

**ORIGINAL**

COMMONWEALTH OF PENNSYLVANIA  
PUBLIC UTILITY COMMISSION

----- x  
: :  
Pa. PUC v. Philadelphia Gas Works : Docket Nos.  
Filed Supplement No. 16 to Gas Service :  
Tariff PA. PUC No. 2 to become effective : R-00061931,  
February 20, 2007, which proposes a : R-00061931C0001-  
general rate increase of \$100,000,000. : R-00061931C0067  
: :  
Public Input Hearing :  
----- x

Pages 157 through 239 Auditorium  
George Washington High School  
10175 Bustleton Avenue  
Philadelphia, Pennsylvania

**DOCUMENT  
FOLDER**

Wednesday, March 28, 2007

Met, pursuant to notice, at 7:00 p.m.

BEFORE:

CYNTHIA WILLIAMS FORDHAM, Administrative Law Judge  
ANGELA T. JONES, Administrative Law Judge

APPEARANCES:

DANIEL CLEARFIELD, Esquire  
Wolfe Block Schorr & Solis-Cohen LLP  
9<sup>th</sup> Floor  
213 Market Street  
Harrisburg, Pennsylvania 17108  
(For Philadelphia Gas Works)

*Handwritten initials*

ALLISON C. KASTER, Esquire  
P. O. Box 3265  
Harrisburg, Pennsylvania 17105-3265  
(For the Office of Trial Staff)

RECEIVED  
2007 APR -3 PM 1:08  
SECRETARY'S BUREAU  
PUC

**DOCKETED**

APR 04 2007

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

*Handwritten marks*

## APPEARANCES (CONTINUED):

CHRISTY M. APPLEBY, Esquire  
DARRYL LAWRENCE, Esquire  
Fifth Floor, Forum Place  
555 Walnut Street  
Harrisburg, Pennsylvania 17101  
(For Office of Consumer Advocate)

LAUREN M. LEPKOSKI, Esquire  
1102 Commerce Building  
300 North Second Street  
Harrisburg, Pennsylvania 17101  
(For Office of Small Business Advocate)

PHILLIP A. BERTOCCI, Esquire  
THU B. TRAN, Esquire  
Community Legal Services  
1424 Chestnut Street  
Philadelphia, Pennsylvania 19102-2505  
(For Action Alliance of Senior Citizens  
and Tenant Union Representative Network)

**Commonwealth Reporting Company, Inc.**

700 Lisburn Road  
Camp Hill, Pennsylvania 17011

## C O N T E N T S

1		
2	Statement of Chairman Wendell F. Holland	173
3	WITNESSES	DIRECT TESTIMONY
4	Frank Rizzo	174
5	Michael Stack	177
6	Matthew Taubenberger	180
7	Brian O'Neill	181
8	Al Taubenberger	185
9	Al Reichardt	188
10	Mary Jane Hazell	191
11	Christina Czabaniuk (for Michael Capps)	195
12	Steve Richman	197
13	Maria Pero	200
14	Kevin Washington	205
15	John Burke	208
16	Donald Staller	212
17	Kenneth Milgrom	215
18	Selma Brockman	218
19	Myles Gordon	220
20	Dawn McClary	226
21	Debra David	230
22	Leonard J. F. P. Schneiderman	235
23		
24		
25		

## E X H I B I T S

1	2	3	4
	NUMBER	FOR IDENTIFICATION	IN EVIDENCE
3	STACK EXHIBIT NO. 1	179	179
4	(Written testimony)		
5	TAUBENBERGER EXHIBIT 'NO. 1	188	188
6	(Written testimony)		
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

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

## ADMINISTRATIVE LAW JUDGE

1  
2  
3 CYNTHIA W. FORDHAM: Good evening. I am  
4 Administrative Law Judge Cynthia Williams Fordham and to  
5 my right and your left is Administrative Law Judge  
6 Angela T. Jones. We are the Administrative Law Judges  
7 assigned to conduct this public input hearing and prepare  
8 a recommended decision for the Commission's review and  
9 approval.

10 At this time I would like to introduce the  
11 attorneys that are on the podium with us.

12 To my right is Dan Clearfield, the  
13 attorney for the Philadelphia Gas Works.

14 To my left is Lauren Lepkoski for the  
15 Office of Small Business Advocate.

16 Next to her is Darryl Lawrence from the  
17 Office of Consumer Advocate.

18 And we have Allison Kaster from the Office  
19 of Trial Staff.

20 And then we have Thu Tran and Philip  
21 Bertocci for Action Alliance of Senior Citizens of Greater  
22 Philadelphia and Tenant Union Representative Network.

23 We would like to thank Senator Stack for  
24 helping to arrange this location for this public input  
25 hearing.

1 I would like to explain the two types of  
2 rate proceedings for gas companies. There are base rate  
3 proceedings and gas cost rate proceedings. You received a  
4 blue bill stuffer which looked like this which was  
5 entitled notice of proposed rate increases, and that is  
6 relating to this proceeding. Base rate proceedings  
7 address the amount that you pay for the customer charge  
8 and the gas you consumed. As you know, this case is about  
9 PGW's proposed rate increase designed to produce  
10 approximately \$107 million in additional annual revenue,  
11 which is an average increase of approximately 11 percent.  
12 PGW is asking the Commission for permission to increase  
13 your distribution charge.

14 Recently you received a green bill stuffer  
15 entitled notice of proposed gas cost rate decrease. That  
16 relates to the gas cost rate proceeding, which is being  
17 handled by another Judge.

18 On December 22nd, 2006, the Philadelphia  
19 Gas Works filed Pennsylvania Public Utility Commission  
20 Supplement No. 16 to Tariff Gas Pa. PUC No. 2 to become  
21 effective February 20, 2007. By order entered 2007 the  
22 Commission started an investigation to determine whether  
23 the proposed tariff filings and the supporting data  
24 indicating the proposed changes in rates, rules and  
25 regulations are unlawful, unjust, unreasonable and

1 contrary to the public interest. In addition, the  
2 investigation includes considering whether the company's  
3 existing rates, rules and regulations are reasonable.

4 Pursuant to 66 Pa. C.S. section 1308(d)  
5 the Commission suspended the proposed supplemental tariff  
6 filing until September 20, 2007. On March 5 of 2007 PGW  
7 supplemented its tariff filing to extend the suspension to  
8 September 28, 2007.

9 The case was assigned to the Office of  
10 Administrative Law Judge for prompt scheduling of hearings  
11 and for issuing a recommended decision.

12 To date 67 formal complaints have been  
13 filed.

14 On December 28, 2006, Counsel for the  
15 Office of Trial Staff entered a notice of appearance.

16 The Office of Consumer Advocate filed a  
17 formal complaint and public statement on January 5 against  
18 the proposed rate increase.

19 On January 18, 2007, the Office of Small  
20 Business Advocate filed a formal complaint and public  
21 statement opposing the proposed rate increase.

22 Action Alliance of Senior Citizens of  
23 Greater Philadelphia and Tenant Union Representative  
24 Network filed a formal complaint on January 26, 2007.

25 The Philadelphia Industrial and Commercial

1 Gas Users Group filed a formal complaint on February 5,  
2 2007.

3 The following filed petitions to intervene  
4 on the following dates: PECO Energy Company on February  
5 7; Interstate Gas Supply, Inc. on February 15; the  
6 Philadelphia Housing Authority and the School District of  
7 Philadelphia on February 16; the Hess Corporation on  
8 February 22nd; and the Archdiocese of Philadelphia on  
9 March 9. No objections were received to the petitions to  
10 intervene and all of the petitions were granted.

11 All of the parties mentioned above have  
12 been affirmed as active parties to this proceeding and are  
13 working to develop testimony and exhibits to be presented  
14 at the formal evidentiary hearings.

15 Two prehearing conferences were held.  
16 Public input hearings were discussed at both prehearing  
17 conferences. At the prehearing conference held on March  
18 2nd, 2007, a schedule was set for hearings and formal  
19 testimony by the parties. The parties intentionally  
20 scheduled the public input hearings before their formal  
21 testimony was due so that the public input testimony could  
22 be considered before their testimony was submitted.

23 This public input hearing is the second of  
24 four sessions scheduled for this rate case. The first  
25 hearing was held at the Dorothy Emanuel Recreation Center

1 on March 26, 2007. The other public input hearings will  
2 be held on April 9, 2007, at Community College of  
3 Philadelphia at 1:00 p.m. and 7:00 p.m.

4 The hearings to take technical evidence  
5 will be held on Monday, May 21, through Thursday, May 24,  
6 at the Philadelphia State Office Building.

7 Before these hearings the parties will  
8 submit their testimony in writing and at the hearings the  
9 witnesses who submitted testimony will be cross-examined.

10 The parties will file main briefs on June  
11 12 and reply briefs on June 21. Our recommended decision  
12 is due by late July. The parties will be able to file  
13 written exceptions if they do not agree with our  
14 recommended decision. The Commission will review our  
15 decision, the evidence in the record and any exceptions  
16 that are filed and enter a final order.

17 ADMINISTRATIVE LAW JUDGE

18 ANGELA T. JONES: Good evening and thank  
19 you for coming to this public input hearing.

20 The purpose of the public input hearing is  
21 to hear from you, the public, regarding PGW's existing and  
22 proposed rates and services. The Commission's policy  
23 regarding public input hearings at 52 Pa. Code section  
24 69.321 gives you three options.

25 First, you may testify formally under oath

1 or affirmation and be subject to cross-examination. Swear  
2 or affirm that your testimony is the truth. The testimony  
3 will be recorded by the court reporter sitting here in  
4 front of me and will be reviewed by myself as well as  
5 Judge Fordham as the Presiding Officers as well as all of  
6 the Counsel that are sitting up here with me.

7                 Second, you may make an unsworn or  
8 unaffirmed statement. It will be off the record and not  
9 subject to cross-examination. The court reporter will not  
10 transcribe your statement and neither the Judges nor  
11 Counsel will be able to consider your testimony.

12                 Third, you may provide information to the  
13 attorney from the Commission's Office of Trial Staff --  
14 that would be Ms. Allison Kaster -- or the attorney from  
15 the Office of Consumer Advocate -- that would be  
16 Mr. Darryl Lawrence -- for their possible use at the  
17 hearings at their discretion.

18                 The court reporter that you see in front  
19 of me is going to transcribe everything that is said.  
20 Please remember that you cannot talk over another person.  
21 Two people cannot talk at once.

22                 Also, during this hearing please turn off  
23 all cell phones or set them on vibrate so as not to  
24 interrupt any witness or Counsel who is speaking.

25                 To allow as many of you as possible to

1 participate we may have to impose time limits. Please  
2 keep your remarks concise and to the point. If someone  
3 before you has said what you were going to say you can  
4 simply say you agree with what has been said by that  
5 person.

6 Now Counsel for the parties, beginning  
7 with the company, PGW, will make a brief remarks.

8 MR. CLEARFIELD: Thank you, Your Honor.

9 Good evening, everyone. My name is  
10 Dan Clearfield. I am regulatory Counsel for PGW, Counsel  
11 for them in this proceeding.

12 With me here tonight are several employees  
13 and representatives of PGW, one of whom is Doug Oliver,  
14 who is director of communications for the company. I am  
15 going to ask him to give a short opening statement.

16 MR. OLIVER: Good evening everyone. At  
17 least it is so far.

18 My name is Doug Oliver. I am the Director  
19 of Corporate Communications for Philadelphia Gas Works and  
20 it is my pleasure to be here with you all this evening.

21 I would like to take a second to first  
22 thank Judge Fordham and Judge Jones, Commissioner Holland,  
23 I saw Councilman Frank Rizzo, Councilman O'Neill,  
24 Senator Stack and any other elected are appointed  
25 officials that may be here.

1 I had an opportunity to speak with many of  
2 you as you were coming in and suffice it to say I don't  
3 think there is anyone in this room who has not been  
4 impacted by ever increasing expenses: Child care,  
5 transportation, electric bills and certainly gas bills as  
6 well. So I am not here tonight to say anything other than  
7 the fact that we are absolutely sensitive to this and we  
8 did not enter into this rate case proceeding lightly. A  
9 lot of discussion, searching for alternatives to doing  
10 this as sort of a last measure.

11 What I am here to say, though, is that  
12 while the cost of gas has increased significantly over the  
13 last several years PGW has not raised its rates since 2002  
14 and I think it is worth noting that as we go into the  
15 evening.

16 But tonight we are here to listen to you  
17 guys. The bottom line is this a very critical and  
18 important step in the deliberation process for the PUC and  
19 it is important that your voices are heard. So we thank  
20 you for coming out and making your comments known.

21 I would like to say in closing that we  
22 have several representatives from our customer service  
23 department here tonight. They are in the back out in the  
24 lobby where you come in. So if you have individual  
25 concerns with your bill that you would like get taken care

1 of we have individuals here who will be able to help you  
2 with that. In the meantime I just want to identify my  
3 myself. I am committed to being here for the duration of  
4 the evening so if anybody wants to pull me to the side and  
5 ask questions I will be more than happy to speak with you.

6 That's about it for me. Thank you for  
7 your time and thank you for coming out tonight.

8 JUDGE FORDHAM: Thank you very much.

9 Next we will have Ms. Lepkoski from Office  
10 of Small Business Advocate.

11 MS. LEPKOSKI: Good evening. My name is  
12 Lauren Lepkoski. I represent the Office of Small Business  
13 Advocate. Our office was created by the Legislature to  
14 represent the interests of small business owners.

15 If you are a small business owner we  
16 encourage you to testify tonight --

17 MEMBER OF AUDIENCE: We can't hear you.

18 MS. LEPKOSKI: If you are a small business  
19 owner we encourage you to testify on the record tonight.  
20 I will be here after the hearing if you have any  
21 questions.

22 Thank you.

23 JUDGE FORDHAM: Next, Mr. Lawrence from  
24 OCA.

25 MR. LAWRENCE: Thank you, Your Honor.

1 My name is Darryl Lawrence and I am one of  
2 the attorneys attached to this matter representing the  
3 Office of Consumer Advocate, or the OCA as we are known.  
4 I am here this evening with another one of the attorneys  
5 from the OCA, Christy Appleby, and also Ms. Heather Yoder,  
6 who is a consumer liaison for the OCA.

7 The Office of Consumer Advocate represents  
8 the interests of all Pennsylvania ratepayers before the  
9 Pennsylvania Public Utility Commission, before federal  
10 regulatory agencies and state and federal courts.

11 The OCA's interest in this particular case  
12 is to represent the interests of the residential  
13 ratepayers, which I feel likely most of you in the  
14 audience tonight fall into that category.

15 Should you have any questions at the close  
16 of these hearings please feel free to see myself,  
17 Ms. Appleby or Ms. Yoder and we will be happy to stay and  
18 talk with you as long as it may take to resolve any issues  
19 that you have.

20 Thank you very much for coming out. We  
21 look forward to hearing your testimony.

22 JUDGE FORDHAM: Thank you.

23 We have Ms. Kaster from the Office of  
24 Trial Staff.

25 MS. KASTER: Good evening. My name is

1 Allison Kaster and I am a prosecutor in the Commission's  
2 Office of Trial Staff. The Office of Trial Staff was  
3 created in 1986 with the purpose of representing the  
4 public interest in rate proceedings before the Commission.

5 I am one of the attorneys assigned to this  
6 case. In addition we have accountants, economists and  
7 engineers who are working diligently to review this  
8 filing.

9 However, today is an opportunity for you  
10 to express your opinion regarding the rate case increase.  
11 I urge each of you to testify under oath for the record so  
12 that your testimony can assist my office, the  
13 Administrative Law Judges and the Commission in rendering  
14 a final decision.

15 I will be here to answer any questions or  
16 concerns that you might have so feel free to seek me out  
17 after the hearing.

18 I thank you and the Office of Trial Staff  
19 thanks you for your attendance today.

20 JUDGE FORDHAM: Thank you.

21 Now we have Philip Bertocci from Action  
22 Alliance and TURN.

23 MR. BERTOCCI: Thank you, Judge.

24 My name is Philip Bertocci. I am here  
25 with Thu Tran, who is my co-Counsel. We are attorneys for

1 Action Alliance of Senior Citizens --

2 MEMBER OF AUDIENCE: We can't hear you.

3 MR. BERTOCCI: We are attorneys for Action  
4 Alliance of Senior Citizens and the Tenant Union  
5 Representative Network.

6 For us this is a very important rate case.  
7 The amount of the rate increase is huge. People say it is  
8 11 percent on average but really the increase is about 40  
9 percent because it applies only to the delivery charge on  
10 your bill. So if this increase were granted there would  
11 still the potentiality for other increases in other parts  
12 of the bill going forward, making this a much more serious  
13 -- even a more serious case than otherwise it would be.

14 We urge you to testify under oath. That  
15 makes your testimony the most useful for those of us that  
16 are particularly interested in an affordability. As you  
17 know, senior citizens, often on fixed incomes, they are  
18 very concerned with increases and being able to stay in  
19 their homes. Tenants are the same way. We see the issue  
20 of utility affordability as being central to the ability  
21 of them to stay where they are living and to have the  
22 basis for a family life.

23 So we look forward without any further ado  
24 to hearing from you. You are the people who are here --  
25 because of you we are here today to hear what you have to

1 say and give us an idea of how you think this increase  
2 will impact upon you.

3 Thank you.

4 JUDGE FORDHAM: Thank you.

5 When you came in if you signed up to  
6 testify there was a table and there were materials from  
7 the Commission there, some staff from the Commission.

8 We do have our Chairman here, Chairman  
9 Wendell Holland. At this time I would ask him to make  
10 remarks.

11 CHAIRMAN HOLLAND: Thank you,  
12 Judge Fordham, Judge Jones and the public advocates.

13 It is indeed my pleasure to be here in the  
14 Great Northeast and it is indeed my pleasure to welcome  
15 all elected officials who are here tonight, Senator Stack,  
16 Representative Kenney's office is here and Councilman  
17 Rizzo as well as Councilman O'Neill.

18 I will just reiterate again what the  
19 people just said. This is a very, very important case.  
20 We scheduled four special public input hearings for  
21 Philadelphia alone just so that we can hear the input of  
22 ratepayers like yourselves. Let me emphasize that the  
23 Public Utility Commission takes into consideration each  
24 and every comment from each and every person who swears  
25 and gives sworn testimony this evening. It is important

1 that you let us know how you feel.

2 And let me also say for those of you who  
3 are here to talk about individual complaints that you  
4 might have at your own residences, I urge you to contact  
5 the consumer services people who are here. You can talk  
6 about the rate case but often in these proceedings we have  
7 people who come here with individual complaints and it is  
8 important that you try to take care of your needs tonight.

9 Thank you very much and it is indeed my  
10 honor to be here.

11 JUDGE FORDHAM: Thank you, Mr. Chairman.

12 At this time, if you have not signed up to  
13 testify and you would like to do so we ask you to go back  
14 to the outside door where the table is. We have signup  
15 sheets there.

16 We will start with Councilman Frank Rizzo.  
17 And we thank the Councilman for coming not only to this  
18 public input hearing but to the last one.

19 Would you like to give sworn testimony,  
20 Councilman?

21 THE WITNESS: I would, Judge.

22 Whereupon,

23 FRANK RIZZO

24 having been duly sworn, testified as follows:

25 DIRECT TESTIMONY

1 JUDGE FORDHAM: Would you state your name  
2 for the record, please?

3 THE WITNESS: My name is Frank Rizzo and I  
4 am a Councilman-at-Large, City of Philadelphia.

5 JUDGE FORDHAM: Thank you. You may  
6 proceed.

7 THE WITNESS: Thank you.

8 Thank you, Judge Jones, Judge Fordham.  
9 And it is an honor for me to be here tonight with my  
10 colleague in government, Senator Michael Stack and my  
11 colleague in Council, Brian O'Neill, who is the Minority  
12 Leader of Philadelphia City Council, and all of you  
13 staffers that are working on this issue.

14 Good evening. I am Philadelphia City  
15 Councilman-at-Large Frank Rizzo. Thank you for the  
16 opportunity to testify on this very important issue, the  
17 proposed rate increase of \$100 million.

18 I recognize the valiant efforts by the  
19 current PGW management in dealing with PGW's financial  
20 crises, the most critical of which is their \$1 billion  
21 debt. However, the dilemma is that PGW is a municipally  
22 owned company in a city where 25 percent live in poverty.  
23 It is simply not fair to place the burden on customers who  
24 do not pay their bill on those who do.

25 In fact, just last week I voted on a

1 resolution to put this issue on the ballot as a referendum  
2 to urge the PUC not to increase rates.

3 I propose two alternative plans: First,  
4 spread the burden throughout the rest of the the  
5 Commonwealth and, second, increase state funding for  
6 LIHEAP.

7 Since I am a City Councilman-at-Large that  
8 means I represent the entire City of Philadelphia. I plan  
9 to be at all of these PUC hearings throughout the city.

10 Thank you very much. And thank you for  
11 convening this hearing this evening and I am sure it will  
12 be productive. Thank you.

13 JUDGE FORDHAM: Thank you very much.

14 Is Senator Stack in the room?

15 Senator, we would like to thank you for  
16 arranging this and asking for us to come into your  
17 district. We appreciate your interest in this matter.

18 You like to give sworn testimony?

19 THE WITNESS: Yes, I would, Judge. And  
20 thank you for being here.

21 JUDGE FORDHAM: Thank you.

22 Please raise your right hand.

23 Whereupon,

24 MICHAEL STACK

25 having been duly sworn, testified as follows:

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

DIRECT TESTIMONY

JUDGE FORDHAM: You may proceed.

THE WITNESS: Thank you for being here,  
Judges. I appreciate it.

I'm sure everybody will let me know if you  
can't hear me.

Thank you to the folks from PGW and the  
consumer advocates as well for being here. And most of  
all thank you to my neighbors here Northeast Philadelphia  
for turning out tonight.

This is a very important issue and like  
many of my neighbors I am very skeptical about  
Philadelphia Gas Works' \$100 million rate increase. PGW  
customers already pay the highest rates for natural gas in  
the state. Customers need relief, not an increase that is  
undoubtedly going toward expenses that should not be the  
customers' responsibility.

This is not the first time PGW has tried  
to pawn off its mistakes and poor decisions on its paying  
customers. In 2002 PGW requested a \$60 million base rate  
increase. The Pennsylvania Public Utility Commission  
conducted an aggressive review, trimmed the fat from the  
request and instead approved only a \$36 million increase.

As PGW submits an even larger request  
there is a good chance that the utility has included

1 funding to cover bad decisions and policies and programs  
2 that do not help consumers. Specifically, customers  
3 should not be paying for the follows items: Executive  
4 bonuses, lobbyist and lawyer costs, PGW's poor and costly  
5 decisions like the failed attempt to place a liquified  
6 natural gas import terminal in Port Richmond which would  
7 have affected communities along the Delaware in  
8 Philadelphia and New Jersey. I opposed the LNG terminal  
9 and I certainly opposed PGW's request to raise rates to  
10 pay for similar projects.

11 I urge the Public Utility Commission and  
12 the Office of Consumer Advocate to carefully examine PGW's  
13 request and to ensure that every portion is correct,  
14 rational and is in the best interests of consumers. The  
15 PUC has an obligation to help customers and prevent  
16 frivolous spending. I implore the PUC to keep PGW honest.

17 The Public Utility Commission and Office  
18 of Consumer Advocate should force PGW to explain the  
19 consumer benefit for each and every item in their rate  
20 increase. If there is no benefit to consumers they should  
21 reject PGW's plan.

22 And I urge PGW to ensure that good paying  
23 customers continue to receive quality service. PGW should  
24 maintain and improve its 95 percent collection rate and  
25 make sure the customers who can pay their bills are paying

1 their bills.

2 Finally, PGW needs to work on its customer  
3 service. They can start by ensuring that their customers  
4 are not burdened with higher costs.

5 I want to thank you for being here. Once  
6 again I would like to thank my colleagues, the other  
7 elected officials. Thank you very much.

8 JUDGE FORDHAM: Senator Stack, would you  
9 like to have your comments entered into the record, the  
10 written comments?

11 THE WITNESS: Yes, I would.

12 JUDGE FORDHAM: We can mark that Stack  
13 Exhibit 1.

14 (Whereupon, the document was marked as Stack  
15 Exhibit No. 1 for identification, and was  
16 received in evidence.)

17 JUDGE FORDHAM: Next on behalf of State  
18 Representative George Kenney we have Matthew Taubenberger.  
19 Would you like to give sworn testimony?

20 THE WITNESS: Yes, I would.

21 JUDGE FORDHAM: Please raise your right  
22 hand.

23 Whereupon,

24 MATTHEW TAUBENBERGER  
25 having been duly sworn, testified as follows:

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

DIRECT TESTIMONY

JUDGE FORDHAM: Would you state your name and address, business address for the record? And please spell your last name.

THE WITNESS: Matthew Taubenberger, T-a-u-b-e-n-b-e-r-g-e-r. I am a legislative assistant to State Representative George Kenney, 1317 Cottman Avenue, Philadelphia 19111.

Good evening. Unfortunately Representative Kenney was unable to attend this meeting but would like to be on the record that he is opposed to this rate increase. The problems of PGW require long-term solutions and not a quick fix rate increase. In this year's state budget there is approximately \$200 million set aside for capital and line improvements to PGW. Representative Kenney is committed to continue working with the Pennsylvania House delegation to find long-term solutions to the problems of PGW.

Northeast Philadelphia residents cannot continue to afford to be nickled and dimed by PGW rate increases. I repeat, we cannot afford these rate increases.

Again State Representative George Kenney is opposed to these rate increases.

I thank you for allowing me to testify.

1 And I thank you for being here.

2 JUDGE FORDHAM: Thank you very much.

3 (Witness excused.)

4 JUDGE FORDHAM: We have Councilman Brian  
5 O'Neill.

6 Councilman, thank you for coming tonight.

7 Would you like to give sworn testimony?

8 THE WITNESS: Yes, I would.

9 Whereupon,

10 BRIAN O'NEILL

11 having been duly sworn, testified as follows:

12 DIRECT TESTIMONY

13 JUDGE FORDHAM: Would you spell your last  
14 name for the record?

15 THE WITNESS: Yes. O-'-N-e-i-l-l.

16 JUDGE FORDHAM: Thank you. You may  
17 proceed.

18 THE WITNESS: Judge Fordham, Judge Jones,  
19 members of the panel, interested parties, I do not have  
20 prepared testimony. I was preparing testimony and thought  
21 it would just sound too much like everybody else's and it  
22 probably would have.

23 What I want first is to thank the PUC for  
24 their aggressive efforts in their oversight  
25 responsibilities involving the gas works. I know it is a

1 fairly recent responsibility, that the gas works was just  
2 run by the city and overseen by the city and the  
3 commission. Well, I say that because your experience with  
4 the gas works hasn't been very long. My experience has  
5 been a lot longer.

6           When Senator Stack said they asked for \$62  
7 million, they got \$36 million, well, I'm going to tell you  
8 that that is sort of like the pattern when the city was  
9 overseeing their increases. They would come in and ask  
10 for more than they wanted, they would get cut in half or  
11 thereabouts and they would eventually get what they wanted  
12 because that's all they wanted to begin with. They knew  
13 they were going to be cut. It was a political game  
14 almost.

15           I'm not saying you have done that. I just  
16 say get even more aggressive. Every penny that they are  
17 spending should be analyzed as if you just walked in from  
18 out of state and took over that gas works. There needs to  
19 be a management audit from top to bottom justifying  
20 everything this company does.

21           We know that their debt is approximately  
22 twice what any company would accept if they were buying  
23 them compared to their revenues and their operating  
24 expenses. It is way out of whack. There is not much we  
25 can do about that right now unless they can find a way to

1 pay it down at a faster than average rate or normal rate.

2 About two or three years ago -- it was in  
3 this term of Mayor Street, I remember that -- I introduced  
4 a bill that was passed unanimously, signed by the Mayor.  
5 It was a right to know, a consumer right to know bill.  
6 And basically what the bill and then the ordinance  
7 required the gas works to do was to itemize their expenses  
8 -- not their expenses -- their charges for customers,  
9 including charges for bad debts, charges for other  
10 people's gas. You remember the people called it the  
11 deadbeat tax they were asking for just a few years ago. I  
12 think about a thousand people showed up for each hearing  
13 that the PUC had for that and it eventually went away. I  
14 think they were embarrassed that they even brought it up.  
15 But this company has refused a consumer right to know  
16 enacted in law by City Council. And the reason they have  
17 given is that the PUC would never allow it.

18 I don't believe that. I would ask you to  
19 consider that in this case, that it is the normal thing to  
20 hear people on fixed incomes -- and we normally think of  
21 our senior citizens as people on fixed incomes -- but I  
22 will tell you in a city like Philadelphia there are very  
23 few people that are not on fixed incomes. Most single  
24 parents, two parents both working families, everyone is  
25 pretty much on a fixed income. There isn't a whole lot of

1 extra money in Philadelphia from paycheck to paycheck that  
2 isn't already accounted for for all the expenses we know  
3 we have in our daily lives. To ask for nine percent, 11  
4 percent, a 40 percent increase in the distribution, which  
5 is, I guess, what this is, that actually puts an 11 or 10  
6 percent increase on, is maybe the reason that they don't  
7 want the right to know. Because if distribution was  
8 separately listed people would know in that area they were  
9 asking for 40 percent more.

10 So I just ask you to really get into this.  
11 It may be your first real chance to get as aggressive as  
12 possible into this company that many, many people wish  
13 would be bought or merged into another company. But with  
14 that level of debt that is out there no company wants to  
15 touch it. And I think there are lots of economies of  
16 scale that would work with a larger company, better  
17 collection practices, historically in other companies.  
18 And I just ask you to really do your best, be as  
19 aggressive as possible. No one deserves a nine, ten or 11  
20 percent increase on the backs of those on fixed incomes.  
21 And those on fixed incomes are most people in  
22 Philadelphia.

23 Thank you.

24 JUDGE FORDHAM: Thank you very much.

25 (Witness excused.)

1 JUDGE FORDHAM: The next speaker is  
2 Al Taubenberger, the President of the Northeast  
3 Philadelphia Chamber of Commerce.

4 Sir, would you like to give sworn  
5 testimony?

6 THE WITNESS: Yes, I would.

7 JUDGE FORDHAM: Please raise your right  
8 hand.

9 Whereupon,

10 AL TAUBENBERGER  
11 having been duly sworn, testified as follows:

12 DIRECT TESTIMONY

13 JUDGE FORDHAM: Thank you.

14 Would you state your name and your title  
15 for the record, please? And please spell your last name.

16 THE WITNESS: My name is Al Taubenberger.  
17 That is T-a-u-b-e-n-b-e-r-g-e-r. I am the president of  
18 the Northeast Philadelphia Chamber of Commerce, located at  
19 8601 Roosevelt Boulevard, Philadelphia, Pennsylvania  
20 19142.

21 JUDGE FORDHAM: Thank you. You may  
22 proceed.

23 THE WITNESS: Thank you.

24 I am also a resident of Philadelphia with  
25 an address of 1213 Maloney Street, Philadelphia,

1 Pennsylvania 19111.

2 Judge Jones and Judge Fordham thank you so  
3 much for holding these hearings here. I think it is quite  
4 important that our constituencies have an opportunity to  
5 speak before you so you can hear firsthand.

6 Good evening. As president of the  
7 Northeast Philadelphia Chamber of Commerce, a business  
8 association over 1,000 business members in Northeast  
9 Philadelphia, we are quite concerned about what we have  
10 before us. Why must the entrepreneurs who supply the city  
11 its lifeblood in business, property and other onerous  
12 taxes endure a 13.2 percent increase? It is bad enough  
13 for PGW to force its best customers to subsidize  
14 irresponsible users, absentee landlords, with a 9.3  
15 percent rate hike, but PGW believes it is somehow  
16 responsible to slap commercial businesses with a rate  
17 increase that is 30 percent higher than the outrageous  
18 rate hike it wants for residential customers.

19 Not only does PGW want the average  
20 household to surrender over \$156 more annually, but the  
21 rate increase for the average commercial business is equal  
22 to an eight percent wage increase for a minimum wage  
23 worker. These are workers who most need our help. They  
24 live in our city. They are our residents. Yet PGW wants  
25 to take \$156 more from their paychecks while making it

1 more difficult if not impossible for a commercial business  
2 to offer these workers even the slightest pay hike.

3           What makes this even more difficult to  
4 swallow is that PGW operates under an inherently flawed  
5 multi-layer rate system. The rate increase for municipal  
6 buildings is 22 percent less than for the mom and pop deli  
7 or neighborhood grocer. And the increase on industrial  
8 business is 30 percent less than for the stores right out  
9 here on Bustleton Avenue. I understand the struggle that  
10 industrial business face but why punish commercial  
11 businesses and their employees and families?

12           PGW must streamline its operations and  
13 collect overdue bills from irresponsible users before it  
14 penalizes businesses and families who make our city  
15 thrive.

16           Thank you very much.

17           JUDGE FORDHAM: Thank you.

18           Does anyone on the panel have anything for  
19 Mr. Taubenberger?

20           (No audible response.)

21           JUDGE FORDHAM: Thank you very much.

22           THE WITNESS: I also have my notes of  
23 testimony.

24           JUDGE FORDHAM: If you would like that  
25 admitted we will mark it as Taubenberger Exhibit 1.

1 THE WITNESS: Thank you very much. Thank  
2 you for the opportunity.

3 (Whereupon, the document was marked as Taubenberger  
4 Exhibit No. 1 for identification, and was  
5 received in evidence.)

6 JUDGE FORDHAM: You're welcome.

7 (Witness excused.)

8 JUDGE FORDHAM: Mr. Herb Sumsky.

9 Good evening, Mr. Sumsky. Would you like  
10 to give sworn testimony?

11 MR. SUMSKY: No. Just regular.

12 (Unsworn statement given.)

13 JUDGE JONES: Thank you, Mr. Sumsky.

14 Mr. Al Reichardt.

15 Good evening, Mr. Reichardt. Would you  
16 like to give sworn testimony?

17 THE WITNESS: Yes, I would, Your Honor.

18 JUDGE JONES: Please raise your right  
19 hand.

20 Whereupon,

21 AL REICHARDT

22 having been duly sworn, testified as follows:

23 DIRECT TESTIMONY

24 JUDGE JONES: Please state your full name,  
25 spelling your last name for the record.

1 THE WITNESS: Al Reichardt,  
2 R-e-i-c-h-a-r-d-t, 8017 Ryers Avenue, Philadelphia,  
3 Pennsylvania 19111.

4 JUDGE JONES: Are you employed, sir?

5 THE WITNESS: Full-time, yes.

6 JUDGE JONES: Where would that be, sir?

7 THE WITNESS: Metals USA, 11200 Roosevelt  
8 Boulevard in the Haldeman Avenue section. It is the  
9 industrial park. The IRS is across the street.

10 JUDGE JONES: Are you a PGW customer?

11 THE WITNESS: Absolutely.

12 JUDGE JONES: Thank you. You may proceed  
13 with your testimony, sir.

14 THE WITNESS: I would like to say that for  
15 18 years I was gainfully employed. My company dissolved.  
16 I have eight years to retire. I am an old man. I am  
17 looking at the gas company sent me a bill for \$247. I  
18 paid 210. They had the balls to send me a notice, your  
19 service will be shut off in 60 days if you do not pay \$36  
20 due. At that time I wanted to keep my house.

21 You are looking at you have people out  
22 there who make a lot more money than I do. My problem is  
23 I was fortunate enough to have money in the bank, have a  
24 car and have a job. I live in Fox Chase. For some reason  
25 the gas commission thinks Fox Chase has got all the money.

1 Well, they don't. And I want you to know I have jumped  
2 all through the legal hoops for your company but today I  
3 am telling you if this goes through and you give me a  
4 higher bill and in eight years God knows what I am going  
5 to get from social security, I have to say goodbye. I  
6 will go to propane or oil. And I am very sad to tell you  
7 that after almost 58 years of having your service.

8 That's all I got to say.

9 JUDGE JONES: Thank you, Mr. Reichardt.  
10 Are there any questions for this witness?

11 (No audible response.)

12 JUDGE JONES: Thank you. You may be  
13 excused.

14 THE WITNESS: Thank you, Your Honor.

15 (Witness excused.)

16 JUDGE JONES: Ms. Mary Jane Hazell.

17 Good evening, Ma'am.

18 THE WITNESS: Good evening.

19 JUDGE JONES: Would you like to give sworn  
20 testimony?

21 THE WITNESS: Yes, Ma'am.

22 JUDGE JONES: Please raise your right  
23 hand.

24

25

1 Whereupon,

2 MARY JANE HAZELL

3 having been duly sworn, testified as follows:

4 DIRECT TESTIMONY

5 JUDGE JONES: Please state your full name,  
6 spelling your last name for the record.

7 THE WITNESS: My name is Mary Jane Hazell,  
8 H-a-z-e-l-l.

9 JUDGE JONES: And where do you reside?

10 THE WITNESS: I reside right here in  
11 Somerton and I am president of the Somerton Civic  
12 Association.

13 JUDGE JONES: What is your address in  
14 Somerton?

15 THE WITNESS: I am president of the  
16 Somerton Civic Association with a membership of about a  
17 thousand.

18 JUDGE JONES: What is your address, Ma'am?

19 THE WITNESS: My address? 1114 Warwick,  
20 W-a-r-w-i-c-k, Street, 19116.

21 JUDGE JONES: Are you currently employed?

22 THE WITNESS: No, Ma'am.

23 JUDGE JONES: Are you a PGW customer?

24 THE WITNESS: Yes, Ma'am.

25 JUDGE JONES: Thank you. You may proceed

1 with your testimony.

2 THE WITNESS: First of all, I object to  
3 them telling me that we haven't had a raise since 2002.  
4 Not true. We had a meeting before the PUC down at the  
5 library in Bustleton and that was in 2004. At that time I  
6 testified that my gas monthly bill, which I am on a  
7 budget, went from 114 to 135. Then last year for '05 and  
8 '06, part of '06, it went up to 182, budget. In September  
9 of '06 it went down to 172. And in December of '06 it  
10 went to 134 and in January it went to 135. Does the gas  
11 company owe me money? If it does I would like to have it  
12 back. Because there has been increases, up and down.

13 Now, the problem comes, as Councilman  
14 O'Neill said, we have a lot of senior citizens, 68 percent  
15 of the 268,000 people in the Northeast are seniors. Now,  
16 everybody is on fixed income. The only thing is if you  
17 have a job you can get a second job. But the government  
18 says we are going to give you 2.3 percent increase under  
19 COLA and turn around and the gas company takes 11 percent  
20 of it and your health insurance takes 20 percent of it.

21 Something is wrong here, radically wrong.  
22 I don't know. We are not low income but we are certainly  
23 not in the upper income bracket. And when the gentleman  
24 said Fox Chase, no worse than Somerton. Every time  
25 something that has to be done they hit the people of the

1 Northeast big time. Big time.

2 I'm sorry for people that can't afford it.  
3 But you know what, we can't afford it either. We cannot  
4 afford it. If I didn't have children I would not take  
5 medicine. If I didn't have children I would not have what  
6 to eat. So I am fortunate that I have them that will help  
7 me.

8 But I want you to think a long time  
9 because I can't go to oil and I can't go to propane. I  
10 have a fireplace which I can't use because I am on oxygen.  
11 But something has got to be done and if it means fire all  
12 the big CEOs that get paid a lot of money, pass that down  
13 and that will decrease. But for Gods sake get out of the  
14 seniors' faces with this. This is ridiculous.

15 Thank you.

16 JUDGE JONES: Ms. Hazell, there is a  
17 question for you, Ma'am.

18 MR. CLEARFIELD: Actually, it's not a  
19 question, Ma'am. I just wanted to point out that PGW's  
20 base rate portion of the bill has not gone up since 2002.  
21 The portion that covers gas costs has gone up.

22 THE WITNESS: It is still an increase. It  
23 is an increase whether it is for somebody that comes in  
24 and scrubs the floor. It is still an increase that gets  
25 passed on to us.

1 MR. CLEARFIELD: I was just trying to  
2 clarify. We talked about the part that had not gone up.  
3 The part that covers the non-gas cost. The gas cost is  
4 like the gas you buy for your car that has gone up, it has  
5 gone through the roof.

6 THE WITNESS: All I know is in 2004 I paid  
7 114. Now I am 135 and for two years I paid \$182 a month  
8 for the budget.

9 MR. CLEARFIELD: Energy costs have really  
10 skyrocketed.

11 (Witness excused.)

12 JUDGE JONES: Mr. Michael Capps.

13 MS. CZABANIUK: I am going to speak for  
14 Mr. Capps.

15 JUDGE JONES: I'm sorry?

16 MS. CZABANIUK: I am going to speak for  
17 Mr. Capps.

18 JUDGE JONES: Okay. Would you like to be  
19 sworn?

20 MS. CZABANIUK: Yes.

21 JUDGE JONES: Please raise your right  
22 hand.

23 Whereupon,

24 CHRISTINA CZABANIUK  
25 having been duly sworn, testified as follows:

## DIRECT TESTIMONY

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 JONES: Please state your full name.

THE WITNESS: Christina Czabaniuk,  
C-z-a-b-a-n-i-u-k.

JUDGE JONES: What is your address?

THE WITNESS: 1935 East Tioga Street.

JUDGE JONES: And the address of  
Mr. Capps?

THE WITNESS: The same.

JUDGE JONES: Are you employed?

THE WITNESS: No.

JUDGE JONES: Is Mr. Capps employed?

THE WITNESS: He is on social security.

JUDGE JONES: And you are both PGW  
customers?

THE WITNESS: Yes.

JUDGE JONES: Thank you, you may proceed.

THE WITNESS: Why is PGW raising the rates  
when I saw a sign that had a letter sent to my house  
stating that they were lowering the rates? So with  
regards to that, why is PGW raising the rates? They  
should put a cap on how much they can raise it.

We pay and keep paying for PGW'S mistakes.  
This is hurting the customers.

JUDGE JONES: Are there any questions for

1 this witness?

2 MR. CLEARFIELD: Ma'am, the notice you saw  
3 was a notice for the gas cost. We are projecting that  
4 those costs are going to go down. Under PUC regulations  
5 we provided notices, one of them. The green one, that  
6 came out just recently and indicated that if things go as  
7 planned the gas cost part of your bill will decrease.

8 The increase that we are here to talk  
9 about tonight is for the base rate portion that covers  
10 things like salaries for the people who fix the meters and  
11 the lines and customer service reps and things like that.

12 THE WITNESS: But we have customers who  
13 are on SSI or retired. They can't afford an increase.

14 JUDGE JONES: Thank you both. You are  
15 excused.

16 (Witness excused.)

17 JUDGE JONES: Mr. Steve Richman.

18 Good evening, sir. Would you like to give  
19 sworn testimony?

20 THE WITNESS: Yes, I would.

21 JUDGE JONES: Please raise your right  
22 hand.

23 Whereupon,

24 STEVE RICHMAN

25 having been duly sworn, testified as follows:

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

## DIRECT TESTIMONY

JUDGE JONES: Please state your full name, spelling your last name for the record.

THE WITNESS: Steven Richman,  
R-i-c-h-m-a-n.

JUDGE JONES: And your address, sir?

THE WITNESS: 8501 Algon Avenue.

JUDGE JONES: And are you employed?

THE WITNESS: Yes, I am.

JUDGE JONES: And what is your present employment?

THE WITNESS: I am a teacher of foreign languages at a community college.

JUDGE JONES: Thank you.

Are you a PGW customer?

THE WITNESS: I am.

JUDGE JONES: You may proceed with your testimony, sir.

THE WITNESS: The fact that I am a PGW customer is why I am here, to argue against the increase.

I want to give you the perspective of a typical middle class resident. My present billing for March was \$263, just for an average home. An overwhelmingly high \$263. I am holding it in front of me. And I paid it as I am supposed to.

1           The bill that is due in a couple of weeks,  
2 April 5, is even higher than that, \$271. And I am just  
3 floored by the enormity of these numbers, as are my fellow  
4 citizens by the enormity of the numbers on their bills.  
5 It is shocking.

6           What type of structure are we talking  
7 about that the fee is levied on this? Is it a huge  
8 stadium? Is it an office building that is very spacious  
9 and it requires a huge amount of gas for heating? Is it a  
10 high school like George Washington? An office building?  
11 A mansion? No. None of those. Just an average twin  
12 ranch house several miles down the road. This type of  
13 billing is just inappropriate for a structure of this  
14 size. And I am certain that many of my fellow citizens  
15 are facing the same situation. It is just outrageous.

16           Being that the present rates I just cited  
17 are so unacceptable to all of us, the very idea of an  
18 increase of the proportion of nine percent -- and some  
19 people suggest it would be quite a bit more but I read  
20 nine percent -- over an already outrageous rate structure  
21 is just unacceptable. It is detrimental to the public  
22 welfare and this request should be and must be denied.

23           Do not treat a totally unsatisfactory  
24 situation by making it even worse than it is. Do not put  
25 us into debt or into financial hardship. I guess we won't

1 be out on the street with these payments but it is a  
2 financial hardship. The citizens of Philadelphia and the  
3 Philadelphia area and the customers of PGW deserve better,  
4 much better than this.

5 I thank you for this opportunity.

6 JUDGE JONES: Thank you, Mr. Richman.

7 Are there any questions for the witness?

8 (No audible response.)

9 JUDGE JONES: You may be excused, sir.

10 THE WITNESS: Thank you.

11 (Witness excused.)

12 JUDGE JONES: Mr. Frank Ruditis.

13 Good evening, sir.

14 MR. RUDITIS: Good evening. My name is  
15 Frank J. Ruditis. I am a retired Philadelphia police  
16 officer --

17 JUDGE JONES: Just a minute, Mr. Ruditis.

18 Would you like to give sworn testimony?

19 MR. RUDITIS: I really don't know what the  
20 truth is, Your Honor. I couldn't swear to anything I want  
21 to say. The only information I get is from politicians  
22 and the news media.

23 (Unsworn statement given.)

24 JUDGE JONES: Mr. Oliver, please talk to  
25 Mr. Ruditis at the first opportunity to make sure he as an

1 understanding.

2 Maria Pero.

3 Good evening, Ms. Pero. Would you like to  
4 give sworn testimony?

5 THE WITNESS: Yes, I would.

6 JUDGE JONES: Please raise your right  
7 hand.

8 Whereupon,

9 MARIA PERO

10 having been duly sworn, testified as follows:

11 DIRECT TESTIMONY

12 JUDGE JONES: Please state your full name,  
13 spelling your last name for the record.

14 THE WITNESS: Yes. My name is Maria Pero,  
15 P-e-r-o. The address is 714 Susquehanna Road,  
16 Philadelphia 19111.

17 JUDGE JONES: Are you employed, Ma'am?

18 THE WITNESS: I am retired.

19 JUDGE JONES: Are you a PGW customer?

20 THE WITNESS: Yes.

21 JUDGE JONES: You may proceed with your  
22 testimony.

23 THE WITNESS: Okay. Right now I would  
24 just like to read a letter that I submitted on behalf of  
25 my husband and I. I sent it March 6 of 2007 to the

1 Philadelphia Gas Works. The letter states, Dear Sir or  
2 Madam: Today I telephoned PGW with a question regarding  
3 our gas bill, billing date February 27, 2007. As in the  
4 past, the amount due was ridiculous. This time, however,  
5 I felt I had substantial justification in complaining and  
6 questioning this particular bill.

7 On February 19, 2007, my husband and I  
8 left for a vacation. We left the house before 7:00 a.m.  
9 that morning. We did not return home until Tuesday,  
10 February 27, 2007, at 10:15 p.m.

11 Before we left our home I programmed our  
12 heater to hold at 58 degrees. When I spoke to the  
13 representative of the gas company and explained this to  
14 him he told me about the unusually cold February we were  
15 experiencing and that is why the bill was so high. The  
16 amount due was \$342.70.

17 We were out of our home for nine days. In  
18 the past we have paid high bills like many other people  
19 living in Philadelphia. But I felt that regardless of the  
20 cold in February we were not home to justify that huge  
21 amount due and also to justify PGW's February grid  
22 displayed on the bill. How could we have used more heat  
23 this February when we were not at home?

24 Last month our bill was a little over  
25 \$250. Our neighbors are faced with the same dilemma. But

1 I was extremely irritated at this months bill because of  
2 the days we were not at home with conjunction with the low  
3 setting on our heater and yet there is still no recourse  
4 to take with the utility companies. It is as though PGW  
5 has a strangle-hold on all of us living in Philadelphia.

6 I told the representative that I didn't  
7 intend to get angry at him, he is just doing his job, but  
8 I needed to vent. I also told him that many of us in the  
9 neighborhood -- and that is in Fox Chase -- feel as though  
10 PGW has this magical dartboard and someone just throws a  
11 dart and lands on a figure and says, well, let's charge  
12 them that amount for this particular month. It sounds  
13 crazy but that is the way we feel.

14 It's no wonder more people want to leave  
15 this city and that is a shame. The utility companies are  
16 pushing many of us out. Someone needs to take a hard look  
17 at the charges your company is inflicting upon us. It is  
18 extremely discouraging and as I have said before, very  
19 irritating.

20 And there is one other little point. We  
21 received an answer from PGW, a telephone call. I wasn't  
22 home. It was on the answering machine. The woman said  
23 that because I lowered the thermostat it caused our heat  
24 to go on. I didn't understand the -- it was a  
25 contradiction of everything that was ever told to us. It

1 is a contradiction that is right down here on the paper  
2 that I received tonight, turn down your thermostat. At 58  
3 degrees the thermostat will go on just to 58 degrees and  
4 then it is going to turn off. How can that cause a higher  
5 bill? It is very confusing but also have frustrating.

6 There has to be an end to this. We can't  
7 keep paying these bills. Thank God my husband and I can  
8 pay. But there are many people out there on social  
9 security that cannot, struggle, don't take medicine in  
10 order to pay bills. It's not fair. And I want to speak  
11 on behalf of them, on behalf of ourselves, on behalf of  
12 our neighborhoods. Something has to change. We just  
13 can't keep paying these bills. \$342 is a lot of money for  
14 a twin, a Montclair twin. A lot of money.

15 Thank you very much.

16 JUDGE JONES: Do any Counsel have any  
17 questions for this witness?

18 (No audible response.)

19 JUDGE JONES: Thank you, Ma'am.

20 MR. CLEARFIELD: Ms. Pero, I just wanted  
21 you to know that we do have customer representatives out  
22 in the auditorium foyer there and if you would like to  
23 have them check your bill just to make sure they are  
24 applying the rate elements correctly and calculating it  
25 correctly please feel free. That is why they are there.

1 THE WITNESS: Well, we inquired as to the  
2 meter. We took it one step further and called back a  
3 second time and we were told that if they wanted to come  
4 out and read the meter there was going to be -- it's not  
5 the financial amount, it is the principle -- there was  
6 going to be a \$10 charge just to come out and look at the  
7 meter.

8 It is ridiculous. Everything is charged.  
9 The itemized billing that is sent out by PGW, you have to  
10 be an engineer of sorts to understand the language. It is  
11 -- everything is broken down into such ridiculous amounts.

12 All I am saying is we need a change. We  
13 need this to stop. PGW has to take a better look into  
14 their own homes, so to speak, and clean house.

15 Thank you.

16 JUDGE JONES: Thank you, Ma'am.

17 (Witness excused.)

18 JUDGE JONES: Mr. Kevin Washington.

19 Good evening, Mr. Washington.

20 THE WITNESS: Good evening.

21 JUDGE JONES: Would you like to give sworn  
22 testimony?

23 THE WITNESS: Yes, I would.

24 JUDGE JONES: Please raise your right  
25 hand.

1 Whereupon,

2 KEVIN WASHINGTON

3 having been duly sworn, testified as follows:

4 DIRECT TESTIMONY

5 JUDGE JONES: Please state your full name,  
6 spelling your last name for the record.

7 THE WITNESS: Kevin L. Washington,  
8 W-a-s-h-i-n-g-t-o-n. I live at 3585 Genesee Drive,  
9 Philadelphia, Pennsylvania 19154.

10 JUDGE JONES: And are you employed, sir?

11 THE WITNESS: Yes, Ma'am.

12 JUDGE JONES: Where are you employed?

13 THE WITNESS: I work for Tyco

14 International US.

15 JUDGE JONES: Are you a PGW customer?

16 THE WITNESS: Yes, Ma'am.

17 JUDGE JONES: And are you the same Kevin  
18 Washington that filed a complaint against PGW?

19 THE WITNESS: Yes, I am.

20 JUDGE JONES: Thank you. You may provide  
21 your testimony.

22 THE WITNESS: Okay. It is pretty much --  
23 I will be very simple and quick. I don't understand how  
24 we can increase a residential rate at ten percent when our  
25 inflation rate is below that. If our inflation raises or

1 increases at two to three percent how can you pass on a  
2 ten percent increase?

3 Also with that, the cost of borrowing  
4 money from the bank is less than ten percent. So I don't  
5 understand really how can someone propose that and expect  
6 someone to actually accept that and not look too much into  
7 that. So I don't know if you can provide me with that  
8 information.

9 Also, the gentleman in communications,  
10 which he does very well because that's what he's supposed  
11 to do, is communicate, he says charges are going up and up  
12 for necessities. I don't think any goods and services are  
13 going up above ten percent. Now, if you want to say gas  
14 or oil, there is not much we can do. The government is  
15 subsidizing that. Taking 100 million barrels, that's  
16 going to raise prices. As well as you got OPEC. So don't  
17 use that as an excuse because we can't control what OPEC  
18 is doing. But with natural gas I think we can do better  
19 than a ten percent increase.

20 MR. CLEARFIELD: I'm sure Mr. Oliver will  
21 be happy to give you some more detail if you would like to  
22 grab him when you go out.

23 Just recall, as I said, part of the rate  
24 that we are talking about is the base rate which has not  
25 been increased since 2002. So we are not talking about

1 one year's worth at ten percent. We are talking about  
2 five years. And it reflects a lot of the cost increases  
3 that all of you experience, insurance and costs of getting  
4 services. But he can give you more detail.

5 THE WITNESS: Okay. May I respond to  
6 that?

7 JUDGE JONES: Yes, you may.

8 THE WITNESS: Yes, you are correct. But  
9 also in terms of rate increases that people get, some  
10 people don't increase of three or four percent. Because  
11 what their companies would say is that we are not doing  
12 well this year so you are not going to get a rate  
13 increase. So say, well, five years, not everyone was  
14 gotten 15 percent or cost of living adjustment.

15 MR. CLEARFIELD: We understand that. It  
16 is a great concern. But remember, the dollars that we use  
17 go to making sure your gas service continues to be  
18 reliable and safe. Really, there are many times there is  
19 no compromise there. We have to make sure that your  
20 service gets there on the coldest days, and that the pipes  
21 are safe, the system is safe and when you call you have  
22 somebody to talk to. So those are things that really are  
23 out of our control in some respects, although we try as  
24 hard as we can to keep those costs as low as possible.

25 THE WITNESS: Well, I think what some of

1 it the people are saying here is -- and I don't mean to  
2 repeat each one -- we've got fixed incomes for a lot of  
3 people and as you can see a lot of people are concerned.  
4 I commend the lady there who took her time to come here  
5 and speak. So it is a very serious issue and I think that  
6 you need to do -- not do a better job of trying to find  
7 better ways in which to pass on any additional costs. And  
8 that's what you are doing, not passing savings, you are  
9 passing on costs.

10 MR. CLEARFIELD: Thank you.

11 JUDGE JONES: Thank you, Mr. Washington.  
12 You are excused.

13 (Witness excused.)

14 JUDGE JONES: Mr. John Burke.

15 Good evening. Would you like to provide  
16 sworn testimony?

17 THE WITNESS: I would like to swear my  
18 testimony.

19 Whereupon,

20 JOHN BURKE

21 having been duly sworn, testified as follows:

22 DIRECT TESTIMONY

23 JUDGE JONES: Please state your full name,  
24 spelling your last name for the record.

25 THE WITNESS: John C. Burke, B-u-r-k-e.

1 JUDGE JONES: And where do you reside,  
2 sir?

3 THE WITNESS: Excuse me?

4 JUDGE JONES: Where do you reside?

5 THE WITNESS: 2850 Neptune Road,  
6 Philadelphia, Pennsylvania 19154.

7 JUDGE JONES: Are you employed, sir?

8 THE WITNESS: I am retired.

9 JUDGE JONES: Are you a PGW customer?

10 THE WITNESS: Yes, I am.

11 JUDGE JONES: Thank you. You may proceed  
12 with your testimony, sir.

13 THE WITNESS: Thank you.

14 I won't be long, I hope.

15 I'm going to talk a little bit from an  
16 audit report dated August 31, 2006. And I think the audit  
17 was done by the controller of the City of Philadelphia and  
18 the chairman and members of the Philadelphia Facilities  
19 Management Corporation, Philadelphia, Pennsylvania. It  
20 sounds to me like the fox is guarding the henhouse.

21 And incidentally, part of that audit was  
22 unaudited. Part of that information they didn't really  
23 audit. They just took at face value what the PGW folks  
24 said.

25 But be that as it may, August 31, there

1 were \$243 million of outstanding receivables of which \$168  
2 million of them were considered to be doubtful accounts.  
3 That is 69 percent. The year before it was 70 percent.  
4 The year before that it was 71 percent.

5 Two, the company offers a discounted  
6 payment plan for current receivables with a possible  
7 forgiveness of arrearages in three years. In 2004, 53,000  
8 customers. In 2005, 65,000 customers. In 2006, 75,000  
9 customers.

10 The company has provisions for debt  
11 collection but the auditors issued the following caveat.  
12 I quote: The actual results of the company collection  
13 efforts will differ significantly from the company's  
14 estimate. I assume that the company is estimating it will  
15 collect a lot and that the auditors don't think they might  
16 not collect that much.

17 But here is my questions. What is the  
18 financial impact of the discounted payment plan? I don't  
19 know. I don't know if the PUC knows or anybody here  
20 knows. But I think somebody in government and in advocacy  
21 should pursue this matter.

22 The PUC should get an expert third party  
23 analysis of these audits to guide them. You ought to get  
24 somebody in who understands the auditing process and find  
25 out, first of all, is the audit correct and, secondly, is

1 the company operating correctly.

2 Three, to control the human urge to be  
3 wasteful when not paying for something. People that get  
4 free gas I believe have a tendency to use an excessive  
5 amount of gas because they are not paying for it. I think  
6 that we should develop a device to install, a gas usage  
7 monitor and control device I call it, to limit gas  
8 consumption of accounts deemed uncollectible. And you  
9 would check that against the average usage of paying  
10 customers of similar housing units in the neighborhood.

11 I keep my thermostat at 67 and I wear a  
12 sweater. My bills aren't that much because I am careful.

13 And the last item is I think that we want  
14 PGW to collect the debt, cut back the wasteful gas usage  
15 by unpaying deadbeat customers and no 100, please, no \$100  
16 million increase for PGW. Please, no \$100 million  
17 increase.

18 Now, I have to just make one more comment  
19 to Mr. Clearfield, is it?

20 MR. CLEARFIELD: Yes.

21 THE WITNESS: Yes.

22 You keep talking about the gas cost  
23 increase. My personal opinion is that I think PGW made  
24 bad gas buys pre-Katrina and post-Katrina. And I think  
25 they made bad buys relative to the buys that PECO made.

1 And we have been suffering with these gas cost prices.

2 Look, I have limited my testimony to avoid  
3 both beating a dead horse and becoming a bore. Thank you  
4 very much.

5 JUDGE JONES: Any questions for this  
6 witness?

7 (No audible response.)

8 JUDGE JONES: Thank you, sir.

9 THE WITNESS: You're welcome.

10 (Witness excused.)

11 JUDGE JONES: Mr. Don Staller.

12 JUDGE JONES: Good evening, sir.

13 THE WITNESS: Good evening.

14 JUDGE JONES: Do you wish to give sworn  
15 testimony?

16 THE WITNESS: Yes, I do.

17 JUDGE JONES: Please raise your right  
18 hand.

19 Whereupon,

20 DONALD STALLER

21 having been duly sworn, testified as follows:

22 DIRECT TESTIMONY

23 JUDGE JONES: Please state your full name,  
24 spelling your last name.

25 THE WITNESS: Donald P. Staller,

1 S-t-a-l-l-e-r.

2 JUDGE JONES: And what is your address,  
3 sir?

4 THE WITNESS: 8022 Ryers Avenue.

5 JUDGE JONES: And are you employed?

6 THE WITNESS: Yes, I am.

7 JUDGE JONES: And where are you employed?

8 THE WITNESS: TFT Child Development  
9 Center.

10 THE WITNESS: And are you a PGW gas  
11 customer?

12 THE WITNESS: Yes, I am.

13 JUDGE JONES: You may proceed with your  
14 testimony, sir.

15 THE WITNESS: Thank you.

16 I would just like say that I find it  
17 completely outrageous that the Commission is seeking to  
18 raise rates at all let alone an incredible 11 percent.  
19 This is a very real hardship situation for many, many  
20 people is as practically putting the cost of a simple  
21 necessity of life out of reach for the average person who  
22 is not wealthy and does not qualify for a LIHEAP grant.  
23 It's becoming increasingly difficult if not impossible to  
24 keep up with the PGW rate that is spiraling out of  
25 control.

1                   Our gas bill in my own home has at least  
2                   tripled in the last several years and we have done our  
3                   very best to conserve energy. We were told to turn down  
4                   our thermostats and so we have. Ours has been kept  
5                   between 58 and 60 degrees all winter. We are not  
6                   comfortable. We are not warm. We sometimes wear coats  
7                   indoors. We are trying to conserve energy, trying to keep  
8                   costs down, trying to keep our pipes and ourselves from  
9                   freezing. And still for one month our bill was almost  
10                  \$400. I think this is an outrage.

11                   But still the Commission wants more.  
12                  Please, we do not need higher rates. We need to stabilize  
13                  rates. We need to bring them back to a reasonable amount  
14                  that the average private citizen, not just the wealthy,  
15                  can afford to pay.

16                   I shiver to think what will happen if we  
17                   do not reverse this process. Hard working honest  
18                   Americans should not have to choose between groceries and  
19                   medicine and reasonably heating their own homes. We  
20                   should not have to pay increasingly an outrageous price  
21                   for the right to keep from freezing.

22                   Please vote against this proposed rate  
23                   hike. Don't turn a cold shoulder to the elderly or hard  
24                   working American citizens who are desperately trying to  
25                   make ends meet.

1 JUDGE JONES: Thank you, Mr. Staller.  
2 Are there any questions for this witness?  
3 (No audible response.)

4 JUDGE JONES: You are excused, sir.

5 THE WITNESS: Thank you.

6 (Witness excused.)

7 JUDGE JONES: Mr. Milgrom.

8 Good evening. Do you wish to give sworn  
9 testimony?

10 THE WITNESS: Yes, I would.

11 Whereupon,

12 KENNETH MILGROM  
13 having been duly sworn, testified as follows:

14 DIRECT TESTIMONY

15 JUDGE JONES: Would you state your full  
16 name, spelling your last name for the record.

17 THE WITNESS: Kenneth Milgrom,  
18 M-i-l-g-r-o-m, Senior, 10840 Harrow Road, Philadelphia,  
19 Pennsylvania 19154.

20 JUDGE JONES: Are you employed?

21 THE WITNESS: No, I am not. I am a  
22 retired police officer.

23 JUDGE JONES: And are you a PGW customer?

24 THE WITNESS: Yes, I am.

25 JUDGE JONES: Are you the same Ken Milgrom

1 that filed a complaint in this proceeding?

2 THE WITNESS: Yes, I am.

3 JUDGE JONES: Thank you. You may proceed  
4 with your testimony, sir.

5 THE WITNESS: Yes. Since they are talking  
6 about this increase that did not happen back in '02, that  
7 is a fallacy. Because every time my wife and I get a bill  
8 we talk about. It's almost like talking about what is new  
9 on American Idol. I mean, we get these bills, we look at  
10 them, we are like how are we going to pay this. Where did  
11 it come from.

12 Now my wife and I are both on fixed  
13 incomes, retired police officers. We just got a bill just  
14 recently and it was unbelievable. Since we have been  
15 married, 1972, I showed a pattern to my wife, every six  
16 months there was an increase. Okay. And I said it will  
17 never, ever go down.

18 What I propose now is we get these credits  
19 every now and then. They say, oh, we are going to give  
20 you a credit and we are not going to raise your utility  
21 for one whole month and it's going to equal \$11. Instead  
22 of giving this so-called credit why don't PGW take it and  
23 stick it in an account, give it -- let it draw the  
24 interest until you are ready for your next increase six  
25 months down the line and you don't have to come after us

1 who are these fixed incomes.

2 My wife and I are going to be making a  
3 total of \$33,000 a year. Do you think I can afford all  
4 these utility increases? Not hardly.

5 I am so sore from walking because we can't  
6 even afford to go anywhere anymore. And it is a little  
7 ridiculous. And I don't think PGW should be given another  
8 increase on the backs of us that have to pay.

9 I used to be an officer in North Philly.  
10 I used to ride around and see all these waves of heat  
11 coming out of windows, wide open, when it was five degrees  
12 out. If I had to go into one of these apartments or  
13 houses it was like 110 degrees in there. We couldn't wait  
14 to get back out on the street to get into the patrol car.  
15 I figured, well, wait a minute, there is something wrong  
16 with this picture. I'm paying through the teeth and these  
17 folks aren't. Make every single user pay.

18 You can't buy a lottery ticket. You can't  
19 go to a lottery store and say I want a ticket and walk  
20 away without paying. You can't get a bottle of liquor  
21 without going into the state store and saying I'm not  
22 paying, I don't have to pay. Everybody pays. Make them  
23 pay 20 bucks a month. Every single person pays for what  
24 you get. I can't go in the Acme and grab a grocery order  
25 and walk out. I will get locked up. Make everybody pay

1 for what they use. I would be happy. I would be really,  
2 really happy.

3 I thank you for your time.

4 JUDGE JONES: Thank you, Mr. Milgrom.

5 Are there any questions for Mr. Milgrom?

6 (No audible response.)

7 JUDGE JONES: Thank you, Mr. Milgrom.

8 (Witness excused.)

9 JUDGE JONES: Ms. Selma Brockman.

10 Good evening.

11 THE WITNESS: Good evening.

12 JUDGE JONES: Do you wish to provide sworn  
13 testimony?

14 THE WITNESS: Yes, I do.

15 JUDGE JONES: Please raise your right  
16 hand.

17 Whereupon,

18 SELMA BROCKMAN

19 having been duly sworn, testified as follows:

20 DIRECT TESTIMONY

21 JUDGE JONES: Please state your full name,  
22 spelling your last name for the record.

23 THE WITNESS: My name is Selma Brockman,  
24 B-r-o-c-k-m-a-n.

25 JUDGE JONES: Please state your address.

1 THE WITNESS: 158 Larkspur Place,  
2 Philadelphia, Pennsylvania 19116.

3 JUDGE JONES: Are you employed, Ma'am?

4 THE WITNESS: No. I am a retired school  
5 crossing guard.

6 JUDGE JONES: Are you a PGW customer?

7 THE WITNESS: Yes, I am.

8 JUDGE JONES: Thank you. You may proceed  
9 with your testimony.

10 THE WITNESS: Okay. I am a senior citizen  
11 and I am retired and my gas bill this month was \$265.  
12 Last month it was only \$204. The gas company gives me a  
13 senior citizen discount of \$65. The \$65 got eaten up in  
14 the increase from one month to another.

15 The thermostat, I keep it at 68 degrees.  
16 I walk around with a sweater. I have it automatic. It  
17 turn off at 11 o'clock. It goes on at six o'clock in the  
18 morning. I have had a new heater put in. I have had the  
19 heater checked, I have had it cleaned, and there is  
20 nothing wrong with it. And I just don't understand.

21 My pension that I get every month goes  
22 almost to pay for the gas company bill and I just don't  
23 think it is right. There has to be something done so that  
24 senior citizens like us don't have to pay a bill this  
25 high. It's not right. I mean, it is to a point where I

1 will not be able to eat one month in order to pay my gas  
2 bill.

3 Now, I would like to ask one question.  
4 Why does the gas bill go to Newark, New Jersey?

5 MR. CLEARFIELD: Ma'am, I wasn't aware  
6 that it goes to Newark but if it does that is probably a  
7 processing company that we use to process the bill. But I  
8 can check into that. Mr. Oliver can perhaps give you the  
9 answer.

10 THE WITNESS: Okay. Thank you for your  
11 time. I appreciate it.

12 JUDGE JONES: Thank you for your  
13 testimony, Ma'am. You are excused.

14 (Witness excused.)

15 JUDGE FORDHAM: The next witness is  
16 Myles Gordon.

17 Mr. Gordon, would you like to give sworn  
18 testimony?

19 THE WITNESS: Yes, I would.

20 JUDGE FORDHAM: Please raise your right  
21 hand.

22 Whereupon,

23 MYLES GORDON

24 having been duly sworn, testified as follows:

25

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

## DIRECT TESTIMONY

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

THE WITNESS: Myles Gordon, Y in the first name, G-o-r-d-o-n.

JUDGE FORDHAM: And would you state your address and your occupation for the record?

THE WITNESS: 8828 Rising Sun Avenue, Philadelphia, Pennsylvania 19115. And I am not currently working.

JUDGE FORDHAM: And you are a PGW customer?

THE WITNESS: Yes, I am.

JUDGE FORDHAM: You may proceed.

THE WITNESS: Thank you, Your Honor.

I appreciate everyone coming here for this panel, actually to George Washington High School which I haven't been in since I graduated in 1979. This place looks a lot better than it used to.

My question and my issue is I really wonder whether the meters are working accurately that PGW has placed in our homes. We had a problem about ten years ago where the meter was not accurately working and someone came out. I am glad everyone is sitting down because the

1 bills I'm getting in the last four months ranged anywhere  
2 from \$360 to \$450. It is a single home and it is a split  
3 level. And I cannot figure out why when most of the time  
4 I am the only one in the house why I am getting such high  
5 bills.

6 Am I sleeping in the windows open? No.  
7 Am I using a lot of heat, gas heat for cooking? No. I  
8 also now have an electric toaster oven that I am doing a  
9 lot of broiling of, like, lamb chops and other things to  
10 try to save as much money as possible. Laundry, I am now  
11 drying in my gas heater with whites and mediums together  
12 to try to save energy. So I said to myself when I got one  
13 of the bills, which I believe was the one that was due  
14 February 2nd, that I would call PGW. I would be, you  
15 know, asking them for any suggestions.

16 The first time I called in February and I  
17 tried to rectify the situation it was impossible to get  
18 through. I was put on hold for about ten minutes and then  
19 I got disconnected when I thought somebody was picking up.

20 I tried a second time. The only person  
21 that answered then as Saddam Hussein, who said he was dead  
22 and he couldn't help me -- that's a joke. Unfortunately  
23 the people that I actually did get to talk to couldn't  
24 help me either.

25 I tried about a week later. I figured

1 they were having a busy day. The lady I spoke to was very  
2 polite and courteous and gave me some suggestions. She  
3 told me to check the boiler in the basement to see if it  
4 was set on high or medium, and I did that and that was on  
5 medium. She suggested I have someone look at the  
6 insulation issue, which I had already done and that was  
7 okay. She asked me what my thermostat was on and I told  
8 her it is usually between 69 and 70 but when I am not home  
9 for more than three hours I lower it to 60 degree such as  
10 now, although obviously today was a warmer day than most  
11 days in March. But, again, we are looking at February and  
12 January and other months. And then I slowly raise it when  
13 I come home. And I also now have a humidifier in my  
14 bedroom. I have all the vents closed in the home except  
15 for three rooms, the rec room, the kitchen and also my  
16 bedroom.

17 I am also trying to use other methods to  
18 try to keep the bill as austere as possible. I do my  
19 drying of the clothes at night when it is coldest. I do  
20 most of my cooking at night even if it is for the next  
21 days meal. And still I am getting the large bills.

22 She told me that what she could do to  
23 determine if my meter was working accurately or not was  
24 that I should go down and check the meter, call her back  
25 and then she could tell me if it matched. I didn't do it

1 the same day. I called back then on February 22nd and  
2 this was a communication that was not desirable because I  
3 was hung up on. I spoke to a gentleman. I told him that  
4 I had spoken to this lady and he asked me what is my meter  
5 reading. And I said, well, you tell me what my meter  
6 reading is. He said, well, he can't tell me other than  
7 what was on my last bill. I said that isn't what the lady  
8 told me who I spoke to previously. He said, well, no,  
9 they can only tell me what my bill had from when they scan  
10 it. They cannot tell me right now or at any given time.  
11 So that contradicts what the lady had told me.

12 So then I told him what my meter read and  
13 he said, okay, well, it is working, my meter is fine. And  
14 I said how do you know that. Well, is it is more than my  
15 last months bill. I said that doesn't mean anything.  
16 That means my meter is recording. It doesn't mean it's  
17 recording accurately. Can I have someone come out and  
18 look at my meter. He said no, we don't need to do that  
19 and then he hung up on me.

20 After that I then contacted the Public  
21 Utility Commission, which I filed a complaint with about  
22 three weeks ago. I also contacted Councilman Ramos'  
23 office and spoke to a lady down there. And I will give  
24 you her name, Jasmine Santana. I faxed her one of my  
25 recent bills and her that I want to have my meter checked.

1                   So this is a sincere concern of mine. If  
2 I am spending \$363 a month I will sit down and shut up.  
3 But until they prove that to me, and I don't know what  
4 their method is of proving, and if they find out the meter  
5 is wrong how are they going to determine how much wrong it  
6 was? That is an interesting question. Maybe this  
7 gentleman can answer that.

8                   So I want to know if these meters are  
9 working accurately and in my particular in my situation if  
10 mine is. Are they the latest technology? Are they  
11 accurate? If they are then, again, I have no issue.

12                   I don't think they should be increasing it  
13 because people cannot afford to have increased prices.  
14 And I understand -- I owned a business so I understand you  
15 have to meet your budget to pay people and all other  
16 things. But I always was taught in marketing and in  
17 business that if you lower your price you get more  
18 business and if you raise it you get less. So I am not  
19 quite understanding that kind of theory but that is, you  
20 know, PGW's position to make their own determination.

21                   And that is basically my story.

22                   MR. CLEARFIELD: Mr. Gordon, I am very  
23 sorry you were frustrated with the employee from PGW. If  
24 you would like, as I said, we have customer service  
25 representatives here today. They can take the information

1 and try to go through again the issues that you have.

2 They also have additional information  
3 about conservation and energy efficiency. That may be of  
4 interest to you.

5 But the main thing is that if you talk to  
6 them they will make arrangements to try to look into this  
7 problem and do whatever is necessary to get to the bottom  
8 of it.

9 THE WITNESS: Thank you.

10 JUDGE FORDHAM: Thank you very much,  
11 Mr. Gordon.

12 (Witness excused.)

13 JUDGE FORDHAM: The next witness is Dawn  
14 McClary.

15 Good evening. Would you like to give  
16 sworn testimony?

17 THE WITNESS: Yes, I would.

18 JUDGE FORDHAM: Please raise your right  
19 hand.

20 Whereupon,

21 DAWN McCLARY

22 having been duly sworn, testified as follows:

23 DIRECT TESTIMONY

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

1 THE WITNESS: My name is Dawn McClary,  
2 M-c-C-l-a-r-y. I live at 10165 Bridle Road, Philadelphia,  
3 Pa.

4 JUDGE FORDHAM: And you are a PGW  
5 customer?

6 THE WITNESS: Yes, I am. I am also a  
7 legislative aide for Representative Rosita Youngblood.

8 JUDGE FORDHAM: Thank you.

9 THE WITNESS: On behalf of Representative  
10 Rosita Youngblood I definitely want to come out against  
11 the rate hike for several issues. Unlike the residents of  
12 Somerton, of which I am one, the residents of the 198th  
13 Legislative District are indeed on fixed incomes and not  
14 only that, they are subsidized as we are all to some  
15 degree by the government just for services rendered. But  
16 instead of splitting hairs and saying who is getting  
17 subsidized and who is not getting subsidized, that is not  
18 the issue. The issue is indeed that PGW wishes to raise  
19 the rates 10 percent to 11 percent to cover the cost of  
20 basically employees and administrative costs is what you  
21 are telling me. So you are telling me that we are going  
22 to pay for bonuses, we are going to pay for benefits, we  
23 are going to pay, you know, administrative costs and for,  
24 you know, meetings, training, et cetera, et cetera. The  
25 citizens of Philadelphia can hardly afford that type of

1 increase for things that to some degree can be cut down  
2 and costs can be managed in a more reasonable fashion.

3 I do want to say that, you know, as  
4 renters -- I am a renter, so I don't understand personally  
5 as a renter why my bill is \$265 for a two bedroom  
6 apartment. It is just unconscionable.

7 And again I would like to voice my  
8 personal concern as well as Representative Youngblood's  
9 concern about this rate increase and we come out  
10 definitely not in favor of it.

11 JUDGE FORDHAM: Anything for this witness?

12 MR. LAWRENCE: I have a question.

13 Ms. McClary, Darryl Lawrence from the  
14 Office of Consumer Advocate. I don't know if you can hear  
15 me okay out there or not.

16 Ms. McClary, I just had a question just to  
17 clarify something that you said a moment ago. You said  
18 you got a \$265 gas bill and you live in a two bedroom  
19 apartment?

20 THE WITNESS: Yes, sir.

21 MR. LAWRENCE: What period was this gas  
22 bill for? Was this recent?

23 THE WITNESS: Yes, it was.

24 MR. LAWRENCE: For February?

25 THE WITNESS: Yes.

1 MR. LAWRENCE: Could you possibly tell me  
2 a little more about the size of this apartment? There are  
3 some spacious apartments in the City of Philadelphia and  
4 I'm just trying to get --

5 THE WITNESS: Yes, there are.  
6 Unfortunately my apartment is not one of them. I would  
7 say it is about maybe 600 to 700 square feet, maybe.

8 MR. LAWRENCE: Thank you. That is all I  
9 wanted to know. Thank you very much. We appreciate your  
10 testimony and we appreciate you coming out tonight.

11 JUDGE FORDHAM: Thank you. And thank  
12 Representative Rosita Youngblood for us.

13 (Witness excused.)

14 JUDGE FORDHAM: The next witness is Debra  
15 David.

16 MEMBER OF AUDIENCE: Is there one way I  
17 can ask a simple question?

18 JUDGE FORDHAM: When we finish with  
19 Ms. David.

20 Would you like to give sworn testimony?

21 THE WITNESS: Yes, Ma'am, I would.

22 Whereupon,

23 DEBRA DAVID

24 having been duly sworn, testified as follows:

25

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

## DIRECT TESTIMONY

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

THE WITNESS: My name is Debra David, D-a-v-i-d. I live at 232 West Tabor Road, Philadelphia, Pennsylvania 19120.

JUDGE FORDHAM: Thank you. Would you also spell your first name?

THE WITNESS: Debra, D-e-b-r-a.

JUDGE FORDHAM: Thank you. And are you a PGW customer?

THE WITNESS: Yes, Ma'am. And I am employed at the Tastykake Baking Company.

JUDGE FORDHAM: Thank you. You may proceed.

THE WITNESS: Recently I received a bill that is the highest bill that I have ever received since I have been in my residence for 16 years. Historically I have gotten high bills but not to this degree.

As a consequence of that I did file a complaint with the Public Utility Commission upon receipt of that bill and at that point I made up my mind to write out a statement concerning the gas bills from PGW. If I have your permission I would like to read that statement.

JUDGE FORDHAM: Yes, you may.

1 THE WITNESS: To Philadelphia Gas Company.  
2 Please stop the madness. I can't take any more. I  
3 received a gas bill this month of \$524.70. There is no  
4 excuse why a bill in such an amount should occur for a  
5 household of just two people. My husband and I work every  
6 day, all day, was very upset when I opened my bill this  
7 month and saw such outrageous charges.

8 I feel as though I am being victimized by  
9 legalized theft. Yes, theft by deception. PGW deceives  
10 the citizens of Philadelphia that use gas as the source  
11 for their heat that they will get that service at a  
12 reasonable rate. This matter leaves me concerned because  
13 no matter what we do to keep our bills down they just  
14 continue to rise.

15 I have spoke to family members, friends,  
16 co-workers, and yes, even strangers. We all have one  
17 thing in common. Our PGW gas bills are too high. All of  
18 the people that I have talked to about this situation live  
19 in different areas of the city. I have come to realize  
20 that we all took some precautions to bring the bills down  
21 and lower our bills, like turning down our thermostats,  
22 wearing layers of clothing around the house, sealing up  
23 any and all cracks where air or heat might escape and  
24 still the bill goes up each month.

25 The citizens of this city are being

1 robbed. Something is seriously wrong, wrong with your  
2 system. People all around the city are having the same  
3 problem. This would not be the issue if there was not  
4 something wrong with your system itself. Either the  
5 meters are not being read correctly or maybe not  
6 functioning well.

7 Perhaps PGW could implement some new money  
8 saving programs like limited use to help bring down the  
9 cost of our bills. That would give us, the people of the  
10 city, more accurate control over what we use. Perhaps PGW  
11 could rethink some of your management or distributive  
12 practices.

13 You have no right or reason to ask the  
14 people of this city for more money when we are already  
15 been robbed of a better life now and of our future. You  
16 take advantage of the fact that there is no other gas heat  
17 supplier and that is not fair to us. At this point I  
18 question your integrity as well as your ethics and I feel  
19 as though they both need to be investigated.

20 \$524.70 is another mortgage by anybody's  
21 means, not a utility bill.

22 MR. CLEARFIELD: Ms. David, I understand  
23 your concern about that bill. Have you heard about the  
24 budget billing program that PGW has?

25 THE WITNESS: Yes, sir, I have.

1 MR. CLEARFIELD: Excuse me, just a second.  
2 I'm trying to ask a question.

3 THE WITNESS: Yes, sir, I have. But that  
4 is not the issue. I have been on the budget. And as a  
5 matter of fact, I have an agreement with them now. But my  
6 point is \$500, that is a second highest bill after our  
7 mortgage. It's higher than our truck payment. It's  
8 higher than our truck insurance. It's higher than our  
9 life insurance. Every other bill is affordable compared  
10 to this.

11 This is another mortgage. If I could  
12 afford another \$500 I could buy another property and rent  
13 it out. And that is ridiculous, \$500.

14 MR. CLEARFIELD: How high have your bills  
15 in the other months been?

16 THE WITNESS: It has been high but this  
17 one was a whole \$100 more than the previous month. That  
18 is what angered me and made me make the complaint with the  
19 Public Utility Commission.

20 MR. CLEARFIELD: How much is the average  
21 bill? Do you know?

22 THE WITNESS: 365, 374, 474. But this one  
23 came up at 524.70. That was it.

24 While I have your attention I also would  
25 like to mention one other thing. There was an occasion

1 when I was out of work for a while and both of our -- my  
2 husband and I work because it takes two salaries to run a  
3 household. And I applied for LIHEAP. I was refused. You  
4 all need to check your standards, your criteria, for  
5 helping people who do work and pay their bills all the  
6 time. Then when they are sick or they are waiting for  
7 their insurance to kick in or whatever, we are waiting for  
8 money. We don't have money. They don't give us any help.  
9 But they help all the other people all the time who don't  
10 want to pay or can't pay or refuse to pay. And we pay and  
11 keep it up all the time. Then when we fall on hard times  
12 there is no recourse for us. They tell us no, well, your  
13 income is too high. Well, right now the income is at a  
14 standstill because your insurance hasn't kicked in. You  
15 have to wait a certain waiting period sometimes, some  
16 insurance requires. And you can't get any help. So  
17 therefore my part of whatever bills I was putting in  
18 becomes a burden for my husband. So you need to consider  
19 the criteria for helping people that do pay their bills  
20 when they are having a hard time too. That is another  
21 thing I just wanted to mention.

22 JUDGE FORDHAM: Thank you, Ms. David.

23 Mr. Sumsky?

24 MR. SUMSKY: I got a statement.

25 JUDGE FORDHAM: Are you going to be sworn

1 this time?

2 MR. SUMSKY: No.

3 (Unsworn statement given.)

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

6 Sir, would you come forward, please?

7 Would you state your name for the record?

8 THE WITNESS: Leonard J. F. P.

9 Schneiderman, S-c-h-n-e-i-d-e-r-m-a-n.

10 Whereupon,

11 LEONARD J. F. P. SCHEIDERMAN

12 having been duly sworn, testified as follows:

13 DIRECT TESTIMONY

14 JUDGE FORDHAM: Would you state your  
15 address for us at this time?

16 THE WITNESS: 9947 Alicia, A-l-i-c-i-a,  
17 Street, 19115.

18 JUDGE FORDHAM: And what is your  
19 occupation, sir?

20 THE WITNESS: I am retired from the city.

21 JUDGE FORDHAM: And are you a PGW  
22 customer?

23 THE WITNESS: I am, Ma'am.

24 JUDGE FORDHAM: You may proceed.

25 THE WITNESS: Thank you.

1 I thank the Board and Judges for giving me  
2 the permission to speak without signing in. I also want  
3 to thank Mr. Matthew Taubenberger on behalf of State  
4 Representative George Kenney for speaking in our behalf  
5 tonight. I would also like to thank all the public  
6 servants who spoke here, both representing the state and  
7 the county, again speaking on our behalf. And it should  
8 be noted for the record. I thank you for giving me that  
9 courtesy.

10 In the beginning of March when I got my  
11 PGW bill like most of us you don't look at what it is but  
12 what the amount is. My heart started palpitating. I  
13 couldn't believe what I was looking at. I thought it was  
14 a mathematical error.

15 I looked at my wife and she said what is  
16 wrong. And I said I've got a laundry list of charges that  
17 total \$408 for one month. That is insane. I have 20 to  
18 25 breakdowns on this page explaining the justification of  
19 PGW laying this on my lap.

20 As I said, repeating myself, I am retired.  
21 City employees who retire do not get increases every year,  
22 five years, ten years, until they die. People from PGW  
23 get raises, you better believe it. And they get perks  
24 too. We don't get that.

25 How on God's earth can they come up with

1 25 charges on all technical language that unfortunately I  
2 don't understand. I'm not familiar with PGW and the  
3 definitions they give you of all the charges. Commodity  
4 charges, commodity charges, customer charges, distribution  
5 charges, gas cost adjustment charge. I mean, where is it  
6 going to end? This is just 2007. By 2008 I may have two  
7 or three more. Within ten years we will have probably  
8 about a 15 page book of charges. Where is it going to  
9 end?

10 I will probably be dead by then but I feel  
11 sorry for my family, my kids growing up and my grandkids.  
12 They will pay for this.

13 How in the world does the board of PGW  
14 stand up and look at themselves in morning in the mirror  
15 and say what did today was right. I didn't represent the  
16 people that use our service, I just made sure that my back  
17 pocket is taken care of because I spoke up for my company.  
18 The hell with the people that got to pay for it.

19 I apologize to the board and to you  
20 Judges, of course, for my thickness and my language and my  
21 attitude about this whole thing. Please try to understand  
22 my position, their position, every one of them here. We  
23 are all in the same boat, even you people. I am not  
24 excluding you. I don't care if your salary is 100,000 a  
25 year or 70,000 a year. I don't care. But these rates,

1 people with fixed incomes, it's got to come down. We  
2 can't live with this. We are putting a hell of a burden  
3 on us, not you individually but as a group that represents  
4 PGW. You've got to listen to the little people.

5 And I thank you kindly for the courtesy.

6 JUDGE FORDHAM: Thank you.

7 (Witness excused.)

8 JUDGE FORDHAM: That concludes the  
9 testimony for tonight unless there is someone else who  
10 would like to give testimony.

11 (No audible response.)

12 JUDGE FORDHAM: If not, we thank you very  
13 much for coming and we are adjourned. We will have two  
14 more public input hearings on April 9 at the Community  
15 College of Philadelphia 18th and Callowhill at one o'clock  
16 and 7:00 p.m.

17 Thank you very much.

18 (Whereupon, at 8:56 p.m., the public input  
19 hearing was concluded.)

20

21

22

23

24

25

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

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 were 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 RL

Robert J. Stonaker

COMMONWEALTH REPORTING COMPANY, INC.  
1-800-334-91063

RECEIVED  
APR -3 PM 1:08  
BUREAU  
S. A. S. BUREAU  
1-800-334-91063