63rd Street. My son live in there
25 and two more people. The gas bill for February is

COMMONWEALTH REPORTING COMPANY, INC.

1 (800) 334-1063

1 \$670.14. Well, in January it was \$484.90. Now, December
2 it was \$135.59. So, I mean, there is such a big
3 difference.

4 Now, I have one home, I have the budget plan, 193 a
5 month. Okay. Now, they say after I pay \$750.48 in this
6 home my balance would be \$1,188.73. I have my gas bills
7 here. Now, these homes, only one home we really do a lot
8 of cooking and washing. And that is at 2029 North 62nd
9 Street. And for the February bill it is \$801.94.
10 January bill was \$457.52. They said it was going to be
11 seven percent raise or a \$7 or \$8 raise. This is more
12 than a \$7 and \$8 raise.

13 Now, the people that I take care of are on
14 disability. They don't get big incomes. Of course, I
15 get paid for taking care of them. But I have to do
16 everything for them. They force us to get central air.
17 Central air for these people. We have central air. We
18 have sprinkler systems and all this. Now, I mean,
19 besides all the other upkeep we have a great expense. A
20 personal care boarding home have a great expense. And
21 then to come up for -- now, this home don't have no
22 cooking at all, 2037 North 62nd Street. February bill,
23 \$938.74. Now, I have a thermostat with a lock on it. I
24 don't keep it on 68. I do keep it on 70. I have a lock
25 on that. And it really should not be that much.

1 I think this is outrageous. I really do. And I
2 don't know how the gas company can get away with this.
3 They are forcing us to pay this bill and I don't think it
4 is right.

5 JUDGE FORDHAM: Any questions?

6 (No audible response.)

7 JUDGE FORDHAM: Thank you, Ms. Purnell.

8 (Applause.)

9 (Witness excused.)

10 JUDGE FORDMAN: The next speaker is John Rowe.

11 Whereupon,

12 JOHN ROWE

13 and

14 INGRID LEON

15 having been duly sworn, testified as follows:

16 DIRECT TESTIMONY

17 JUDGE FORDHAM: Will you state your name, first
18 Mr. Rowe, and your address for the record, please?

19 WITNESS ROWE: I am John Rowe, R-O-W-E. I am the
20 executive director of the Tenants Action Group located at
21 21 South 12th Street in Philadelphia.

22 WITNESS LEON: My name is Ingrid, I-N-G-R-I-D,
23 Leon, L-E-O-N. I live at 2035 North Howard Street and I
24 also work at the Tenants Action Group of Philadelphia at
25 21 South 12th Street, 12th floor.

1 JUDGE FORDHAM: Thank you. You may proceed.

2 WITNESS ROWE: This heating season has been
3 extremely severe on the pocketsbooks of all Philadelphia
4 gas users. PGW is again asking for a rate increase to be
5 paid for by it's weary customers. It seems just
6 yesterday that PGW was asking to be bailed out by using
7 our very precious tax dollars. This hits us, the working
8 people of the city, hard. And it hits our lowest income
9 neighbors the hardest. We can no longer pay for this.

10 TAG advances and defends the rights and interests
11 of tenants and homeless people throughout the city and
12 strives to guarantee that all Philadelphians have access
13 to safe, decent and affordable housing.

14 PGW is requesting a base rate increase. PGW's
15 financial objectives are somewhat abstract for most of
16 us, but they are clearly designed to enhance the
17 financial position of PGW. The financial position that
18 PGW finds itself in today is not our fault. We did not
19 do anything to cause it to be where it is at.

20 What is not abstract is gas costs too much and
21 consumer protections are not adequately provided. Tens
22 of thousands of us in Philadelphia cannot meet our basic
23 living requirements and as the cost to keep warm raises
24 the cost becomes an obscenely large percentage of a low
25 income. Real human suffering happens.

COMMONWEALTH REPORTING COMPANY, INC.

1 (800) 334-1063

1 We at TAG work daily to prevent evictions and
2 homelessness. Those who use our services have severe
3 difficulty paying for the most fundamental necessities of
4 life, including the basic cost of the housing, rent and
5 utilities. Overall we serve about 20,000 people a year,
6 attempting to head off the very real human misery
7 associated with evictions and ultimately homelessness.

8 We run a homelessness prevention program and we see
9 a thousand people a year. This program has been
10 evaluated repeatedly including by the University of
11 Pennsylvania school of social work. Clearly there is a
12 statistical significant correlation between utility
13 terminations and homelessness.

14 I would like to introduce Ingrid Leon. Ms. Leon is
15 a housing counselor in our homelessness prevention
16 program who wants to tell you about her personal
17 difficulty in paying for the high cost of gas. I remind
18 you that Ms. Leon is a homelessness prevention counselor.
19 The customers that she counsels have a much more
20 difficult time than she. Thank you.

21 WITNESS LEON: Good afternoon.

22 My name is Ingrid Leon. I work for the emergency
23 services unit of the Tenants Action Group of
24 Philadelphia, also known as TAG. I counsel tenants and
25 homeowners who are experiencing financial problems. The

1 overall goal of our program is to prevent or end
2 homelessness by providing financial assistance to pay
3 people's rents, mortgages and utilities.

4 With the help of my landlord at the North Square
5 Civic Association I entered their credit repair program
6 four months ago. The purpose of the program is to help
7 people correct their damaged credit. The program
8 teaches you how to manage your money, prioritize your
9 bills and create a reasonable budget which will
10 eventually allow you to pay all past due debts thereby
11 reestablishing an individual's credit standing. To
12 accomplish this, all bills have to be in a timely
13 fashion.

14 Back in February I received a bill for the amount
15 of \$831.32. I brought my bills with me just in case you
16 guys want to look at them. In my home there are only two
17 people who reside there, my husband and I. As you can
18 imagine, having a gas bill in the amount of \$831.32,
19 while being on a budget makes it impossible to pay the
20 entire amount on time, especially when we are paying back
21 other past due debt. With help from friends we got the
22 money together and I paid the total amount on February
23 24. The payment was not due until March 5, 2001, but it
24 was paid when we first received it.

25 One week later I went back to the PGW office and

1 enrolled myself on their budget plan, which required me
2 to pay \$114 a month for the next 12 months. I figured
3 \$114 a month was better than \$300, \$500 or even \$800.

4 We did not receive another bill until March 15 of
5 2000, which stated that I have missed my first budget
6 payment and now I have to pay \$267 by April 8. As you
7 can imagine, being on a budget paying back old debts,
8 which included a hospital bill that at the time I did not
9 have insurance which was for \$5,000 and a student loan
10 for \$3,000, and the money that we had borrowed from my
11 friends to pay the gas bill caused us to feel overwhelmed
12 and extremely frustrated.

13 I contacted the gas company and was told that my
14 first budget bill was due March 8 and that I did not pay
15 it. I was very upset because I felt they were laughing
16 at me.

17 Ms. Sherry Goldman at TAG tried to help me by
18 calling Mr. Polk at the PGW. He told her the same thing
19 that I was told, I missed my first budget payment. The
20 dates on my bill did not match. You ought to look at
21 them.

22 I felt like my hands were very tied. No one wanted
23 to hear what I had to say. They all kept saying that --
24 I am getting frustrated.

25 WITNESS ROWE: Take your time.

1 WITNESS LEON: All they kept saying was that I was
2 wrong and that I needed to pay my gas bill. So I was
3 feeling like I let so many people down, the people at the
4 North Square Civic Association, my husband and myself. I
5 was so frustrated that I cried and I yelled and I said
6 many, many bad things. After all the sacrifices that we
7 have made to pay these bills on time it felt that
8 everything was for nothing. Not only is the gas company
9 raising up its prices, they are outside my budget.

10 I got on a budget with expectations that I would be
11 paying the same amount to the gas company every month.
12 Now I just receive a double bill. I have been paying all
13 my bills on time but now have to pay a double bill that,
14 you know, a double bill, something that I was not
15 expecting. I was very hurt, extremely angry and the
16 throes of what I am going through, being that I am an
17 employed person came to my mind. What is happening to
18 those people out there that live on affixed income and
19 have to make ends meet.

20 But here we are again with the prices going up
21 again. Something needs to stop before something really
22 bad happens.

23 I personally, off the record, I just wanted to say
24 to you that having the hospital bill, having my student
25 loan and paying back this money, I am not -- I never

1 blame anyone for my bills. I was sick. I had to go to
2 the hospital and now I have to pay this bill. But now my
3 husband and I want to buy a home so this program, we have
4 to prioritize and pay all of our old bills and still pay
5 our bills on time. We make sacrifices. We don't go to
6 the movies. We recently got married. We don't party
7 like normal young people do. We have no kids. We have
8 one pet only. We don't -- you know, our money is very
9 tight. I live by paychecks. And it makes me very upset
10 when I went to the gas company and no one wanted to hear
11 what I had to say. It is very frustrating especially
12 when you are trying to do something to better yourself.

13 A lot of bad things went through my mind. I am
14 being honest with you. Maybe I am going to get in
15 trouble by saying this, but I literally felt like I
16 wanted to hurt somebody. I felt that is the only way I
17 am going to get attention. Is that the only way you are
18 going to listen to me?

19 But then I thought about it. I am a better person
20 than that. I don't have -- as you looked at my bill, my
21 bill was not due until March 5 if I am not mistaken. I
22 never received another bill. They claim my first budget
23 bill was due on March 8. How could that be? I just paid
24 a \$800 bill on February 24, my March bill. Why did I get
25 a \$200 bill? I don't understand it.

1 I apologize if I made a fool out of myself.

2 (Applause.)

3 JUDGE FORDHAM: Thank you.

4 Are there any questions for either witness?

5 MR. HOFFMAN: Your Honor, I don't have a question
6 but if you would permit me to make a statement.

7 JUDGE FORDHAM: Okay.

8 MR. HOFFMAN: We have Michael Smith from the Bureau
9 of Consumer Services in the audience back here. He is a
10 supervisor with the Bureau.

11 JUDGE FORDHAM: Mr. Smith, would you stand?

12 MR. HOFFMAN: There he is.

13 Some of you who maybe are not familiar with the
14 Bureau of Consumer Services, it is a rather large bureau
15 in the Commission and its job to is assist people with
16 problems like you just described. You can call a
17 hotline. We have brochures outside that I am sure you
18 can pick one up with get the hotline if your not familiar
19 with the number. They will take your complaint and they
20 will intercede and actually negotiate with the utilities
21 on your behalf. I am sure it is a lot less frustrating
22 to have a professional person helping you out with
23 something like that.

24 So I would certainly urge everyone to avail
25 themselves of that service that the Public Utility

1 Commission provides through the Bureau of Consumer
2 Services.

3 JUDGE FORDHAM: Thank you very much.

4 (Witness excused.)

5 MR. HOFFMAN: And Your Honor, as you know, Karen
6 Graves from the Philadelphia office is also here.

7 JUDGE FORDHAM: And I believe she is out at the
8 desk outside.

9 MR. HOFFMAN: Yes, she was.

10 JUDGE FORDHAM: The next speaker is Nelson Rowley,
11 R-O-W-L-E-Y, from Peach Street. Is Mr. Rowley here?

12 (No audible response.)

13 JUDGE FORDHAM: Mrs. Robert Wing, Sr.

14 Whereupon,

15 SARA WING

16 having been duly sworn, testified as follows:

17 DIRECT TESTIMONY

18 JUDGE FORDHAM: Would you state your name and
19 address for the record and please give us your first
20 name?

21 THE WITNESS: My name is Sarah Wing, S-A-R-A,
22 W-I-N-G. I reside at 135 North 53rd Street in
23 Philadelphia.

24 JUDGE FORDHAM: You may proceed.

25 THE WITNESS: Thank you.

COMMONWEALTH REPORTING COMPANY, INC.

1 (800) 334-1063

1 PGW tells us that they need more money and that
2 they really care about the consumers. But they don't.

3 I want to give you one example of their customer
4 service. On November 16, 1999, I wrote a letter to the
5 chief executive officer of PGW because I was tired of
6 playing with the little people. My husband had purchased
7 a parts and labor plan and our oven was not working. I
8 was going to call an appliance repair company that I knew
9 would fix it immediately. No, he said, call PGW.

10 On October 19, 1999, I called and was told that the
11 men who worked on the stoves would not be able to come
12 out until November 1st. I agreed to wait even though it
13 was an inconvenience.

14 On November 1st my husband stayed home the entire
15 day waiting for someone to come. We saw no service
16 repairman.

17 On November 2nd he contacted your office and was
18 told that the repairman had come out to the house at
19 11:10 p.m. and that the house was dark so he did not ring
20 the bell. Well, if he had rung the bell I would not have
21 let him in at 11:10 p.m. for my gas stove.

22 He did come out on November 6. He told my husband
23 that we needed new switches or igniters for the stove and
24 that he would come back. He also said that he fixed the
25 oven so that I could use it until he returned. The oven

1 worked one time and the next time I went to use it, no
2 ignition. Gas was coming through but nothing else.

3 Thanksgiving was fast approaching and I had heard
4 from no one. So I called the office on November 15.
5 After waiting a reasonable time, just ten minutes, I
6 didn't mind that, on hold the customer service
7 representative answered and tried to help me. He
8 returned to the telephone and said that he was unable
9 contact anyone in the parts department and that the
10 mailbox of the person that he was trying to reach was
11 full. He went on to say that he was going to lunch and
12 would try again after lunch and would try to call me back
13 before the end of the day. I received no phone call.

14 Therefore on November 16, 1999, I called again. I
15 was placed on hold at 9:35 a.m. I waited impatiently
16 until 11:35 a.m. and no one ever picked up the phone.
17 Nobody answered the call. I left my name, my address, my
18 telephone number and a message that I had been on hold
19 for two hours and wanted a return call ASAP.

20 Now it is 9:38 p.m. and I still have received no
21 call. By this time I was a little upset. I didn't trust
22 the representatives to call me anymore so I called again.

23 This time I was only on hold for ten minutes before
24 the customer service representative answered and I again
25 explained the problem. He informed me that he was new to

COMMONWEALTH REPORTING COMPANY, INC.

1 (800) 334-1063

1 customer service but that he would try to help me. I was
2 placed on hold while he called the parts department.
3 Approximately five minutes later he came back and I was
4 patient because he really was trying to help.

5 When he returned the news that I received was not
6 pleasant. He stated that the serviceman had put in a
7 request for the switches but that it got on the wrong
8 track, whatever that meant, and they were never ordered.
9 The parts department told him that they would order them
10 and hopefully they would be in by Saturday, November 20.
11 However, if they were lucky they might get them by
12 Thursday, the 18th.

13 The customer service rep went on to say that I
14 should call on Thursday or Friday and see if the part had
15 come in. I told him that I thought the service
16 department should call me but he said that they probably
17 would not and he advised me to call them. He also
18 reminded me that I did not have to pay for the parts
19 since they were the parts and labor plan.

20 Well, eventually they did fix the stove so that I
21 could cook. And I wasn't even going to read that. But I
22 just wanted you to know what customer service is about.

23 So now I will read what I planned to read. I wrote
24 that letter because it was impossible to be reached by
25 telephone. I cannot reach any of the executives by

1 phone. I wrote that letter hoping that someone would
2 answer me. I received no answer from my letter.

3 In June of 2000 I called the Philadelphia Gas
4 Commission. They responded and told me that they no
5 longer had authority with PGW but they did give me some
6 advice and told me to contact the Pennsylvania utility
7 Commission. They also advised me to contact them again
8 if I did not receive any correspondence from PGW.

9 In August or September of 2000 -- now, remember, I
10 wrote them in November of 1999 -- August or September of
11 2000 a customer service representative contacted me from
12 PGW. He told me that I would not be getting anything in
13 writing but he did apologize for the delay in responding.
14 It took almost a year to answer one letter.

15 The gas works has already raised their prices twice
16 and they want more? Have you lost your minds? Seniors
17 are struggling to pay their bills and so are non-seniors.
18 Funds were wasted by executives of the company and now it
19 seems the consumer has to bear the weight of the problem.
20 Let those who used and wasted the money pay it back.
21 Leave poor people like us alone and do not allow them to
22 impose any additional raises on consumers who are already
23 at the brink of disaster.

24 Thank you.

25 (Applause.)

1 JUDGE FORDHAM: Thank you.

2 (Witness excused.)

3 JUDGE FORDHAM: The next speaker is Eleanor Grear.

4 Whereupon,

5 ELEANOR GREAR

6 having been duly sworn, testified as follows:

7 DIRECT TESTIMONY

8 JUDGE FORDHAM: Would you state your name and
9 address and please spell your name?

10 THE WITNESS: Eleanor Grear, E-L-E-A-N-O-R,
11 G-R-E-A-R, 121 Daly Street.

12 JUDGE FORDHAM: Thank you.

13 THE WITNESS: I don't have too much to say. I just
14 want to say I am a senior citizen. I am 80 years old. I
15 am entitled to the senior citizen discount. Whoopy. My
16 bill was \$165.95 with \$40 and something taken off for my
17 senior citizen. So that would have been over \$200 a
18 month.

19 The next month I get a bill that they were supposed
20 to reduce it, but I seen an article in the paper that
21 said if you use 10,000 cubic feet your bill would be \$179
22 or \$176, I don't which. I got that bill. It was \$139
23 and something and I thought how many cubic feet did I
24 use. But I see these cubic feet with numbers besides it
25 and I don't know what that means.

1 I am 80 years old. I know I'm old. I did my due.
2 And I lived in my house since 1952. I have been a widow
3 for 36 years. I never missed a damn bill or anything.
4 And here I am now trying to scrimp and save.

5 I know PGW did not get a raise in ten years. But
6 let me say this. I worked from when I was 15. I retired
7 in 1983 to take care of my mother and father. I came out
8 with social security of \$346. So I can't say I don't get
9 a raise because right now I am 80 and I get \$600 a month.
10 Big raise from 1983.

11 That's all I got to say. But I can't meet these
12 bills anymore. They are really too much for me. I don't
13 know what it is. I don't have much of an income. Like I
14 say, I am a widow. For 32 years I am living on my own
15 and I can't move out of the damn house. And it's only
16 got three rooms downstairs, two bedrooms and a bathroom
17 that looks like a powder room. My bills are higher than
18 some of my other neighbors.

19 When they first raised it, I dropped it down.
20 Okay. I kept it on 72. I was comfortable. I put it
21 down to 68. I am freezing my buns off and it is still
22 going up. So what are you supposed to do?

23 That is all I got to say. I wish everybody a lot
24 of love and I hope they don't raise it anymore because I
25 don't know where the hell I'll go to. The poor house.

1 (Applause.)

2 JUDGE FORDHAM: Thank you.

3 (Witness excused.)

4 JUDGE FORDHAM: The next speaker is Margaret Gross.

5 Whereupon,

6 MARGARET GROSS

7 having been duly sworn, testified as follows:

8 DIRECT TESTIMONY

9 JUDGE FORDHAM: Will you state your name and
10 address for the record, please?

11 THE WITNESS: Margaret Gross, 3938 North Smedley
12 Street, Philadelphia, Pennsylvania 19140.

13 JUDGE FORDHAM: Thank you. You may proceed.

14 THE WITNESS: Good afternoon. Most speakers have
15 already said what I would have said.

16 I just want to say I am a widow. I live on a fixed
17 income. I thought that I was going to live good when I
18 retired but that is not happening. I have two gas bills
19 in my hand. When my late husband and I retired we bought
20 another home. It was a second home. We had insulated
21 walls put in. We had the whole house redecorated before
22 we moved in. I have a gas bill in my hand for 160.14.
23 There is nobody in my home but me. My heat never goes
24 over 70 because it would be too warm and most of the time
25 I turn it down at night. I have one for \$260.14,

1 \$157.69.

2 I would like to know just how the PGW think that we
3 are supposed to live when we pay our other bills. I
4 don't think that we should be able to pay for their
5 mistakes, their expense accounts. They buy new cars,
6 travel all around to fine restaurants and we got to pay.
7 I don't think it is fair.

8 And they will say, oh, go up, LIHEAP will help you.
9 Apply. Well, I got news for you. I applied twice. If
10 you are 25 cents over you know what they say? It's the
11 law, you cannot get any money. They say they have a
12 crises. But who is it for? You got to be living in the
13 street before they give you one dime. That's it.

14 So that is all I have to say. I wish they would
15 start hiring honest people so that we don't have to pay
16 for them and their accounts. And really as one speaker
17 said we need another gas company in this city. The
18 Philadelphia Gas Company is a monopoly and they charge
19 you anything they want and they need competition. And I
20 wish I knew where I could get it.

21 (Applause.)

22 JUDGE FORDHAM: Thank you, Ms. Gross.

23 (Witness excused.)

24 JUDGE FORDHAM: The next speaker is Helen H.
25 Cutner.

1 Whereupon,

2 HELEN H. CUTNER

3 having been duly sworn, testified as follows:

4 DIRECT TESTIMONY

5 JUDGE FORDHAM: Would you state your name, please
6 spell it, and your address for the record?

7 THE WITNESS: My name is Helen H. Cutner,
8 C-U-T-N-E-R. I live at 2117 Rodman Street in
9 Philadelphia.

10 Your Honor and hearing officers, I want to thank
11 you for hearing the great problems that the gas rate
12 increases are causing me and are causing so many human I
13 feel I represent. I am a retired person living on social
14 security and far from the top social security but still
15 living better than many, and I recognize that. But it
16 concerns me more that my situation is better than others
17 because my situation is as bad as it should get and
18 worse, which means that others are just plain freezing to
19 death.

20 Even when I was working I was very concerned with
21 utilities because I did not want to waste money. I have
22 kept meticulous records over the years of where my
23 utility money is going and on what.

24 Since I have been retired due to crippling
25 arthirtist I have turned down both the electricity in the

COMMONWEALTH REPORTING COMPANY, INC.

1 (800) 334-1063

1 summer and the gas in the winter. After I retired with a
2 fixed and pretty low income I became even more careful.
3 So when the thing hit me in January to February of this
4 year it was a total disaster because that was when this
5 thing hit my because I thought I was already conserving
6 as much as I could.

7 This thing that hit me was a natural bill that was
8 way, way, way behind anything I could have expected or
9 planned or even have handled if I had expected it. I
10 received a natural gas bill that was just about double
11 what I was used to in comparable cold times and way more
12 than I could afford to pay.

13 I had about \$6,000 in savings so I just paid it out
14 of my savings, which was therefore disappearing pretty
15 fast just on the heating bills. Then I sat down and
16 really, really looked at my bills. As I said, I keep
17 meticulous records.

18 I created a spreadsheet in Excel which shows the
19 difference between what I was paying the year before and
20 then in that period. The actual increase to my bill was
21 a third or more. But the important thing is that the
22 result was that I simply I could not afford to have heat.

23 I set my thermostat at about 60 degrees in the
24 daytime and lower at night and I can't do anything but
25 just sit in my home bundled in a down coat and keep warm.

1 If you will look at my spreadsheet you will see
2 that I'm telling the truth. Before I was hit with this
3 sledgehammer I used about six cubic feet of natural gas
4 per day, as I had in the prior year even higher
5 temperatures. In the month after I received that bill I
6 used 3.8 cubic feet per day even though it was just as
7 cold as times when I used more than six per day even as I
8 sought to conserve energy and utilities. But the next
9 month's bill was still over the top so I lowered the
10 temperatures even more because I can't afford to have
11 heat.

12 Isn't that a disgusting thing to say to you guys?
13 People who can't afford to have heat.

14 Well, let's look at the utility's end, PGW's end of
15 this. They are saying that things cost them more so they
16 have to kill people to survive. First off, they are not
17 depending on the Arabs and petroleum people. We are
18 talking about natural gas here. But I have to assume
19 that they have to somehow prove to you that their costs
20 have gone up over 300, which is what they show on their
21 invoice. So they say we have costs and we have to make
22 money. So what does it matter if a few people freeze to
23 death?

24 See, the thing is that poor people are better at
25 honesty most often and so the poor people want to pay

1 their bills and be good about living. And so when the
2 gas company says they owe them \$200 or whatever that is
3 going to drive them into giving up food or medicine, they
4 just work to pay it so they won't be cut off and then
5 they turn down the heat.

6 In the month after I got that shocking bill I
7 turned my heat down to 60 degrees most days but had some
8 days when I wanted to take a shower and didn't want to
9 freeze when I got out. Then I got that bill and it was
10 still lower than it would have been but it was still way
11 too high for my pocketbook. So that I don't take showers
12 and I sit all day hunched in a down jacket.

13 People if that is me, the results for people with
14 lower incomes is not to be even contemplated. They are
15 just going to freeze to death, and people have.

16 So what happens to poor PGW? Well for the moment
17 let's assume that they are really having these higher
18 costs, which doesn't seem to have been demonstrated but
19 perhaps they are being gouged. Then they should be
20 working to attack the gougers and lower their costs. But
21 to raise the rates here means that the investors in PGW
22 keep getting their dividends and the money at PGW is kept
23 level while old people and poor people die from the cold
24 or spend their lives suffering from the cold. This is
25 not appropriate.

1 Perhaps the investors in PGW could take a hit
2 instead of the consumers. Hey, a lot of investors have
3 have taken a hit recently and they are all going to have
4 to live with it. But they are not as important as the
5 consumers in this utility situation.

6 I not only do not think that PGW should get an
7 increase, I think it should roll back and give us back a
8 rate that we can live with it. Is the concern of the PUC
9 the return to investors in PGW or is it the people that
10 it represents in the Commonwealth of Pennsylvania who
11 will either possibly die or live reduced lives because of
12 no possibility of paying for their heat?

13 Please deny this rate increase and please consider
14 even rolling back prior rate increases. We people of
15 Pennsylvania are doing the best we can in paying for our
16 heat, but we should not be sent into the freezer.

17 I am also curious about this application in the
18 middle of the PGW people selling out to privatization.
19 Could it be that they get a better price if they get this
20 rate increase? Perhaps I am a cynic but I see this as a
21 great play to get more money for the rich people, or not
22 so rich people but not poor people, but all at the
23 experience of the very, very poor people that need heat.

24 Thank you again for listening and may you all think
25 about cold people.

1 (Applause.)

2 JUDGE FORDHAM: Any questions?

3 (No audible response.)

4 JUDGE FORDHAM: Thank you.

5 (Witness excused.)

6 JUDGE FORDHAM: The next speaker is Jacquelin
7 Harris.

8 MEMBER OF AUDIENCE: Jackie Harris went home.

9 JUDGE FORDHAM: Thank you.

10 David Scholnick.

11 Whereupon,

12 DAVID SCHOLNICK

13 having been duly sworn, testified as follows:

14 DIRECT TESTIMONY

15 JUDGE FORDHAM: Would you state your name and
16 address for the record,?

17 THE WITNESS: David Scholnick, S-C-H-O-L-N-I-C-K.
18 I live at 1106 Federal Street, south Philly. But I grew
19 up in East Mt. Airy, so I'm not used to threats.

20 I want to say first of all I am sure that you are
21 not going to bring the prices back down or anything.
22 Even if you get out of debt PGW will probably not lower
23 prices. The gentleman that was the sitting next to me
24 wanted to know if that would be the case, but he had to
25 go.

COMMONWEALTH REPORTING COMPANY, INC.

1 (800) 334-1063

1 I am going to try to keep it brief because you have
2 heard some of these stories before, but I am going to
3 give you three situations. One is my own. A couple
4 others are people that I know.

5 My story is about two years ago I was in my
6 apartment maybe three or four months and two men came and
7 turned off my gas. They had to go into my downstairs
8 neighbor's apartment to do it. They had asked for me by
9 name. And there was no reason. The best reason I ever
10 got was that there was a computer glitch. As you
11 remember, you were upgrading your computer systems and
12 the upgrade, you know, turned off my gas.

13 It was really confusing when I called because
14 nobody -- they didn't seem to know who I was. They
15 didn't know my name. All they could say was there were
16 computer problems. When I tried to get the gas turned on
17 it just wouldn't -- I spent three weeks taking cold
18 showers, no cooking, nothing like that. Three weeks.
19 And I was the only one trying to get my gas turned back
20 on. Nobody there wanted to help. Even the people that
21 said they wanted to help didn't do anything. Hours on
22 hold. Wrote letters, no responses. Waited a couple full
23 days for people to come out, you know, where they
24 promised to come out and they never did.

25 And if it wasn't for Janet Parish at the gas

1 commission, who I don't think she is here, she is the one
2 that got my gas back on. It still took her a few days.
3 But I was disappointed to hear that the control is going
4 over to the state.

5 Anyway, so that is my story. And I know I am not
6 the only one because there was a guy in the paper a
7 couple weeks later that had the same story. And it was
8 about the same, about two-and-a-half weeks.

9 My mother lives in East Mt. Airy still and one day
10 she got a bill for \$3,000. She pays every month. There
11 are no late fees or anything. What happened was she
12 looked at her old bills because she keeps meticulous
13 records. They were all estimated readings for like two
14 years. Apparently they had intended to install one of
15 the automatic reading systems, one of the automatic
16 meters, so they could read from it street. So they just
17 an assumed that it was in and every time the truck went
18 by and didn't get a reading they just estimated it. And
19 now she's got a \$3,000 bill. And who knows if that is...

20 I will give you another instance. This is a
21 friend of mine who is a high school teacher. I went to
22 college with him out in Chicago. He got in and his first
23 apartment the gas went all right. I think actually the
24 landlord was paying for it. But he moved to another
25 apartment with his fiancée and he went to try and switch

1 the name on the bill over and they would not do it. I
2 guess the person before him owed some money and, you
3 know, he said I don't know who they are. The landlord
4 talked to them. They didn't know. So, you know, he had
5 the same thing. Hours on hold. He wrote letters. He
6 did everything he could. Finally he gave up because he
7 knew they would not turn the gas off until April and he
8 was planning to move again. He actually left the city
9 like so many other people are.

10 I guess my point in bringing these up, because I
11 know you have heard a lot of them, is that some of these
12 things are costing you money. That is another reason.
13 And you say that you are raising prices just because --
14 only because of the rising price of natural gas. I don't
15 think anyone here believes that that is the only reason
16 you are raising prices. You look at the outdoor lighting
17 systems of your CEOs and the alarm systems and new cars
18 and everything. Who is giving us back that money? Like,
19 we are not getting it back.

20 So anyway I wanted to ask a few questions and see
21 if I could get a response because that is really that is
22 the only reason I am here. Because I know you are not
23 going to fix my problems.

24 The first thing is -- and I will go through them
25 and maybe you can write them down and address them --

1 what is being done to keep management in line? What
2 safeguards are there now that they are not treating our
3 money like monopoly money? Even though it is a monopoly.

4 What is being done to improve our customer
5 disservice? I have not called them in a while. Are you
6 still waiting for an hour on hold? Yes. You have all
7 this money now that we are paying. When somebody's gas
8 gets turned off by a computer glitch who is coming out to
9 fix that and who is coordinating efforts to figure this
10 out? Because the customer should not have to do it.
11 They should call up and say I have this problem. It's
12 not my fault and it should be fixed.

13 The guy that was sitting next to me asked, he
14 wanted to know, once you pay off the debt are you going
15 to lower prices? Are you going to do that? Or if the
16 gas costs go down, are you going to lower prices?

17 And when all this was happening to me a couple
18 years ago I wrote a letter to the Daily News because
19 there was an article about the no layoff clause. I guess
20 it is an union contract, but you are not allowed to fire
21 these incompetent people that are not doing their job.
22 And I am wondering what the status of that is and what is
23 being done to raise the level of competency among your
24 employees.

25 Thank you.

1 JUDGE FORDHAM: Any questions?

2 (No audible response.)

3 JUDGE FORDHAM: Thank you.

4 (Witness excused.)

5 (Applause.)

6 JUDGE FORDHAM: The next speaker is Blanche
7 Speller.

8 MEMBER OF AUDIENCE: I just want to say something
9 that may or may not be true. So I don't want to be sworn
10 in.

11 What I wanted to say is that we have a constitution
12 and for me it hang on two phrases, two clauses: promote
13 the general welfare, which is good. It is our
14 constitution. And the second one on which the whole
15 constitution fall for me, provide for the common defense.

16 JUDGE FORDHAM: Off the record.

17 (Discussion off the record.)

18 JUDGE FORDHAM: Ms. Speller.

19 Whereupon,

20 BLANCHE SPELLER

21 having been duly sworn, testified as follows:

22 DIRECT TESTIMONY

23 JUDGE FORDHAM: Would you state your name and your
24 address for the record, and please spell your name?

25 THE WITNESS: Blanche, B-L-A-N-C-H-E, Speller,

1 S-P-E-L-L-E-R, 6248 Magnolia Street.

2 JUDGE FORDHAM: Thank you. You may proceed.

3 THE WITNESS: I want to know if I leave home at
4 7:30 in the morning, turn my heat off, come in and turn
5 it on five minutes and the house is warm how did I get a
6 bill for \$1,100? I paid the bill. It wasn't a week
7 later I got a bill for \$370.

8 Who are you accountable to sitting here at this
9 table? I am asking everybody at the table. Because it
10 looks like if we are just standing up here talking we all
11 ought to leave right now. If we are going to get an
12 answer and get some help, that is what we need.

13 I am tired of working and struggling. Them in the
14 gas company, they can have diamonds, furs, limousines,
15 pay \$60,000 for protection on a house and I can't by an
16 \$5 lock and you got to pay these enormous gas bills and
17 you just standing here talking one after another. How do
18 you get any satisfaction that you are going to do
19 something about it?

20 We need some answers. We don't need to just be
21 standing up here talking. Because I can talk all night.
22 That's no problem. But I do want some help with these
23 gas bills.

24 I work in multi-family housing. We have seniors.
25 Have to turn the heat up because they stay cold all the

1 time. Young people don't dare if the window is up. So
2 we need some help with these bills. \$16,000 gas bill a
3 month. \$15,000. And it is enormous. And we are just
4 standing and talking and the cars are getting bigger, the
5 limousines and the chauffeurs and everything. And we
6 going to work got to catch a bus if the car break down.
7 We need some help so please help us.

8 Thank you.

9 JUDGE FORDHAM: Thank you.

10 (Applause.)

11 (Witness excused.)

12 JUDGE FORDHAM: The next speaker is Louis A.
13 Tavani.

14 (Pause.)

15 JUDGE FORDHAM: Is Mr. Tivani still here?

16 (No audible response.)

17 JUDGE FORDHAM: Patricia Johnson?

18 (No audible response.)

19 JUDGE FORDHAM: Rose Dalrymple, D-A-L-R-Y-M-P-L-E.

20 (No audible response.)

21 JUDGE FORDHAM: Rosemary Burke?

22 (No audible response.)

23 JUDGE FORDHAM: Kurt Oehlberg?

24 (No audible response.)

25 JUDGE FORDHAM: Marie Mancini?

1 (No audible response.)

2 JUDGE FORDHAM: Janet Mills.

3 Whereupon,

4 JANET MILLS

5 having been duly sworn, testified as follows:

6 DIRECT TESTIMONY

7 JUDGE FORDHAM: Would you state your name and
8 address for the record, and please spell your name?

9 THE WITNESS: Thank you. My name is Janet Mills,
10 M-I-L-L-S. I reside at 309 East Vernon Road,
11 Philadelphia 19119.

12 I am here as a volunteer for Eastern Service
13 Workers Association as well as among the recently
14 unemployed. I speak on my behalf.

15 I notice a significant increase in my bill from
16 December, 2000. It almost doubled in January, 2001. I
17 am also speaking for one of my friends who I guess it is
18 regarding small businesses and how the trickle effect
19 affects us all. She recently was employed in daycare but
20 she is worried about her job security because the daycare
21 provider has to significantly increase their rates and
22 they are losing clients because of that, which in turn
23 trickles to her. So that is another party who is worried
24 about their job security that is directly related to the
25 recent increases in the gas prices.

1 I am also here on behalf of a gentleman that had to
2 leave, Mr. Joe Cheeseman. I would like to read his
3 statement. He is the owner of Joe Cheeseman Building and
4 Remodeling on Lansdowne Road. He reads, "I am a lifelong
5 resident of Philadelphia. As a small business owner I
6 look out for my employees. I don't want to take away
7 anybody's benefits, cut their pay or lay anybody off. I
8 only make money one way, by working longer hours to reach
9 more customers who still have the money to afford my
10 services. I can't raise my prices or I will lose my
11 customers."

12 "Huge corporations are making two ways at our
13 experience and a handful of very rich corporations are
14 slashing their workers' benefits, cutting their jobs and
15 cutting pay at the same time as they charge us more and
16 more for what they did before. International gas
17 suppliers like BP Amoco are making 100 percent profit
18 this year by charging 400 percent more for the gas people
19 need to survive."

20 PGW is becoming part of the problem by passing the
21 buck on to those least able to pay. I cannot afford any
22 increase! My customers cannot afford it and the rest of
23 the city is trying to keep its head above water on
24 service worker wages. How many more people need to die
25 of electric fires or preventable pneumonia in houses

1 turned down to 60 degrees before the PUC understands that
2 the money has to come from barrons, not from us."

3 Stop raising the rates. It's killing people and
4 it's forcing hardworking business people like me to shut
5 down. Be accountable to the needs of the people and stop
6 this rate increase," he says very affirmatively.

7 Again, I want to concur in most of the statements
8 that were made today. Thank you.

9 (Applause.)

10 JUDGE FORDHAM: Thank you,

11 (Witness excused.)

12 JUDGE FORDHAM: Darryll Williams.

13 MEMBER OF AUDIENCE: I wanted to know if we can ask
14 the people from the gas company a couple of questions.

15 JUDGE FORDHAM: We probably need to do that off the
16 record. Do you want to ask some general questions or
17 specific questions regarding your --

18 MEMBER OF AUDIENCE: There is one specific question
19 that I want to ask the people from PGW. I wanted to know
20 if there is any truth to the statement that the city gets
21 \$18 million from the gas company as part of their budget?

22 JUDGE FORDHAM: Would you state your name?

23 MR. FYOCK: Les Fyock, Vice-President of Regulatory
24 Affairs.

25 The city does get an \$18 million a year payment.

1 MEMBER OF AUDIENCE: They get that from the gas
2 company?

3 MR. FYOCK: That's correct. They are PGW's owner.

4 MEMBER OF AUDIENCE: Now you know where some of the
5 money is going. \$18 million from the gas company?

6 MR. FYOCK: That's correct.

7 MEMBER OF AUDIENCE: And then what about the people
8 that got all the money going every which way? Are you
9 trying to get any of that back from Haas and company and
10 the man before him?

11 MR. HOLLAND: Your Honor, that is part of an
12 ongoing proceeding and we would like to decline from
13 answering that question, please.

14 JUDGE FORDHAM: That is another proceeding. That
15 is a criminal proceeding that is in another court. That
16 hasn't been resolved at this point.

17 MEMBER OF AUDIENCE: It has not been resolved. But
18 they can't tell me whether or not they are trying to get
19 any of it back? Whether they are trying to get it back.

20 JUDGE FORDHAM: I believe there is more than one
21 proceeding at this time.

22 MR. HOLLAND: Right, Your Honor.

23 MEMBER OF AUDIENCE: So you just can't answer that?

24 JUDGE FORDHAM: Yes.

25 MEMBER OF AUDIENCE: I would like to know, I have

1 been doing utility --

2 JUDGE FORDHAM: Would you state your name?

3 MEMBER OF AUDIENCE: Loraine Peterson. I live at
4 5002 West Oakdale Street. I am also a member of the
5 Action Alliance.

6 I am asking this here. I went to Baltimore and
7 stayed about a month with my brother. How can those big
8 cities run their gas and electric companies? I am
9 looking at his bill. He live in a house by himself. His
10 house is nice and toasty. I enjoyed it there. I am
11 looking at his gas bill and I am looking at my gas bill.
12 It is a large city, Baltimore.

13 Also, two weeks ago I was in Delaware taking care
14 of my granddaughter while my daughter-in-law works. That
15 is another large city. Nothing compared with mine.
16 There is her son there, my daughter there. Nice and
17 toasty in her house.

18 My house, I keep mine at 66 or 68. And I wear
19 sweats all day long in my house. When I get up I have
20 sweats on. My bills are \$250 and 200 some dollars.

21 Yesterday, I was with some friends of mine in a
22 senior citizen apartment. I took out an application. I
23 live with myself. My husband dead since '93. My husband
24 was sick for 23 years. I took care of my husband. My
25 gas and electric bills were not as high as they are now,

1 with my husband bedridden. No way when I was taking care
2 of him then with all of us in that house. And I am
3 looking at now. My husband died. My children is gone.
4 I'm on a fixed income and my gas bills is 200 some
5 dollars a month. And I keep mine about 68. That is what
6 I do. All the time. And I am in there with sweats on.

7 My brother's house nice and toasty. He say why
8 don't you move down with us. I don't want to move. I
9 like my neighborhood. I see my neighbors. One lady 80
10 years old. I am writing her bills, 200 some dollars. It
11 is kind of warm in her house.

12 How can they run the city, Baltimore, how can they
13 have reasonable bills that we have to have such a high
14 bill? And they get that same gas as everywhere else.
15 Isn't that gas high all over? Why are we having to pay
16 these kind of bills when they are living off the same gas
17 and that gas going to Baltimore and that gas going to
18 Delaware. But how can they make it off of them big
19 cities and we can't make it?

20 JUDGE FORDHAM: We can't answer that. What we do
21 when we look at ratemaking, we look at each individual
22 company.

23 Now, there are certain gas prices that have
24 increased all over the nation. But I can't say what
25 Baltimore and no one here can say what Baltimore or even

1 another company in Pennsylvania has for all of their
2 expenses. We look at the company and what their
3 particular situation is and even in terms of the number
4 of customers served, the buildings they have, the type of
5 entities that they have to have to serve you. So we
6 can't compare another company to our company and say
7 because rates in this company are this, then rates in
8 other companies should be the same.

9 Does anyone want to add to what I said?

10 (No audible response.)

11 JUDGE FORDHAM: We have some other people who have
12 not gotten a chance to talk. I want to go through the
13 list. If any of them are here then we need to let them
14 have the opportunity and then if we have any other
15 questions I will do that.

16 Is Darryll Williams here?

17 Whereupon,

18 DARRYLL WILLIAMS

19 having been duly sworn, testified as follows:

20 DIRECT TESTIMONY

21 JUDGE FORDHAM: Would you state your name and your
22 address for the record, please?

23 THE WITNESS: Any name is Darryll Williams. I live
24 at 2250 North 10th Street.

25 JUDGE FORDHAM: Would you spell your name?

COMMONWEALTH REPORTING COMPANY, INC.

1 (800) 334-1063

1 THE WITNESS: D-A-R-R-Y-L-L. Williams,
2 W-I-L-L-I-A-M-S.

3 JUDGE FORDHAM: Thank you. You may proceed.

4 THE WITNESS: How you doing, guys.

5 I am a block captain. I used to be a committee
6 person. And I live in North Philadelphia, 2200 block of
7 10th Street. It's not too far from one of your main
8 offices. I think that is 9th and Montgomery. About two
9 or three blocks down.

10 A lot of my people in my area are senior citizens.
11 They still come to me with a lot of their issues from
12 when I was a committeeman. I am a youth detention
13 counselor at the Youth Study Center for 13 years. Once I
14 became a youth detention counselor I had to give up the
15 committeeman stuff.

16 The senior citizens knock on my door and they say
17 have you been aware of the gas bills. So I said, well,
18 my gas have been kind of high. So I have been looking at
19 their gas bills. I said this is ridiculous. Then I seen
20 the article in the Inquirer and it said for residential
21 homes they propose a \$7 monthly increase. When I look at
22 a lot of the people that come to me and have these
23 concerns and believe that there is something I can do,
24 and that is why I'm standing here today, I said this is
25 not a \$7 increase. I said, I could live a \$7 increase.

1 I know many people could live with a \$7 increase.

2 About two months prior to me starting to get these
3 visitations and phone calls at my home the gas company
4 was at out at my house saying they are going to cut my
5 gas off. I couldn't understand why. I had all of my
6 receipts and everything and I'm showing them. So the
7 gentlemen gets on the cell phone and calls the gas
8 company. They can't figure out what's the problems. So
9 eventually, I said, listen, I am not going to let you
10 turn my gas off. You seen the receipts. They said I owe
11 something like \$1,800. And I had just paid the bill two
12 weeks prior to that.

13 When I went down to pay the bill the young lady was
14 punching in the wrong numbers. My money was going
15 somewhere else. Instead of her punching in, like, 002 or
16 0002, she was putting one 0 more than was needed for my
17 account. That is service?

18 I went to visit one of the young ladies who could
19 not come to my home. She kept calling me. My son said,
20 dad, the lady keep calling. I don't want to say her
21 name. She said I'm having problems. I said what's your
22 problem. She said I don't have no heat. She said I
23 can't afford the gas bill.

24 The first I said when I walked in her house was,
25 hey, you getting fat. Give me some of that food you

1 eating. She said I'm not getting fat. This lady had on
2 like three sweaters trying to keep warm.

3 My point is it's not so much about the money. It
4 is the reality of it. By this time next year people are
5 going to be dying because they are not going to be able
6 to afford to have the heat on in their homes. That is my
7 concern. My concern is the senior citizens in my area,
8 especially on my block, can't afford of the gas rates.

9 What are they going to do? There are going to be
10 fires. Old are people are going to be dying from
11 pneumonia. Because they are going to do anything and
12 everything possible that they can to keep warm. I am
13 here to say, please, whoever is responsible, whoever is
14 in charge, if this the truth, I think that we can live
15 with a \$7 increase. But that is not the truth.

16 I looked at my gas bill. I am averaging something
17 like \$179 or \$180. I am paying \$400 a month. I'm
18 starting to holler at my son. I say you touching that
19 heat? The first thing he say, he say, dad, you got a
20 lock on it. We don't even go to the heater. We keep the
21 heat on 70. I suffer from sinuses. I don't even like
22 heat. I got a lock on it. I forgot all about that. He
23 said, dad, you got a lock on it. I had a lock on my heat
24 for over ten years.

25 So, I don't know what they are doing with the

1 rates. This right here is not true. Maybe I'm reading
2 something wrong. But it says for a residential home
3 current average monthly bill, \$105, proposing an average
4 monthly bill to \$112. The proposed monthly increase is
5 seven bucks.

6 Now, I don't even cook. My son don't like my
7 cooking. My wife been dead since '96. I am a single
8 parent. And now I am not going to cook. It is cheaper
9 to eat out. We are doing McDonald's and Kentucky Frid
10 Chicken.

11 So I can't understand where the increase come in my
12 bill. I can't afford it. I know I can't afford it. And
13 I know if I can't afford it, and I work at the Youth
14 Study Center and we make pretty good money, I know that
15 my neighbors can't afford it. Something else has to be
16 done. But you can't raise those rates.

17 I didn't even know they had approved it. I thought
18 we were voting on this. But the increases is already in.
19 If we are standing here trying to fight to keep another
20 one, you are right, there are going to be a lot of people
21 moving out of the city. A lot of people losing their
22 homes and most of all their lives.

23 That's all I have to say. I am here on behalf of
24 the 2200 block of 10th Street and the senior citizens
25 that live on the block, those that could not make it down

1 here or are afraid to come down here at this hour.

2 Thank you. Have a good day.

3 JUDGE FORDHAM: Thank you.

4 (Witness excused.)

5 (Applause.)

6 JUDGE FORDHAM: The next speaker is Robert

7 Latimore.

8 Whereupon,

9 ROBERT LATIMORE

10 having been duly sworn, testified as follows:

11 DIRECT TESTIMONY

12 JUDGE FORDHAM: Would you state your name and your
13 address for the record and please spell your name.

14 THE WITNESS: Robert Latimore. 1129 South 24th
15 Street. The last name is L-A-T-I-M-O-R-E.

16 JUDGE FORDHAM: Thank you. You may proceed.

17 THE WITNESS: Thank you.

18 As you know, my name is Robert Latimore and for the
19 last two years I have been in dire straits because of
20 pressures coming down on me. And it is not all the gas
21 works. It is a conglomeration of a lot of entities in
22 the city.

23 For instance, I have been in business for 30 years
24 at 13th and Catherine. And it is a small store but we
25 managed not to get on any programs. We paid our own, my

COMMONWEALTH REPORTING COMPANY, INC.

1 (800) 334-1063

1 wife and I. When they did redevelopment and Unipenn tore
2 down the Martin Luther King project in October of '99 it
3 put me out of business. Since then I have been in the
4 hospital because of the tension and stress, a heart
5 operation. No income.

6 My wife and I for the first time -- we have a two
7 story house, three bedrooms, and we are living on the
8 first floor. All the doors upstairs or locked, closed,
9 and we are burning not the furnace but we are burning the
10 gas stove so that we can keep the prices down on our
11 bills.

12 I am saying to you that it is okay to increase and
13 make money and do all of these things that you are
14 supposed to do when you are in business. But when it
15 comes to putting the pressures on the little people, and
16 it's not only little people, it is the average people
17 that has strived for all their life to manage.

18 My wife and I had -- we managed to buy seven
19 properties -- well, five properties and two lots. As of
20 October of '99 redevelopment came to me, told me that
21 they are taking the property under eminent domain because
22 I am in the Avenue of the Arts. Like I said, for the
23 first time in my life I am watching my wife -- pressures.
24 I mean, it is just outrageous for the city -- and like I
25 said, it is not only the gas company. It is the city and

1 all these entities.

2 But all I am saying to you is you have to
3 understand that people are not going to stand for these
4 pressures. For one, I feel like I am in the land of the
5 giants and I am confused about that. Because who are the
6 giants? It is supposed to be the people. And I am over
7 here complaining to you about my gas bill when we are
8 supposed to be in control of this as a people.

9 And this is not to you. This is to the people. We
10 have to start fighting back. We have to stand up and
11 resist these ridiculous prices on everything.

12 I have never ever in my life had to struggle for
13 food. If you come to my house now there is nothing.
14 Nothing in the box. I am going to different supermarkets
15 looking for prices on fish so that we can struggle for
16 another two or three days.

17 And I have nowhere to go because my property is
18 being confiscated under eminent domain. I have million
19 dollar properties down here. They saying eminent domain.
20 They want to give me about \$35,000. I owe more than that
21 now on the taxes. It is ridiculous.

22 I have worked since I was nine years old. That is
23 49 years I put in this city. I started a half block down
24 the street with a shoe shine box, ten cents a shine.
25 Owning property, making a living, not wanting to move in

1 the projects when they moved my family and my mother and
2 us out of the area. I said I don't want to move in. I
3 am going to save enough and by me a house, and that is
4 what I did. From that point I went to a store, raised my
5 children and accumulated property.

6 And from this point on, I mean, I am looking at
7 myself and my wife in the street, what do I do? Do I
8 just stand and take it like some -- or do I fight? Well,
9 I am saying to you that you can raise your prices all you
10 would like. But I am going to be on the other side and I
11 am going to resist with all my breath. And I am not
12 angry. I am not angry. I am just disappointed that the
13 people we put in office can't manage and don't keep us in
14 mind when they make these tremendous decisions.

15 Thank you, Your Honor.

16 JUDGE FORDHAM: Thank you.

17 (Applause.)

18 (Witness excused.)

19 JUDGE FORDHAM: The next speaker is Odessa Thrower.

20 (No audible response.)

21 JUDGE FORDHAM: Is Leala Johnson here?

22 (No audible response.)

23 JUDGE FORDHAM: Helen Zungola?

24 (No audible response.)

25 JUDGE FORDHAM: Pearl Cunningham? .

1 (No audible response.)

2 JUDGE FORDHAM: Ken Knight?

3 Whereupon,

4 KEN KNIGHT

5 having been duly sworn, testified as follows:

6 DIRECT TESTIMONY

7 JUDGE FORDHAM: Would you state your name and your
8 address for the record? And please spell your name.

9 THE WITNESS: Ken Knight. My address is 2460 77th
10 Avenue. You spell my first name K-E-N. The last name is
11 K-N-I-G-H-T.

12 JUDGE FORDHAM: Thank you. You may proceed.

13 DIRECT EXAMINATION

14 THE WITNESS: Good afternoon. Good afternoon to
15 the Commission.

16 Really I am here on behalf of myself but also I
17 represent several groups, the first one being a group
18 that is very close to my heart and that is the Consumer
19 Education and Protective Association. Secondly, the
20 Communities of Faith. And that is a consortium of
21 faith-based organizations.

22 Before I started I have in my notes to take just a
23 short minute of silence for those people who have died
24 this past winter because they couldn't turn up their heat
25 or didn't have any heat. And there are two ladies that

1 come to my mind. I was setting home one evening and I
2 was watching television, watching the news, and I heard
3 about these two ladies dying. It's not that they didn't
4 have gas. They were afraid to use the gas because of the
5 bills. And they lost their lives. I was there with my
6 wife. I don't know how many people are still human, but
7 you got to think about those people. These two ladies
8 lost their lives. They were human beings. They were
9 like all of us here. And I am saying that we have to
10 think about those people. We have to think of all those
11 people that have died this past winter behind the first
12 rate increase, let alone the second rate increase.

13 But I also want to make you aware of some things
14 that may be invisible so when you go home and you look in
15 the mirros and you see the visibility of your face that
16 you see the faces of these invisible people that I am
17 talking about now.

18 Now, recently last week I sat down with some people
19 from the Mayor's office. They came out to the office.
20 And they were from the faith-based initiative. For those
21 who are not familiar, our president, President Bush, has
22 been really pushing the faith-based initiative. This has
23 been an initiative that has been going on about a year,
24 maybe even two years. But since he is president now, it
25 is a reality and we are trying to implement that.

1 I know that the religious or the faith-based
2 community have been called to take up -- take the lead in
3 helping a lot of people that need help. I am talking
4 about the welfare people. I am talking about the seniors
5 on fixed incomes. I am talking about poor people. I am
6 talking about unemployed people. Well, what the faith
7 community has done, they have taken on the responsibility
8 to open up their churches, to open up their mosques, to
9 open up their synagogs, for soup kitchenes, for after
10 school programs, for daycare and for things like that.

11 The reason why I am in my coat is because I wear it
12 often in my own house because my house is cold. But also
13 out of respect for those people who don't have a choice.

14 This past Sunday I was at Sunday school and the
15 children were cold. They had their coats on. This is
16 not the first Sunday. It happened last Sunday too. So I
17 am saying as we sit here comfortable, every Sunday now
18 the children are uncomfortable. It is hard to teach them
19 the things. We are trying to show them the right way,
20 teach them the values that we would all like to teach our
21 children, and they are shivering and they are cold. They
22 want something to eat too but we can't turn on the gas
23 because the bill is too high.

24 We are hearing about soup kitchens. I am here to
25 tell you, they are closing. So we can't do that

1 initiative that the President and now our Mayor has
2 called on the faith community to do because of the gas
3 prices.

4 You heard about the day care centers. It is real.
5 Children get cold. Senior citizens get cold. Business
6 decisions have to be made. It is a cross between trying
7 to stay in business and turning up the heat or turning
8 down the heat. And in some cases you take the option of
9 turning up the heat because you got children. Expenses
10 have hit the roof. You got to lay off people. There is
11 job loss. I have already told you about some of the
12 programs that are hurting tremendously. I was also
13 brought to tears when I heard that a church -- it has
14 been several churches -- had to close their doors because
15 there is no heat.

16 I am saying as human beings if you got blood in
17 your body you got to feel this. There is no doubt about
18 it. It is real. I am saying for those people that are
19 on fixed incomes -- let's look at the numbers. If we are
20 talking about \$65 million. If we are talking about this
21 percentage versus that percentage, nowhere in the world
22 does people on fixed incomes, retirement, social
23 security, can keep pace with that. It is just not
24 economics. It is not mathematical. You don't have to be
25 a rocket scientist to figure that out.

COMMONWEALTH REPORTING COMPANY, INC.

1 (800) 334-1063

1 So what I am saying to you, when the executives,
2 they get the incentives, the stock options, the pay
3 increases, how does that compare with these people living
4 on these fixed incomes? It doesn't. There is no
5 comparison. I am saying all that the pain and suffering
6 that these people go through -- and we live in this City
7 of Philadelphia and we have the lawyers in Philadelphia.
8 If this much pain and suffering was inflicted on just the
9 average person you would have all kinds of cases.

10 So I am talking to you about all of those people
11 that are experiencing the pain and suffering. Somebody
12 has to take their case to court. Let alone the dying.
13 And I still think that there is some liability there when
14 you talk about the gas. There has to be liability for
15 those human being, for those two elderly ladies that
16 couldn't turn up their heat because the bill was just so
17 astronomical.

18 Also, when we talk about the liability I think this
19 is also a reality, that you are forcing people, you are
20 making delinquent payers. You got people that have
21 perfect records, perfect records, had good credit
22 histories, then all of a sudden something just drops on
23 them from outer space, a bill so high they couldn't pay
24 it. Their heirs will be paying the bill. I am saying
25 you are making delinquent ratepayers.

1 What is the other side of that? Now you are
2 messing up people's credit histories. You send those
3 things to the credit bureau. It's not right. The bills
4 aren't right. Who cleans up that mess? We have not
5 thought about that. But that is a big, big problem.

6 The other big problem is this: we talk about
7 overpayments. Okay. I know a situation where people got
8 overpayments, there is an overpayment. The gas company
9 never gives them a check the next day. They don't give
10 them that money back. Oh, you got a credit. Nobody says
11 nothing about the interest.

12 Right now I am holding a credit of \$535 as we
13 cleared up the bills. Okay, we were wrong. You got a
14 \$535 credit. They ain't sending out no check. They
15 didn't tell me what bank my money was in gaining
16 interest. Those are the realities. Something has to be
17 done about that.

18 Also when we look at, like I said, back again to
19 the faith-based community. These communities are built
20 on faith. But as you know, we just can't make it alone
21 off of faith. God says that you need more than that. We
22 need more. We have to have more than that. We have to
23 have food. We have to have clothing. These are needs.
24 These are the needs of the human being. And I am saying
25 that we cannot meet those needs with these bills.

1 There is a choice. You are forcing people to do
2 triage between paying these bills and literally going
3 without their medication. You are killing people, plain
4 and simple.

5 So when you go home, as I say again, and you look
6 in the mirror, you think about all these invisible people
7 that we are making visible today. Don't go and look in
8 the mirror when you shave, when you comb your hair, and
9 not think about what I've said here today. Those
10 freezing children that I will see this Sunday, God
11 willing, in Sunday school, shivering while we try to give
12 them something that is going to make them better people.
13 But then how are we supposed to make them better people
14 when we are told that we are just literally in some cases
15 being held up by the utility company.

16 You heard some of the testimony here today. People
17 are on the brink. And why there has not been just a
18 wholesale outrage and protest, it is only because most of
19 these people that we are talking about are decent people,
20 are God fearing people. They want to do what is right.
21 They have been paying their bills. But enough is enough.
22 You didn't hear from people that were in their 20s or in
23 their teens. You heard from 80 year olds, from 90 year
24 olds, from 70 year olds. Surely you got to think about
25 your mother, your grandmother if you are a human being

1 and not some material monster. The only thing you are
2 concerned with is the bottom line. Pay heed to these
3 words I am saying today.

4 Also, as I was saying before, I think that -- and
5 this is a proposal to you. I always, before I came here,
6 I was asking for inspiration and something came to me.
7 And this is something that your financial people, your
8 financial advisors, your economist -- I am sure you have
9 them -- can look at. Why don't just as we make vested
10 the executives of PGW, we give them stock options, we
11 give them all sort of benefits, why don't we entertain
12 this idea. Why don't we make vested the ratepayers.
13 Simple. You don't have to be a rocket scientist. I am
14 not no economist. I am not no financial wizard. But
15 what I am suggesting is this. If good people have been
16 paying their bills and they have been paying those bills
17 religiously then I am saying that based on that they
18 should get some sort of stock in PGW. Why don't we
19 entertain that? And I think that what it would do is not
20 only would it affect your bottom line but you would also
21 be empowering the ratepayers.

22 This is some creative thinking and this is what we
23 got to start doing in this day and time. Because if not,
24 if we don't give them something, then what we are really
25 doing is we have a lot whole lot of angry mad people out

1 there. I don't have to tell you in the news when you
2 hear about this happening or that happening. And I am
3 saying that it happens when people see no way out. And
4 that is what -- you are not giving the ratepayers, the
5 people in Philadelphia, a way out.

6 I am offering you right here a way out. I am
7 saying based on people paying the bill let's entertain a
8 system where we can make vested those ratepayers that
9 have been paying their bills. And we all know that was
10 wrong in terms of the perks and the limos and the stuff
11 that they bought. Okay, well, we have a chance to make
12 an amends. What we can do is those same ratepayers based
13 on their payment records paying in all the cash, the same
14 way you do your executives, now we are going to empower
15 them and now they are stockholders. Why don't we do that
16 instead of thinking about selling it all to somebody
17 else. No. Since we have been paying anyway make it our
18 company. Let's entertain that.

19 I know that some of you may not want us to tell you
20 what to do, but I promise you one thing, we would be a
21 lot fairer than you.

22 Thank you very much.

23 (Applause.)

24 JUDGE FORDHAM: Thank you.

25 (Witness excused.)

1 JUDGE FORDHAM: Is Mr. Thomas here, John Thomas?

2 (No audible response.)

3 JUDGE FORDHAM: Or Sus Groveman?

4 Whereupon,

5 SUE GROVEMAN

6 having been duly sworn, testified as follows:

7 DIRECT TESTIMONY

8 JUDGE FORDHAM: Would you state your name and your
9 address for the record and please spell your name.

10 THE WITNESS: My name is Sue, S-U-E, Groveman,
11 G-R-O-V-E-M-A-N, 1906 Rodman Street.

12 JUDGE FORDHAM: You may proceed.

13 DIRECT EXAMINATION

14 THE WITNESS: I am just going to keep this brief.
15 It has been a long afternoon. I just have one point to
16 make.

17 I think PGW has some problems with its efficiency
18 and I believe that if the efficiency were managed better
19 that the rate hike might not need to be so high.

20 My story is that I turned on my gas at the end of
21 September and I still have not received a bill. So if
22 PGW collected from all of the people that were getting
23 gas maybe the rate hike also would not need to happen or
24 not be so high.

25 I called in December asking for a bill. I am

1 probably one of the only honest people that did that. I
2 spent like 30 minutes, after waiting on hold for an hour
3 or longer, I spent at least a half-hour on the phone
4 repeating my information over and over again. The
5 gentleman told me he was trying to get into the computer.
6 He was having trouble getting into the computer.
7 Finally, he said he can't get int now but I am sure I
8 will be able to get it in today.

9 Well, it is months later. I still have not
10 received a bill. And after hearing everybody testify I
11 am certain that I'm going to get a huge bill eventually
12 -- either that or the gas will be turned off and then I
13 will have to spend weeks on the phone with them again
14 getting it turned on.

15 But my point is really that I think PGW has some
16 problems with efficiency and management and I think it
17 should that have to prove that it efficiently run before
18 it receives a rate hike.

19 And you should try to conserve money. It is tough
20 times right now for everyone.

21 That is it.

22 JUDGE FORDHAM: Mr. Holland.

23 MR. HOLLAND: Your Honor, we had another honest
24 consumer earlier today who had the same or similar
25 problem and we directed her to our consumer services

1 staff. I believe Ann Marie is right back there. So if
2 you would like to talk to her about your bill by all
3 means feel free to.

4 THE WITNESS: Okay.

5 JUDGE FORDHAM: Thank you.

6 (Witness excused.)

7 JUDGE FORDHAM: Alphonso Cohen?

8 Whereupon,

9 ALPHONSO COHEN

10 having been duly sworn, testified as follows:

11 DIRECT TESTIMONY

12 JUDGE FORDHAM: Would you state your name and your
13 address for the record and please spell your name?

14 THE WITNESS: My name is Alphonso Cohen. My
15 address is 1240 South 16th Street, Philadelphia.

16 Well, I am here to speak about a condition that
17 exists and I am involved. I have lived in Philadelphia
18 since the age of ten. I came from the city of Savannah,
19 Georgia. I was born in the year of 1912, which was the
20 Titanic. I started to work at the age of 13. I remained
21 working until I was 67.

22 I worked 44 years on one job for three generations
23 of one family. They were manufacturers of overcoats by
24 the name of Harry Fisher, Incorporated.

25 I retired and I never been on welfare. Never

1 needed it. And I thought I was earning a living the old
2 fashioned way. I earned it.

3 I stayed on that job and they said, well, you said
4 you were going to retire. And I said yes. They said how
5 about training somebody to do this job. I said sure.

6 So they send me a young man about age 27. And he
7 stood up and looked at me for five minutes and said,
8 hell, I can do that. So they put him on the job and I
9 left and I never went back. But some of the people that
10 worked with me still kept in touch with me. They said
11 when you left Leroy was on the job only two weeks and he
12 went back and said he needed a helper.

13 Well, they gave him a helper. Now, the man on my
14 left -- he was on my right -- he was about 40 years old.
15 He said, look, if I had a younger man on that job I could
16 get out of here earlier. Well, he had Leroy. But Leroy
17 with his helper, he couldn't keep up. So they gave him a
18 helper. Well, that was bad because the guy they gave him
19 he cannot keep up because he got four people working
20 against him. So they gave him a helper.

21 Well, I felt bad about it but there was nothing I
22 could do. But I never needed a supervisor to tell me if
23 the work was good or bad or what. So I was doing
24 foreman's work.

25 JUDGE FORDHAM: Mr. Cohen, can you talk about the

1 gas?

2 THE WITNESS: Yes. I will talk about the gas. Let
3 me finish this, please.

4 Three months later all the work came back because
5 it was all messed up. But I didn't get on welfare or
6 anything. And I never got anything from the city or
7 programs of that sort.

8 But today I am in a predicament where I am feeling
9 the crunch in a big way. I have not had running hot
10 water for over six months because my heater went and I
11 can't afford to pay the bill. So I am staying in the
12 house by myself and it is hell trying to stay warm.

13 But I see a situation where there is more people in
14 my predicament than myself. All of us here when we go to
15 a hospital, if you don't have insurance, they don't want
16 you in there. If you are working, you got to work two or
17 three jobs to try to earn a living and you still can't
18 pay your bills. So I say if they shoot us, we're dead.
19 If they freeze us, we're dead. If they don't give us
20 medicine when we need it, we're dead. All I am asking is
21 that somebody, somebody, look at the situation and try to
22 change it because even if we look back at Hitler, what he
23 did to the Jewish people, we will all be just as dead as
24 they are if somebody don't give us some aid.

25 Thank you.

1 JUDGE FORDHAM: Thank you.

2 (Witness excused.)

3 (Applause.)

4 JUDGE FORDHAM: Is there anyone else who has not
5 not testified that would like to testify at this time?

6 MEMBER OF AUDIENCE: I don't want to be on the
7 record.

8 JUDGE FORDHAM: Okay. You don't want to be on the
9 record?

10 MEMBER OF AUDIENCE: No.

11 JUDGE FORDHAM: Okay.

12 (Discussion off the record.)

13 JUDGE FORDHAM: If there are no other speakers, I
14 would like to thank you for coming out. Those of you who
15 did participate, I would like to thank you for your
16 participation. Those who came just to hear, thank you
17 for coming out.

18 We will resume at seven o'clock.

19 Thank you.

20 (Whereupon, at 5:01 p.m., the public input hearing
21 was adjourned, to be reconvened at 7:00 p.m., this same
22 day.)

23

24

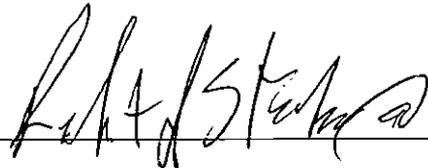
25

C E R T I F I C A T E

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

COMMONWEALTH REPORTING COMPANY, INC.

By:



Robert J. Stonaker

RECEIVED
01 APR -3 PM 3:08
H.A.P.U.C.
SECRETARY'S BUREAU

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25