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P R O C E E D I N G S

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2 ADMINISTRATIVE LAW JUDGE JOHN H. CORBETT, JR.: We're on
3 the record at this time.

4 This is the time and place that the Pennsylvania Public
5 Utility Commission has set aside for a public input hearing on
6 the base rate filing of National Fuel Gas Distribution
7 Corporation at Docket Number R-00061493.

8 My name is John Corbett. Beside me is Administrative Law
9 Judge Mark Hoyer. We are the Administrative Law Judges that
10 the Commission has assigned to preside over the hearings and
11 to render a recommended Decision for the Commission to
12 consider in this Case.

13 At this time, I'd like to introduce to you some of the
14 people involved in this Case. To our far left, is Anthony
15 Kanagy, the attorney who's representing National Fuel Gas
16 Distribution Corporation this evening.

17 To my immediate right, is Sharon Webb, from the Office
18 Small Business Advocate.

19 To her right, is Darryl Lawrence, representing the Office
20 of Consumer Advocate.

21 And to my far right, is Robert Eckenrod, from the Office
22 of --- the Commission's Office of Trial Staff.

23 So, at this time, I'm going to turn this over to Judge
24 Hoyer.

25 ADMINISTRATIVE LAW JUDGE MARK A. HOYER: Thanks.

1 We want to take a minute to summarize for you what this
2 Case is about. On May 31st, 2006, NFG filed a supplement to
3 its tariff, proposing to increase its rates by 25.8 billion,
4 or 6.1%, over present revenues. The company proposed that the
5 rate increase become effective on or about July 30th, 2006.
6 For residential customers, NFG proposed an overall increase in
7 rates of 6.1%. This would mean that, a residential customer
8 using 100 mcf of natural gas annually, would see his or her
9 average bill rise from \$143.94 per month, to \$153.83 per
10 month, or about 6.9%

11 As part of this increase, the company proposed a 72%
12 increase to the monthly customer charge for residential
13 service. If the Commission approves the proposed rates, the
14 monthly customer charge for residential service will increase
15 from \$12 to \$20.64.

16 After a preliminary investigation, the Commission
17 suspended NFG's proposed tariff supplement until March 2nd,
18 2007, by Order entered on July 20th, 2006, and assigned this
19 Case to the Office of Administrative Law Judge for further
20 investigation and hearings.

21 A pre-hearing conference was held on August 3rd, 2006,
22 where the parties established a litigation schedule. Public
23 input hearings --- well, the first public input hearing was
24 held this afternoon at this site. We are here this evening.
25 This'll be the final public input hearing in Erie. Tomorrow,

1 we have a --- an afternoon hearing in Meadville, tomorrow
2 night in Farrell, and Wednesday afternoon in Franklin.

3 Technical evidentiary hearings will be held in
4 Harrisburg, beginning October 17th, 2006. After the parties
5 file their briefs, Judge Corbett and I will issue a
6 recommended Decision by December 22nd, 2006. By law, the
7 Commission must issue its Decision by March 2nd, 2007.

8 The parties to this Case include the Commission's Office
9 of Trial Staff, the Office of Consumer Advocate, the Office of
10 Small Business Advocate, and the Community Action Association
11 of Pennsylvania.

12 I'm now going to turn it over to Judge Corbett.

13 JUDGE CORBETT: Now, tonight's public input hearing is
14 important, because we want to obtain your thoughts in this
15 case. We want to hear from those people most affected by the
16 current company proposal, you, the customers. We want to hear
17 what you have to say about this matter. Your testimony will
18 have a direct bearing on any settlement that the parties
19 propose, or if the parties aren't able to achieve a
20 settlement, the Commission will consider your testimony when
21 deciding the merits of this Case.

22 With this background in mind, let me ask any of the
23 individuals whom we introduced earlier, whether they wish to
24 make a statement before proceeding further with this hearing?

25 Mr. Kanagy?

1 MR. KANAGY: Thank you, Your Honor.

2 Good evening. I'm here on behalf of National Fuel Gas
3 Distribution Corporation. As you are aware, the subject of
4 the hearing tonight is the proposed rate increase by the
5 company. As an overview, there are two types of rate
6 increases that a gas company can request in Pennsylvania. The
7 first is to recover the cost of gas, and the second is to
8 recover the cost of service, or essentially, delivering the
9 gas.

10 This Case is the second type of case, the cost of service
11 case. So, the actual costs of the gas, itself, are not at
12 issue in this proceeding.

13 If you have any individual questions or concerns about
14 your customer account, there is a representative of the
15 company in the back to be able to help you with those
16 questions. That representative's not here to testify, but to
17 listen to your concerns, and --- and should be able to address
18 your questions.

19 At this time, if she's in the back, I would like her to
20 raise her hand, so that, people can identify her. And so, if
21 you have questions, you can go back and speak with her, or
22 speak with her after, as well.

23 This forum represents an opportunity for you to express
24 your views with regard to the company's proposed rating ---
25 rate increase. We welcome your comments and thank you for

1 coming.

2 JUDGE CORBETT: Thank you, Mr. Kanagy.

3 Mr. Eckenrod?

4 MR. ECKENROD: Thank you, Your Honor.

5 Good evening. My name is Robert Eckenrod, and I'm here
6 on behalf of the Office of Trial Staff. The Office of Trial
7 Staff was created in 1986, as a semi-independent arm of the
8 Commission, and charged with the representation of the public
9 interest in rate proceedings such as this.

10 Currently, I have a team of expert witnesses, who are
11 currently reviewing the filing, to determine whether there are
12 any adjustments that are warranted in the filing. We've also
13 been reviewing the numerous Complaints filed by you, the
14 consumers, and we're also taking those into consideration
15 while we're doing the filing.

16 As the Judge said, and Mr. Kanagy said, today is the
17 opportunity for you, the consumers, to come forward and give
18 your testimony about this proceeding, on the record. And I
19 encourage you to do so, so that, that testimony can be used by
20 myself and the Commission in rendering a Decision in this
21 matter.

22 Thank you.

23 JUDGE CORBETT: Mr. Lawrence?

24 MR. LAWRENCE: Thank you, Your Honor.

25 My name's Darryl Lawrence. I'm an attorney. I work with

1 the Pennsylvania Office of Consumer Advocate. The OCA is an
2 independent state agency. We are under the branch of Consumer
3 Protection, and attached to the Attorney General's Office in
4 Pennsylvania.

5 The OCA has intervened in this Case, as we do in most all
6 utility proceedings, to represent the interests of all the
7 ratepayers in Pennsylvania, particularly the residential
8 ratepayers. And we represent those ratepayers, not only in
9 utility proceedings before the Pennsylvania Public Utility
10 Commission, the Appellate Courts of Pennsylvania, and also,
11 the Federal Administrative Agencies, as needed.

12 In the current matter before us, the OCA's return ---
13 retained, excuse me, a team of outside experts to analyze the
14 filings made by the company in this matter. At the
15 appropriate time, the OCA's legal staff and its experts will
16 give their recommended Decision to the Commission, as to how
17 we believe this matter should be resolved.

18 But tonight is about you. And we really want to hear
19 your opinions and your thoughts, as you are the ratepayers of
20 National Fuel Gas. And we would like you to come forward and
21 testify on the record, as those thoughts and opinions will
22 then be used to ultimately issue a Decision in this Case by
23 the Administrative Law Judges.

24 Thank you all for coming out this evening.

25 JUDGE CORBETT: Ms. Webb?

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1 MS. WEBB: Thank you, Judge.

2 Good evening everyone. My name is Sharon Webb, and I'm
3 here on behalf of the Office of Small Business Advocate. Our
4 office represents the interests of business customers, in rate
5 proceedings such as this before the Commission and
6 Pennsylvania Courts. And, we have economists that are helping
7 us do an evaluation of the numbers and for the nuts and bolts
8 of the Case.

9 We filed a Complaint, are continuing our investigation,
10 and intend to file testimony and work through this proceeding.
11 Tonight is your opportunity to get your issues out on the
12 record. And I encourage you, as co-counsel has testified on
13 the record.

14 I'll be around a little bit afterwards, if there are any
15 business customers having questions, or want to talk
16 individually. But, thank you all for coming.

17 JUDGE CORBETT: Thank you.

18 JUDGE HOYER: Prior to tonight's hearing, we had placed
19 on the table outside the rear door, a witness list. Those
20 sign-in sheets were for people to print their names, addresses
21 and telephone numbers, if you wish to speak here at the
22 hearing. When called, you will be asked to come forward to
23 testify.

24 The Commission's policy regarding public input hearings
25 gives you three options. You may testify formally under oath

1 or affirmation, and be subject to cross-examination.

2 The second option, you may make an unsworn or unaffirmed
3 statement. Your statement will be off the record, and it will
4 not be subject to cross-examination. The court reporter will
5 not transcribe your statement, and neither we nor the
6 Commission will consider it in any Decision.

7 The third option, you may provide information to the
8 parties here, off the record, after the hearing, for their
9 possible use, at their discretion, at any further evidentiary
10 hearings in this Case.

11 JUDGE CORBETT: We strongly urge you to testify under
12 oath, so we and the Commission can review your testimony to
13 the extent based on the Rules of Evidence. If you take an
14 oath or affirmation, the court reporter will transcribe your
15 statement. Your statement will then become a part of the
16 official record in this Case, and may be considered by us, as
17 well as by the Commission, in deciding this Case.

18 Now, since you are a witness, the attorneys may ask you
19 questions about your testimony. You should not become upset
20 by this questioning, or feel that you are under personal
21 attack. Such questioning is entirely normal for this type of
22 legal proceeding. We ask simply that you listen to the
23 questions asked of you, that you answer the questions that may
24 be asked of you to the best of your ability. If any questions
25 are improper, we will let you know.

1 At this time, we will call the names of those people who
2 have signed the witness lists. As we call your names, please
3 stand and remain standing until we have called the last name.
4 We will then ask you to take the oath or affirmation of a
5 witness, if you wish to testify on the record.

6 JUDGE HOYER: Okay, will all the following individuals
7 please stand when I call your name and remain standing? Gary
8 Hanlin, Mary Wheaton, Scott Rastetter, Florence McClanahan,
9 Dave Thompson, Thomas A. Butler, Mary Lou Seidler, James F.
10 Foltz, Nancy L. Dolak, Jesse Simpson, James M. Smith, Sharon
11 Cullaton, Sandy Zawistoski, Mike Borland, J. Putnam, Jill
12 Patten, Laurie Walker, Tim Colaizzi, Erwin Marz, Joseph
13 Kaliszewski, Pamela Mathews, Pat Henry, Rose Rose, Thadeus
14 Oslak, Tim Gooley, Vic Kaliszak, Jay Hollenbeck, Hillary
15 Entley, Mark Aleks, Steve Mason, Jacqueline Homan, Donnie
16 Homan, Andy DeMarco, Cindy Samick, Debbie McChesney, Diane
17 McManus, Rita Mangini, Loretta Deeds. Okay.

18 (Whereupon, all prospective witnesses were duly sworn.)

19 JUDGE HOYER: Let the record reflect that, the witnesses
20 are sworn in and will testify under oath. You may be seated.
21 Thank you.

22 JUDGE CORBETT: A few observations, before we call the
23 first witness. First, if you are reading from a prepared
24 statement, and you have an extra copy of your statement with
25 you, please give it to the court reporter before you begin to

1 testify. If you have sufficient copies, you can also give a
2 copy to Judge Hoyer and myself, as well as the attorneys up
3 here.

4 Second, this is a legal hearing. Everyone who is called
5 to testify is a member of the public. Each witness has the
6 right to give his or her testimony free from any
7 interruptions, comments from others and the like.

8 In order to hear as many witnesses testify as possible in
9 the time that we ask --- in the time that we have, we ask that
10 you hold your applause or demonstration of appreciation until
11 the end of the hearing, and all witnesses have had a chance to
12 testify.

13 Again, it is very important for us to hear what you have
14 to say. And we want as many of you as possible to have your
15 statements placed in the record.

16 Third, to allow as many of you as possible to
17 participate, we will ask you to limit your comments to no more
18 than five or ten minutes, at the very most. We may ask you to
19 speed things up a little bit, if you can. We have a lot of
20 witnesses to testify this evening. And, we want to have all
21 of you on the record, and all of you who have come here this
22 evening, have a chance to testify.

23 Please keep your remarks concise and to the point. If
24 someone before you has said what you were going to say, you
25 can simply say that you agree with what he said --- with what

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1 was previously said. Your comments will be given equal weight
2 with what --- what others have said previously.

3 Finally, we ask that you confine your remarks to the
4 issues involved in this Case. If you have any questions about
5 this Case, you can talk to the attorneys up here after the
6 hearing. If you have another concern about a matter involving
7 these utilities, or another utility, or the Commission, you
8 can talk to Jennifer Kocher here, who, I guess is now at the
9 witness sign-in table. She's with the Office of Consu ---
10 Office of Communications with the Commission. She can ask any
11 --- you can ask her any questions about the Commission.

12 We also have up here, as I indicated before, attorneys
13 for the utility, and also, the Office of Trial Staff, the
14 Office of Consumer Advocate, and the Office of Small Business
15 Advocate. And they will all be available to answer your
16 questions after the hearing.

17 JUDGE HOYER: Thank you.

18 Before we continue, we did read the list of individuals
19 who have signed up to be witnesses. It has been brought to my
20 attention that, perhaps some people signed our list and their
21 names were not called. Perhaps you signed the wrong list.
22 And, at this time, if you could go out and --- and print your
23 name on a list, and we'll get that, and we'll swear you all
24 in. If there --- I --- my understanding is there were seven
25 individuals that felt their names were left off. And we have

FORM 2

1 the witness lists here (indicating). We're just reading what
2 we have. We didn't skip any individuals. We would not do
3 that.

4 We note the presence of the members of the media here
5 today. If you do not want your picture taken by the media,
6 then, let us know when you come up to testify, and we will ask
7 the media to refrain from taking your picture. We ask the
8 media to refrain from using lights or flash during the
9 hearing.

10 And with that, we'll call the first witnesses for this
11 hearing. And as you can see, we have some empty chairs here
12 in the front, to the right of the podium. I'm going to call
13 the individual to the podium and three witnesses to fill those
14 seats, so that, when the first witnesses --- witness finishes
15 testifying, we can speedily move forward and take each witness
16 in succession, just to save some time.

17 So, will the following individual approach the podium:
18 Gary Hanlin? And, these three individuals, please take the
19 three seats to the right of the podium: Ken Kanoza, Mary
20 Wheaton, Scott Rastetter.

21 Now, when we call your name to come up to the microphone,
22 beginning with you, Mr. Hanlin, we will ask that you state
23 your name and spell it for the court reporter. Also state
24 your address, your occupation, place of employment, and
25 indicate whether or not you are a customer of NFG.

1 Whereupon,

2 GARY HANLIN

3 having been previously duly sworn, testified as follows:

4 DIRECT TESTIMONY

5 THE WITNESS: Yes, my name is Gary Hanlin, H-a-n-l-i-n.
6 My address is P. O. Box 124, Erie, Pa. 16512. I'm an owner of
7 income property in the City of Erie. I manage, maintain and
8 rent residential income property, and, my tenants and myself
9 are customers of National Fuel Gas.

10 I have here only two copies of a Florida bill, from a
11 Florida gas company, that I'd like to put into the records.

12 I'd like to thank you gentlemen for coming --- coming to
13 Erie. We need your help, and, I trust in the Court. I feel
14 the Court will do the proper thing.

15 I have to say that, in 1976, I appealed to this Court on
16 a termination of service for a 17-unit apartment building,
17 where Penelec refused to re-establish the steam heat. I
18 appealed to the PUC. We had a hearing. I submitted a few
19 class action lawsuits from the State of Michigan, in relation
20 to the ability of the ratepayer to pay, and monies for
21 service.

22 In that hearing, the Decision was in my favor. The PUC,
23 at that time, stated that, the company could only ask for only
24 what the ratepayer was able to pay, the fair amount to pay, or
25 ability to pay. And at the same time, they --- they

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1 established a budget billing process and an appeals process.

2 And, we would think that time heals all, but in this
3 case, it doesn't seem to be that way, because I understand
4 that just in the last year, National Fuel has gotten approval
5 to shut off utilities, much earlier now than, they were able
6 to do before. They're actually shutting off utilities in the
7 winter. And I think you've had some testimony this afternoon
8 that, indicates that, there are many customers that have had
9 this happen to them.

10 I also understand that, National Fuel has been trying in
11 Harrisburg to, if they can't find the ratepayer that hasn't
12 paid their bill, they want to attach the property owner. And
13 I understand that was defeated or set aside.

14 I feel National Fuel has --- is --- is making rate
15 requests that are --- are totally unacceptable. The bill that
16 I just gave you and some earlier testimony, that basic rate
17 cost is \$9.50. National Fuel's is \$12.50 and there was some
18 testimony that, there is some basic service charges as low as
19 \$3.50. So, if you go from \$3.50 to \$20 that National Fuel is
20 asking for, I think they're only demonstrating their inability
21 to run an efficient company.

22 They're asking for more and more basic service charges,
23 where there are many other companies in the United States that
24 are --- are charging a much less --- a much lower service
25 charge.

1 I'm also very concerned, and I'd like you to look into
2 the fact that, the wholesale cost of gas is --- has been
3 fluctuating. But it's anywhere between as low as \$5 and as
4 high as \$7, wholesale. But, we're --- we're paying anywhere
5 from \$12 to \$14 for gas. And, your --- your bill states that
6 --- that, that cost of gas that National Fuel applies to your
7 bill is strictly for the cost of gas; wholesale cost of gas.

8 Now, I --- I really wonder whether possibly there's some
9 other hidden charges in there, possibly, gas being taken out
10 of Pennsylvania, transmitted to New York State, then again,
11 turned around and sent back to Pennsylvania again. Are we
12 using Pennsylvania gas, are we using New York State gas, or
13 are we using gas that was bought on the wholesale market at \$6
14 per 1000 cfm?

15 I think some people have testified, also, to how much
16 they've spent in insulating their energy efficiency. I feel I
17 saw this coming years ago. I took a 17-unit apartment
18 building and --- and put in the most efficient heating system
19 that could be purchased in 1989, for a cost of around \$90,000.
20 From 1985 until five or six years ago, I slowly started to
21 spray insulation in all my apartments. That's money that I
22 could have put in my pocket. Instead of spending \$90,000, I
23 could have spent \$20,000, and put in a boiler, and walked
24 away, and raised my tenants' rates.

25 But, what's happening today is, my tenants are finding it

1 hard, even though I'm paying for their heat, to pay the rent
2 that I have to receive for my costs. I feel that, what
3 National Fuel Gas is asking for is ludicrous. I feel that,
4 they're not efficiently using or managing their company, and
5 they're coming to the PUC and continually asking for rate
6 increases from you. And I'm asking you to reject those rate
7 increases.

8 As for their service, I just want to say that, I had a
9 young girl move in on August 16th and call for gas service.
10 The gas was strictly for a hot water tank, nothing else. The
11 heat and range was electric range. They --- they made the
12 date for the 24th, eight days. My tenant had to wait eight
13 days to get gas turned on for a hot water tank, so she could
14 shower and bathe herself.

15 She missed National Fuel coming to the building, and she
16 called back and asked for another appointment, and they gave
17 her an appointment for the 29th, another eight days she has to
18 wait.

19 I'm not happy with the way --- the many calls that I've
20 sub --- that I make to National Fuel in relation to questions,
21 they just don't seem to be able to answer them.

22 So, I appreciate you being here. And, I --- I ask for
23 your deepest consideration in this matter. And, your Decision
24 will affect thousands of people. And I think a basic rate of
25 from \$12 to \$20 is ludicrous. And I --- I just can't

1 understand the --- the audacity that they have, to ask for
2 this rate increase is unbelievable. And I think you should
3 reduce the rate, reduce it to the \$9.50 that the Florida Gas
4 company is able to pay there for their service charges. And,
5 tell National Fuel Gas to go find efficiencies in their
6 system. And --- and that would be it.

7 Thank you very much.

8 JUDGE CORBETT: Thank you, Mr. Hanlin.

9 Any questions?

10 (No response.)

11 JUDGE CORBETT: Also, Mr. Hanlin, I want to thank you for
12 coming back this afternoon. We didn't get a chance to get to
13 you this afternoon. We appreciate you coming this evening.

14 Thank you.

(Witness excused.)

15 JUDGE CORBETT: Ken Kanoza.

16 Whereupon,

17 KEN KANOZA

18 having been previously duly sworn, testified as follows:

19 DIRECT TESTIMONY

20 JUDGE CORBETT: Would you begin by giving us your full
21 name, sir?

22 THE WITNESS: Ken Kanoza. My address is 2205 Liberty
23 Street. I'm an NFG customer. And I'm employed at GE
24 Transportation Systems.
25

1 JUDGE CORBETT: And could you spell your last name for
2 the court reporter?

3 THE WITNESS: K-a-n-o-z-a.

4 JUDGE CORBETT: Thank you.

5 THE WITNESS: Okay. Normally, I heat my home in the
6 winter to 65 degrees. As a result of the 40% rate increase,
7 last year, I was forced to turn my thermostat down to 62
8 degrees. It was barely tolerable.

9 Now, the situation with the lower thermostat setting, it
10 was even still hard to pay my utility bills, even working for
11 an employer like GE. So, it recently forced me to a decision,
12 in order to put clothing on my --- my children's backs, to put
13 food on my table, and to keep my property taxes paid.

14 Now, this rate --- now, this surcharge is an insult for
15 all of us NFG customers that are trying to conserve, which I
16 think we're all doing the best we could. 'Cause I think NFG
17 has taken notice that our gas consumption has been on the
18 decline. This is just unheard of.

19 So, all I'm asking is, please, deny this rate increase
20 and the surcharge. Just don't --- don't make it any harder on
21 all us hard-working people here in Erie to keep our homes
22 heated and keep food on our tables.

23 Thank you.

24 JUDGE CORBETT: Thank you, sir.

25 Any questions?

1 (No response.)

2 JUDGE CORBETT: Thank you.

3 (Witness excused.)

4 JUDGE CORBETT: Call the next witnesses, Mary Wheaton.

5 Mary Wheaton, you can come right to the podium.

6 Scott Rastetter, Florence McClanahan, Dave Thompson.

7 Ms. Wheaton, you may begin.

8 Whereupon,

MARY WHEATON

9
10 having been previously duly sworn, testified as follows:

11 DIRECT TESTIMONY

12 THE WITNESS: Thank you all for being here.

13 JUDGE CORBETT: Yes.

14 THE WITNESS: I appreciate your being here.

15 JUDGE CORBETT: And, please begin by giving us your full
16 name, spell your last name.

17 THE WITNESS: I'm sorry. My name is Mary Wheaton, W-h-e-
18 a-t-o-n, 630 Euclid, E-u-c-l-i-d, Avenue, in Erie, 16511.

19 JUDGE HOYER: And what is your occupation?

20 THE WITNESS: I am retired, on Social Security.

21 JUDGE HOYER: Okay, and ---

22 THE WITNESS: It did not advance as much as National Fuel
23 Gas's employees.

24 JUDGE HOYER: Okay. And, you are a customer of NFG?

25 THE WITNESS: Yes, sir.

FORM 2

1 JUDGE HOYER: Okay.

2 THE WITNESS: I had an article in my car that Ken
3 Springirth had written on Friday. And it gave the information
4 of the people that work for National Fuel and how much they
5 were getting in 2002, and then, the increases that they got
6 for 2006. And it was quite tremendous. It was much more than
7 my Social Security is.

8 Just recently, I had my car inspected. It was \$286. Two
9 weeks later my brake lines went out. It was another \$80.
10 Today, coming up here, I left the house at 4:00. I live out
11 by GE. I left the house at 4:00. I was coming up 8th Street,
12 and every time I stopped at a red light my car stopped. I
13 wound up parking my car in Best Buy, and I walked four blocks
14 up. And then, I had a very young couple bring me the last
15 three blocks up. So, I thank them for that.

16 But, just last month, my supplemental insurance went up
17 another \$13 a month. As I left my house today, I received a
18 little card from Verizon, saying that, my long distance would
19 be \$5.05 a month. Where --- where do these increases go? If
20 we get so many increases in our payments, why can't we get any
21 in our Social Security, enough to at least pay for these
22 bills? We're not getting it anywhere. So, I think that,
23 National Fuel's going to have to try to help us out somehow.

24 I spoke to several young people, and asked them to sign
25 the forms, in order to make a com --- Complaint here. And,

1 they said, well, they were young, and they didn't think they
2 were allowed to make the Complaints. And I don't know where
3 they got that information.

4 Most of the information that we'll get in the newspaper,
5 it's senior citizens go and complain. It's not just us senior
6 citizens. It's the whole city. And there's many of us. And
7 there's some without jobs right now, because. like I said,
8 there's a young couple that I know. He works at Staress.
9 He's on a lot of medication. He's had quite a lot of
10 problems. She, also, is on a lot of medication. And Staress
11 is moving out of town. They were shut off last --- last fall.
12 Their gas was shut off. They had to make arrangements to have
13 it turned back on.

14 But, why can't we come to some cons --- consideration for
15 us? We need help. We really do. We're begging for it, as
16 you can see in this room now and earlier today. We're begging
17 for help. So, if you can help us in any way, we deeply
18 appreciate it.

19 And thank you all for coming.

20 JUDGE CORBETT: Thank you, ma'am.

21 Questions?

22 (No response.)

(Witness excused.)

23
24 JUDGE CORBETT: Scott Rastetter.

25 Whereupon,

1 SCOTT RASTETTER

2 having been previously duly sworn, testified as follows:

3 DIRECT TESTIMONY

4 THE WITNESS: Hi, I'm Scott Rastetter, R-a-s-t-e-t-t-e-r,
5 9098 Franklin Center Road, Cranesville, Pa. I'm self-
6 employed. Been in business for 30 years.

7 I'd like to thank Mr. Springirth, most of all, for
8 spearheading this fight for so many years. He's a very brave
9 man.

10 JUDGE CORBETT: Before you begin, sir, can you tell us,
11 are you an NFG customer?

12 THE WITNESS: I am an NFG customer.

13 JUDGE CORBETT: Okay, thank you.

14 THE WITNESS: At my business; not at my residence.

15 JUDGE CORBETT: Alright.

16 What is your business, sir?

17 THE WITNESS: What's that?

18 JUDGE CORBETT: What is your business?

19 THE WITNESS: My business? Scott's Carpet Showcase, in
20 Edinboro, Route 6N.

21 JUDGE CORBETT: Okay.

22 THE WITNESS: And thanks to the Judges and panel and all
23 the people for coming tonight.

24 Taking the figures from the handout, I'd like to know
25 where they got the figure of \$145 average per month? I don't

1 know many people actually would have that as an average bill.
2 And, \$9.95 a month, they claim would be the typical
3 residential increase. This is an unrealistic figure given by
4 them, to minimize the reality of this increase.

5 I know that my gas bills have doubled in the last eight
6 years. The energy efficiency rider is just another way to
7 penalize the consumer. You can bet, it will only benefit the
8 gas company, and again, the figures provided are slanted to
9 minimize the shock of the gas company's request, and to
10 confuse the consumers. This is another example of the big
11 company wielding its weight and putting the squeeze on the
12 little guy.

13 We just can't afford to keep giving in to this giant
14 bully. Their belts, like the rest of ours, should --- should
15 be able to tighten during the hard times, or else, it's time
16 for some good old-fashioned-Teddy Roosevelt-type monopoly
17 busting.

18 I've been in business for 30 years. I wish I could raise
19 my rates in this manner. What is fair for one, should be fair
20 for all. I'd like to remind the audience that, if we keep
21 electing the same type of politicians, we will keep getting
22 the same results. And I'd also like to know, if we, as
23 consumers, can contact or petition the State's Office of
24 Consumer Advocate, the OCA, and/or the Office of the Small
25 Business Advocate?

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Thank you.

JUDGE CORBETT: Thank you, sir.

Questions?

(No response.)

(Witness excused.)

JUDGE CORBETT: Florence McClanahan.

Whereupon,

FLORENCE McCLANAHAN

having been previously duly sworn, testified as follows:

DIRECT TESTIMONY

THE WITNESS: My name is Florence McClanahan. I live at 7543 Fairfield Drive. Last name is M-c-C-l-a-n-a-h-a-n. I am a National Fuel customer. I work for Emsco, in Girard, Pennsylvania. I do quality control and safety there.

I've worked hard all my life, as all of you people in this room have. I paid my bills. I have excellent credit. But last winter, I started to see it go down the drain, because I just could not keep up with things. Everything is so expensive.

I live in a small rented house. I weather stripped, I put plastic on the window. I don't know what more I could do. I certainly couldn't put new windows in, or even more insulation.

I just can't keep the bills paid. I set my thermostat at 62 degrees. When I went to work in the morning, I set it back

FORM 2

1 to 58. I was sick freezing all winter. People complained
2 about the 90 degree days. I loved it. I was finally getting
3 thawed out.

4 I just don't know how people can do it anymore. If I
5 can't make ends meet. I have to figure out a way to do it.
6 National Fuel needs to figure out a way, too, besides socking
7 their customers.

8 People can only give so much. Like the lady before me,
9 and the gentleman both said, everything has gone up. Well, we
10 understand that. We don't want anybody to go out of business.
11 I depend on National Fuel for my gas, because there's really
12 no one else to get gas from around here.

13 But, be reasonable in what you ask people to pay. And
14 the surcharge is just absolutely ridiculous. I guess, last
15 winter I should have kept it at 74 and 75 degrees and been
16 comfortable. Maybe if we'd all done that, they might ask for
17 a rate increase, but maybe they wouldn't have asked for the
18 surcharge.

19 I just don't know what to do anymore. I do thank you for
20 this opportunity. And I'm really glad all of the people have
21 turned out here, because it's a very important thing, and a
22 big topic of conversation.

23 Thank you.

24 JUDGE CORBETT: Thank you.

25 Questions?

1 (No response.)

2 (Witness excused.)

3 JUDGE CORBETT: Dave Thompson.

4 Whereupon,

5 DAVE THOMPSON

6 having been previously duly sworn, testified as follows:

7 DIRECT TESTIMONY

8 THE WITNESS: My name's Dave Thompson. I live at 118
9 Wilcox Street, in Girard. I work for Orin Supply Industries,
10 in Mill Creek Township. And I am an NFG customer.

11 JUDGE CORBETT: Would you spell your last name for the
12 court reporter, please?

13 THE WITNESS: Pardon me? I ---

14 JUDGE CORBETT: Would you spell your last name for the
15 court reporter, please?

16 THE WITNESS: T-h-o-m-p-s-o-n.

17 JUDGE CORBETT: Thank you, sir.

18 THE WITNESS: I think that National Fuel Gas is totally
19 insane. I try to conserve gas, so that, my bills are payable.
20 They want to negate my efforts. We have to be able to buy
21 gasoline, also. And, I really don't care how many companies
22 they have, Distribution and what the two companies, I forget,
23 Recovery. When they charge us an increase on either one, it's
24 still an increase, and we still have to pay it.

25 I don't want to hear about NFG's ways to conserve energy

1 by insulating, new furnace, new windows, and that kind of
2 thing. Put a new furnace in last year. I'd put more windows
3 in, if I didn't have to pay such high gas prices. They don't
4 help us a bit.

5 I was writing things down as I was thinking. I kept my
6 house last year at 60 degrees, to get through the winter. I
7 put a Kerosun heater in front of the thermostat, so that, it
8 wouldn't come on, so I can keep it, so I can pay the bill.
9 This year I intend to get another Kerosun heater, so I can put
10 it in the living room, so that, at least we can stay warm.
11 And NFG wants me to char --- I paid for the kerosene once.
12 NFG wants me to pay a surcharge, so I can pay them again, too.

13 Let me see. What else? About everything else has been
14 said that I wanted to say. But I'll also say that, I'm
15 disappointed this room isn't totally full to capacity. If it
16 was January and the wind was coming off the lake out there,
17 this place would be full.

18 Thank you.

19 JUDGE CORBETT: Thank you, Mr. Thompson.

20 Questions?

21 (No response.)

22 (Witness excused.)

23 JUDGE CORBETT: Thomas Butler. You can come right up to
24 the podium, Mr. Butler.

25 Mary Lou Seidler, James Foltz and Nancy Dolak.

1 Yes, Mr Butler.

2 Whereupon,

3 THOMAS BUTLER

4 having been previously duly sworn, testified as follows:

5 DIRECT TESTIMONY

6 THE WITNESS: My name is Thomas Butler, B-u-t-l-e-r. I
7 live at 141 Myrtle Street in Girard, Pennsylvania 16417. I am
8 a National Fuel customer. I am retired. I'm 74, which is
9 nice that I'm still alive.

10 The --- the house I live in, I bought 27 years ago. I
11 own it free and clear. And I consider myself one of the lucky
12 people in the world. I have Social Security. I have a small
13 pension from a company in --- in Girard. My wife is on Social
14 Security, and she still is working. So, I'm --- I'm in ---
15 one of the comfortable means. I have a very large house. And
16 even though it's my home, it still is very, very large, having
17 had five children.

18 For 27 years, my wife and I spent an enormous amount of
19 money insulating, putting windows, putting doors, putting a
20 new furnace in. And because my house is large, I put seven
21 zones in and nine zones in. So that, if a room is not needed
22 as far as heat goes, I can turn it off.

23 My 2004 bill for the entire year was \$2900 and some. And
24 that --- that --- it was at the 70-degree temperature. My
25 2005 bill was \$3300. And that was at 62 degrees. And my wife

1 and I wore sweatshirts and covered up with blankets and
2 everything else, in order to get through the --- the winter,
3 without going absolutely broke.

4 And as I said, I --- I'm in one of the comfort zones. I
5 feel sorry for the people that have only Social Security, and
6 maybe only one Social Security. That doesn't tend to go the
7 full distance for all the things that we have to buy.

8 Now, that --- that \$3300, if I had been at 70 degrees,
9 would probably be somewhere in the neighborhood of \$4200,
10 which is, in my estimation, an exorbitant raise in something
11 that is public minded. I mean, it is a public utility. And
12 it should at least be responsible to the public for what it
13 does.

14 Now, the increase that they're asking for is 6%. But
15 that's not just 6%. That's 6%, on 6%, on 6%, on 6%, for the
16 past 19, 20 years. And that is exponentially more expensive
17 as the years go on.

18 Now, part of the Formal Complaint that --- that I put in,
19 was, what can the PUC do for you, or what are you asking for
20 the PUC to --- to do? Well, number 1, I would like you to
21 prohibit them from putting in this --- this rate increase.
22 And especially that portion of it that has to do with
23 conserving the energy of natural gas. And to make no deals
24 with them; just absolutely flat no. I know that sounds harsh,
25 but it --- I mean, they've had so many raises for the past 15,

1 18, 20 years, that they ought to be --- they ought to be able
2 to live with what they have. We have to.

3 My --- my money is not ever going to go up. Nor is my
4 wife's. And we need the PUC to not only prohibit them, but to
5 take a look at them, as a public utility. And I put this into
6 a Formal Complaint, too.

7 The hierarchy, I would like to know whether they're
8 making a profit on our backs. Every increase, do they get an
9 increase in their wage? Do they get a bonus for every
10 increase that they obtain? Do they --- do they make more
11 money individually, getting an increase that all --- all of us
12 pay; that you pay, for that matter?

13 And I don't know --- I don't know that, that is the
14 truth, or even something that you want to look into, or can't
15 look into. But I would ask you to not allow these people to
16 take advantage of us anymore. It's --- it's gotten to the
17 point of ridiculousness.

18 I mean, we --- we conserve. And I imagine everybody in
19 this room did. We've turned off heat, we've --- we've covered
20 up with blankets and all kinds of things. I have never
21 complained, until, "Oh, my goodness, we're not selling enough
22 gas. Give us a little bit more for not using." I think
23 that's ludicrous. I disagree with it.

24 I just thank you all for coming. To have two meetings
25 for the people of Erie is really excellent. Thank you for

1 coming. Thank you very much.

2 JUDGE CORBETT: Thank you, Mr. Butler.

3 (Witness excused.)

4 Whereupon,

5 MARY LOU SEIDLER

6 having been previously duly sworn, testified as follows:

7 DIRECT TESTIMONY

8 THE WITNESS: Hi. My name is Mary Lou Seidler, S-e-i-d-
9 l-e-r. I work at St. Benedict's Center, a Head-Start Program.
10 And I am an NFG customer. And unfortunately, I'm not one of
11 the lucky few. I make \$11 an hour, and I don't qualify for
12 any special programs. These rates are unpayable. I cannot
13 pay my bills.

14 JUDGE CORBETT: Okay, before you begin, before we go too
15 much further, could you give us your address?

16 THE WITNESS: 1014 West 22nd Street, 16502.

17 JUDGE CORBETT: Thank you.

18 THE WITNESS: It's a small house. Last year, I shut
19 three rooms. So, I had a bedroom, a kitchen and a living room
20 open. That was all the more space I had.

21 also, in lieu of the fact that everything everybody else
22 has already said, the only thing I'm going to add to this is,
23 how much is enough?

24 JUDGE CORBETT: Thank you.

25 Questions?

1 (No response.)

2 (Witness excused.)

3 JUDGE CORBETT: James Foltz.

4 Whereupon,

5 JAMES F. FOLTZ

6 having been previously duly sworn, testified as follows:

7 DIRECT TESTIMONY

8 THE WITNESS: James F. Foltz, 8845 Hirsh Road, Erie, Pa.
9 16510.

10 JUDGE CORBETT: And Can you spell your name for the court
11 reporter?

12 THE WITNESS: F-o-l-t-z.

13 JUDGE CORBETT: Thank you.

14 Are you an NFG customer?

15 THE WITNESS: I have been an NFG customer since 1968.

16 JUDGE CORBETT: And, what is your occupation, sir?

17 THE WITNESS: Retired.

18 JUDGE CORBETT: Thank you.

19 THE WITNESS: This increase of 6% is pure and simple, is
20 greed. National Fuel Gas Distribution says that they cannot
21 control their cost of gas. It is their parent company that
22 they are protecting. The company is more secure than the S&P
23 500. This increase, along with many that they have had in the
24 past, has --- and is going to have a detrimental effect on
25 this area of the state.

1 prescriptions, they're giving up food, they're giving up their
2 warmth. It's hard for them to stay healthy, in very cold
3 temperatures.

4 I wanted to thank Ken Springirth and Christine Pontoriero
5 for helping us. And I also wanted to thank you for giving us
6 a chance to speak.

7 JUDGE HOYER: Thank you, Ms. Dolak.

8 Questions?

9 (No response.)

10 (Witness excused.)

11 JUDGE CORBETT: We will call the next three witnesses.
12 Jesse Simpson. Mr. Simpson, you can come right up to the
13 podium. James Smith, Sharon Cullaton, and, oh, boy, Sandy
14 Zawistoski.

15 Mr. Simpson, you may begin.

16 Whereupon,

17 JESSE SIMPSON

18 having been previously duly sworn, testified as follows:

19 DIRECT TESTIMONY

20 THE WITNESS: Thank you. My name is Jesse Simpson,
21 spelled S-i-m-p-s-o-n. And I live at 333 East 13th Street.
22 And, I live in a two-story house. And, I'm here to complain
23 about the rate increase.

24 JUDGE CORBETT: Okay. Are you a customer of NFG?

25 THE WITNESS: Yes, sir. I've been a customer since

1 February of this year.

2 JUDGE CORBETT: Okay.

3 What is your occupation, sir?

4 THE WITNESS: I'm a disabled vet.

5 JUDGE CORBETT: Okay.

6 THE WITNESS: And, like many others in this room that
7 said before, the majority of them is under Social Security. I
8 get Social Security, and, I think it's kind of ridiculous that
9 they're expecting to do the rate increase, while our money's
10 not going to increase, itself.

11 The other --- I've been told that, our minimum wage is to
12 go up. What about people on SSI? They don't get an increase.
13 So, I don't understand why we have to pay more out of our
14 pockets.

15 And, all I get, I have to pay \$450 towards rent. That's
16 almost all my check. Just like me turning my check over to
17 you guys to pay my gas. I think it's ridiculous.

18 Thank you.

19 JUDGE CORBETT: Thank you.

20 Any questions?

21 (No response.)

22 (Witness excused.)

23 JUDGE CORBETT: James Smith.

24 Whereupon,

25 JAMES M. SMITH

1 having been previously duly sworn, testified as follows:

2 DIRECT TESTIMONY

3 THE WITNESS: Thank you. I appreciate being able to
4 address the panel. I'm more appreciative of you noting that
5 PUC stood for the Public Utility Commission. I thought it was
6 the Panel for Upping Charges.

7 I've lived in this town --- I'm --- well, first, I'm
8 James M. Smith, S-m-i-t-h, 253 Stroud Street, Erie,
9 Pennsylvania 16508. I'm retired and disabled.

10 Like everybody says, everybody's keeping their
11 temperatures down and everything. I got a responsibility of a
12 couple grandkids with my wife, that we're looking after for
13 right now. And, wrapping them up the best we can in the
14 winter. I put one window in. It cost \$450. I can't afford
15 to put no more in, because I'm putting all my money towards
16 gas.

17 Now, in all the years I've lived here, and that's been 64
18 years in this town, outside of 9 that I served my country, all
19 I've seen is increases. And prior to an increase, well,
20 before six, eight weeks prior to, National Fuel Gas is out
21 there tearing up streets and doing what it can to eat up every
22 bit of the little extra money they got. And I see it every
23 time. It's a little game that's being played. They ask for
24 14%, so, when they need 5%, so, you'll give them 8%, and
25 they're ahead of it.

1 The people in here are not looking for this being denied,
2 but they're looking for a decrease. This has gone far enough.
3 Now, I'm tired of --- of put --- putting all my money in my
4 house. For 30 years, I bought this beat up place, worked two,
5 three jobs, trying to keep this place going, building. It
6 took me two years to do the kitchen. I did all this work
7 myself.

8 Right after I got the house, maybe five, six years after
9 I got the house, I was told by news media that, they wanted to
10 insulate, because, you know, to keep the rates down. And
11 National Fuel had this big thing going about help --- "Help us
12 by insulating the house." This is 25-some years ago. Same
13 thing we're hearing now. Same literature you got out now.

14 So, I spent \$3500 back then, which is a lot of money,
15 with me trying to make house payments, to insulate my house.
16 Well, 3 months later, applied for an increase and got it,
17 because they weren't making a profit. Does that sound
18 familiar again?

19 This is deja vous. I mean, this keeps happening. When
20 was the last time you ever denied them an increase? When's
21 the last time anybody --- I'd like somebody to start auditing
22 their books, and --- and see if what they're doing is --- is -
23 -- is legal, and --- and, you know, this baloney they gave us
24 the last time, that they're beholdng to their stock broke ---
25 stockholders and everything that, well, if it's that bad,

1 then, I think it's about time the state or so can take this
2 place over and make it run right. Not saying the state can do
3 any better in anything, but they sure can do better than the P
4 --- National Fuel Gas can, because this is getting ridiculous.

5 Every year and every year, twice a year, if it isn't the
6 --- the price of the gas that --- that, you know, all of a
7 sudden it's cheaper, all of a sudden it's more expensive. You
8 know, then they tell you that --- that the main company owns
9 National Fuel Gas, and also owns a company that drills wells,
10 and, they cap all these wells, and the --- after tearing up
11 the Allegheny Forest, they cap all these gas wells down there,
12 'cause they're not producing enough. Somebody ought to be
13 looking into all this stuff, because something is going wrong
14 here.

15 I haven't heard one time, in 30-some years that I've
16 owned a house, of GE workers ever fighting over a union
17 contract. I --- I --- I just --- it seems like, at least, you
18 know, they --- they settle up real quick, if they have
19 disputed it, because the --- the money's going somewhere.
20 Their executives just --- just what an executive makes down
21 there, I mean, you can get rid of the CEO's. You don't need
22 one. Let the P --- PUC get up. Let them, you know, just, you
23 know, give the increase. I mean, a CEO, what he makes, if you
24 throw that back in the company, that would knock \$10 off my
25 bill.

1 JUDGE HOYER: Now, while we have a brief interruption,
2 I'll remind the audience to, I know this is an emotional
3 proceeding, but please refrain from applause. We have several
4 witnesses to hear from yet this evening, and we want to make
5 sure we get to everyone. Okay?

6 You may continue.

7 THE WITNESS: Now, I'm not trying to mock anybody, or
8 start something, or, you know make it sound, you know, but
9 it's ridiculous. There's got to be a point that somebody, you
10 know, realizes what is happening, especially to this section
11 of the country.

12 Pennsylvania is --- is --- is --- I mean, we ought to be
13 part of New York, because Pennsylvania doesn't realize what
14 this section of the country does get, as far as what --- it's
15 cold out there. And I mean, that wind blows off that lake,
16 and it's cold up here.

17 And these people aren't give --- when they talk --- talk
18 about turning the thermostats down to 62 and that, well,
19 mine's down to 67 or 65, sometimes. But, it doesn't heat the
20 outside walls. You're talking living next to, you know, next
21 to the heating duct, vents. I mean, that's what they're not
22 telling you. You can't go by the windows, because it doesn't
23 heat the outside wall. And God forbid, you know, the person
24 that says to turn the thermostat down to 62, and coming back
25 in the house and turning it up to 65, well, that's a fruitless

1 effort. It's never going to heat the outside walls of the
2 house. It's never going to heat --- you're not going to even
3 notice the difference.

4 There is very little person can do to conserve energy,
5 outside of turning it off. I put in a new furnace. It cost
6 me \$1500 last year. My rate's up are higher. And this is
7 energy efficient. I can't beat it. No matter what I do, from
8 25 years ago to now, every time they ask for a raise, they've
9 got a complete justification for, while I think their
10 stockholders are due a little bit challenge on --- on this
11 dividends. And I think it's about time they get held
12 accountable for all of these years that they have taken this
13 section of the country to task. We need help, we need
14 denials, and we need to look into possible reductions in some
15 of these areas, because something is wrong.

16 My gas bill was --- was \$17 to \$24 back in '76. Now,
17 it's around \$200. And I'm complaining, and these people, for
18 what they make, I'm getting \$1066 on Social Security. Some of
19 these people are lucky to get \$800.

20 My house --- my gas --- my gas is almost twice what my
21 house payment was. My house payment was only \$127 a month.
22 My gas bill's \$200. I mean, it's ridiculous. I bought a
23 house, and now, I'm --- I'm buying National Fuel Gas.

24 Well, I appreciate, you know, you coming to Erie, but I
25 hope that, in the future, you decide that, this is part of the

1 country that's got a little involvement in these gas rates,
2 and not Harrisburg. 'Cause we need the people up here, and --
3 - and one reason that I want to point out, you see all these
4 empty seats? It's because what has happened for over 30
5 years. People will --- do not believe this works. They do
6 not believe in your system.

7 Thank you.

8 JUDGE HOYER: Thank you.

9 Any questions?

10 (No response.)

11 (Witness excused.)

12 JUDGE HOYER: Before I call the next witness, I'd just
13 like to remind everyone, we want to hear from everyone.
14 Please try and keep your comments within our prescribed time
15 frame of five to ten minutes.

16 Ms. Cullaton?

17 Whereupon,

18 SHARON CULLATON

19 having been previously duly sworn, testified as follows:

20 DIRECT TESTIMONY

21 THE WITNESS: My name is Sharon Cullaton. I live at 115
22 Cypress Street, 16504. I'm a teacher at Lawrence Parks School
23 District --- I'm sorry, Iroquois School District. And, I am
24 an NFG customer now, and my parents were prior. Did I get it
25 all?

1 JUDGE HOYER: Please spell your last name?

2 THE WITNESS: Oh, spell the last name. C-u-l-l-a-t-o-n.

3 JUDGE HOYER: Thank you.

4 THE WITNESS: I'm sorry.

5 I made some notes. They're certainly nothing you can
6 follow, so, I followed the list. I didn't type it up.

7 One of the things that I'd like the PUC to understand is,
8 we have nothing but monopolies up here in the chimney. We
9 don't have a choice of gas. And part of that is, I think
10 that's part of why they get away with the amount of money they
11 charge us.

12 The same is true for all the utilities, so, you'll hear
13 this again, I'm sure. But, there is no choice up here. They
14 --- they've either been bought out, or kicked out. Any
15 choices we had back when the law was passed a few years ago.

16 I went to the LICON meeting. And I really can't
17 remember. I believe it was one of the lawyers for NFG, held
18 up a piece of pipe. And he said, "This is what we're asking
19 the increase for." And I'm like, "That should be a line item
20 in your budget. You shouldn't have to ask for an increase for
21 that. It should just be there, and it should be part of the
22 extrapolation you go through when you're making a budget up."

23 The company is responsible for delivering gas. Part of
24 that responsibility is maintaining its equipment.

25 The role of the company's investors is to make money. We

1 all know this. But it is contingent on the ebb and the flow
2 of the economy. And it is con --- what they --- what they get
3 as a profit. It's contingent on the ebb and the flow of the
4 economy, and the adeptness of their management structures. As
5 about six other people have pointed out, I really question
6 that. I really do. I don't see why, for 20 years, we've been
7 paying an increase every year.

8 The responsibility of the investor is also to make their
9 money, but not stabbing John Q. Public in the back, while
10 they're doing it. And that seems to be what's going on.

11 I teach. I have a fairly decent living. I'm having
12 trouble making my bills. It me, the cat and a house. I have
13 to take care of my mother's business, because we had to put
14 her in a home. She would not be able to pay for the house
15 that she and my dad owned, based on bills that are coming for
16 her. She would not have been able to make it. Many of the
17 people in this room cannot make it, as retired folks.

18 I don't want to repeat myself, because everybody has said
19 what I have down.

20 Oh, I thank Mr. Hanlin for quoting his prices of other
21 gas companies. Erie sits on a great big well of gas. I don't
22 know if you know that or not. Why aren't we using it? Why do
23 we have to bring it in from Canada, bring it in from wherever
24 else we're getting it, when we're sitting right on top of
25 some? Makes no sense to me.

1 I want to thank you for coming up. I invite you to come
2 up in January. I'll take you all out to dinner.

3 Thank you very much.

4 JUDGE HOYER: Thank you.

5 Questions?

6 (No response.)

(Witness excused.)

7
8 JUDGE HOYER: Sandy Zawistoski.

9 Whereupon,

10 SANDY ZAWISTOSKI

11 having been previously duly sworn, testified as follows:

12 DIRECT TESTIMONY

13 THE WITNESS: My name is Sandy Zawistoski. It's Z-a-w-i-
14 s-t-o-s-k-i. I live at 8221 Hamlet Road, Erie, Pa. 16509. I
15 am a National Fuel customer, and I'm a realtor.

16 I have a couple of things I wanted to say. I did want to
17 bring this up, the Section 8 housing. I don't know who pays
18 for their gas, if they have gas that they pay a certain
19 percentage of, but when I do show income properties, and
20 they're Section 8 people, I go in there, and I'm hit with a
21 blast of heat. They're sitting there in their tank tops,
22 shorts, windows are open, little babies are running around in
23 diapers. If we, the consumers, are paying for that, maybe
24 somebody should look into the Section 8 and see what can be
25 done about turning down their gas a little bit.

FORM 2

1 I kind of look at their thermostats when I walk through
2 the rooms, and they're set at 90, 95 degrees, while I'm at
3 home at 68, sometimes 65, my sweats, with a blanket, walking
4 around. So, my home is very well insulated. It is made out
5 of split-base block, cement block. So, that is ten inches
6 thick. And I have insulation and drywall. So, we're talking
7 a little over a foot thick building that I live in. My gas
8 bills in the winter average somewhere around \$280; sometimes
9 \$300.

10 The second thing I wanted to bring up is, my daughter has
11 --- I want to speak on her behalf, because she could not be
12 here tonight. She's watching her little one. She makes \$1300
13 a month. She's self supporting. Between her mortgage and her
14 car payment, that leaves her about \$450 a month to spend. Her
15 gas bills have sometimes been more than mine, and she heats up
16 probably 2/3 the space that I do.

17 Out of that \$400-some, she has to pay for food, electric,
18 phone, water, sewer, gas, to drive to work, to drive her
19 daughter to school and pick her up, insurance, tuition for her
20 daughter, taxes, plus National Fuel. So, if you could help us
21 out, that would be great.

22 Some of the other things I wanted to talk about were the
23 things everybody else did, too. And I do thank you for
24 coming.

25 JUDGE HOYER: Thank you.

1 Any questions?

2 (No response.)

3 (Witness excused.)

4 JUDGE CORBETT: Okay, Mick Borland. You can approach the
5 podium, and the following witnesses come forward and take the
6 three seats that are right in front of me: Jean Putnam, Jill
7 Patton and Laurie Walker.

8 You may proceed, Mr. Borland.

9 Whereupon,

10 MICHAEL BORLAND

11 having been previously duly sworn, testified as follows:

12 DIRECT TESTIMONY

13 THE WITNESS: Well, my name is Michael Borland. That's
14 B-o-r-l-a-n-d. I live at 8600 Route 18, in Pennsylvania. I'm
15 employed at EAP Diecast in Fairview. I'm a member of the
16 United Steel Workers, 3199-18 there. I've been a part of
17 organized labor for 25 years that I've worked there. And, I
18 hate to say it, but, I am one of the few industrial workers
19 left in this area. I'm a maintenance technician. I've done
20 maintenance there most of my life. And, I hate to say it,
21 but, I am very fast becoming one of the working poor.

22 The people in this nation need some relief. And, we're
23 here tonight to not request, but demand some action on your
24 part. I heard some people muttering as I come in, "Is it the
25 Public Utility Commission, or the Private Utility Commission?"

1 The way I see it, you work for corporate America. And
2 we're here to tell ya', we want that to change right now. We
3 have had enough. We want our rates decreased. We're not here
4 to --- just to stop this rate increase, we want a little
5 backward.

6 Some 18 years ago, I built a new house. And, at that
7 time, I left an old house that I'd lived there for 12 years.
8 Over that 12 years, we kept track of our National Fuel usage.
9 The first year I lived there, I insulated the whole house, and
10 I put in a woodburner. Every year, we kept track of how our
11 usage went down, and our rate increase --- increased, again,
12 and again, and again.

13 Well, 18 years ago, when we built the new house, we
14 planned for these increases. We built a new house, we
15 insulated, new windows, everything was brand new. I put two
16 furnaces in. I heat with National Fuel Gas, unfortunately.
17 But I also --- I put a wood furnace in at the same time. For
18 the first 12 years we lived there, I didn't use my woodburner.
19 I used National Fuel Gas. My actual bill was \$60 a month.

20 Well, several years ago, they started with these 40% rate
21 increases, and they haven't stopped since. It has got to
22 stop. We cannot bear this anymore.

23 I am buying my own firewood now. I went through two back
24 surgeries, so, I'm not able to go out and cut firewood. I
25 started out buying firewood many, many years ago, for

1 probably, \$40 a cord. Then it went up to \$90 a cord several
2 years ago. When they announced a 40% pay increase, I said,
3 "That is enough." I'd rather give it to John Smith, or
4 whoever else is out there cutting firewood and making money,
5 rather than give it to that corporation, National Fuel Gas.

6 Well now, my firewood has increased from \$90 a cord, to
7 \$150 a cord. That poor guy's got to have more gas money to
8 run his chainsaws and that. I think it's time the CEO and the
9 XO's of these big corporations are held accountable, and make
10 them take less money. We can't put up with this anymore.

11 I'd like to thank Ken Springirth and Christine Pontoriero
12 for spearheading this. And I would like to thank all my
13 fellow Americans that are here tonight to help represent us.

14 But we have had enough. And we demand action on your
15 part. And we're going to be looking forward to seeing how you
16 rule on this. And if we don't see some action taken, it's
17 time the Public Utility Commission is replaced with working
18 Americans.

19 Thank you very much.

20 JUDGE HOYER: Thank you.

21 Any questions?

22 (No response.)

23 (Witness excused.)

24 Whereupon,

25 JENNIE PUTNAM

1 having been previously duly sworn, testified as follows:

2 DIRECT TESTIMONY

3 THE WITNESS: I'm Jennie Putnam, P as in Paul-u-t-n-a-m,
4 3103 West 25th Street, Erie, 16506. I an am NFG customer. I
5 am co-owner of American Multi Technology.

6 My family and I own a small injection molding business.
7 We have 17 employees. Any profits we bring in, we invest back
8 into the business. We do not line our pockets. If we do not
9 invest our profits back in to the business, and we pass it on
10 to our expenses to our customers, our customers go to China.
11 We are cap --- captured customers of NFG, and we cannot choose
12 another gas provider. Maybe NFG should make improvements with
13 the current huge profits they have made, and stop punishing
14 the small businesses.

15 And as a small owner, also, one question for National
16 Fuel Gas: Why does National Fuel Gas read meters every other
17 month? This leads to estimating our gas usage six months out
18 of the year. Of course, estimated reading is higher than
19 usual. You are holding that extra overage money. If it ---
20 if it is one customer's money that isn't much, but with
21 thousands of customers, that held money can result in quite a
22 bit of earned interest for you.

23 Needless to say, you are also cutting down on meter
24 readers. Again, a cost savings for you.

25 Thank you very much.

1 JUDGE HOYER: Thank you.

2 Questions?

3 (No response.)

4 (Witness excused.)

5 JUDGE HOYER: Jill Patton.

6 Whereupon,

7 JILL HRINDA-PATTEN

8 having been previously duly sworn, testified as follows:

9 DIRECT TESTIMONY

10 THE WITNESS: Hi. Can you hear me?

11 JUDGE HOYER: Yes, I can hear you.

12 THE WITNESS: Okay.

13 My name is Jill Hrinda-Patten, and my last name is H-r-i-
14 n-d-a - P-a-t-t-e-n. I live at 4130 Neptune Drive, Erie,
15 Pennsylvania 16506. I am an NFG customer, and, I work at
16 Voices for Independence.

17 I just want to talk about people with disabilities. I
18 work with people with disabilities. And, many of them --- we
19 make up about 25% of the population of all ages and all income
20 levels. And, oftentimes, a significant number of our
21 community is on such limited income, that they can't pay the
22 increases that are proposed.

23 Myself, I do work, and a lot of people with disabilities
24 do work. Whether we work or not with disability, you have
25 other costs that other people do not. We have more medical

1 expenses. We have to pay for medicines, medical equipment,
2 wheelchairs, things of that nature. We have conditions that
3 we have to take care of, so we have to keep the heat a little
4 bit higher. And, I just strongly urge that those increases
5 are denied, and, I thank you for your time.

6 JUDGE HOYER: Thank you.

7 Any questions?

8 (No response.)

9 (Witness excused.)

10 JUDGE HOYER: Okay, Laurie Walker.

11 Whereupon,

12 LAURIE WALKER

13 having been previously duly sworn, testified as follows:

14 DIRECT TESTIMONY

15 THE WITNESS: Good evening. My name is Laurie Walker.
16 And Laurie is spelled L-a-u-r-i-e. And then, W-a-l-k-e-r. I
17 live at 330 Hess Avenue, Second Floor, Erie 16507. I'm a
18 clerk typist II, and I work for the Albion State Prison. And
19 I am an NFG customer.

20 I live in a rental. And it is an older home down by the
21 lake. I'm on the second floor. And I know people say heat
22 rises, my heating should be less. It isn't.

23 Unfortunately, my landlord is on disability. He has
24 tried many times to get the place insulated. Unfortunately,
25 they make me apply. I make a decent living. So therefore,

1 he's turned down to get the help that he's trying to get to
2 fix up the home. He has put in some new windows, but my costs
3 didn't go down, at all. In fact, they've increased.

4 I'm on balanced billing, because I can't afford to, hope
5 to God, to save the money during the winter to pay --- the
6 summer, to pay the winter heating bills. I pay \$180 a month
7 on balanced billing. In the winter, I take my bedroom, I move
8 it into my dining, and I shut off my bedroom and my bathroom.
9 I dread having to take a shower, because of the fact that, I'm
10 freezing cold as soon as I get out.

11 I have had an increase in being ill, because the ---
12 everything's just so cold. I turned down the heat. We've
13 heard NFG for years state, "Conserve. It'll lower you costs.
14 Conserve. It'll lower you costs." And as many people have
15 said, all we've seen is increases. Where have --- where is
16 the lower cost coming? And now, they want to surcharge us for
17 saving?

18 And again, many people have said, so, I won't repeat
19 myself, but, something's got to be done to help all of us:
20 those on fixed incomes, those who are trying to survive. I
21 feel like I'm being held prisoner by NFG, because I can't even
22 save the money to move, or to buy my own home, because every
23 time I turn around and start getting some money, NFG get's an
24 increase. There goes my money. And unfortunately, yes,
25 everything else is increasing at the present time, too.

1 We cannot, as citizens, take many more increases anymore.
2 Somewhere, somebody's got to say, "Hey, wait. We've got to
3 help people. We've got to either contain the costs, or lower
4 them."

5 I wish to thank you guys again for coming up here. And I
6 wish to thank my fellow public for being here to also be
7 heard.

8 Thank you.

9 JUDGE HOYER: Thank you.

10 Any questions?

11 (No response.)

12 (Witness excused.)

13 JUDGE HOYER: Okay, Tim Colaizzi, if you could please
14 come to the podium? And the following three individuals come
15 forward take the seat in front of the podium: Erwin Marz,
16 Joseph Kaliszewski and Pamela Mathews.

17 You may proceed.

18 Whereupon,

19 TIM COLAIZZI

20 having been previously duly sworn, testified as follows:

21 DIRECT TESTIMONY

22 THE WITNESS: Yeah, my name is Tim Colaizzi, T-i-m, C-o-
23 l-a-i-z-z-i. I live at 333 East 13th Street, Erie, Pa. 16503.
24 And, I --- I want to say no to the gas company on their rate
25 increase, 'cause I'm also here at Acorn, and, I feel that, if

1 they're getting an increase, how come I'm not seeing any in my
2 wage increase? I work as a pizza delivery person, odd jobs.
3 And every time National Fuel wants to raise their rates, they
4 get it. Every time we ask for minimum wage to get raised a
5 little, we get denied.

6 In the last 10 years, National Fuel got every rate
7 increase they wanted. Minimum wage hasn't gone up in 10
8 years. It's time for a change.

9 JUDGE HOYER: And, are you a National Fuel Gas customer?

10 THE WITNESS: Yes, sir.

11 JUDGE HOYER: Okay. Are you --- are you finished?

12 THE WITNESS: Yes, sir.

13 JUDGE HOYER: Okay.

14 Any questions?

15 (No response.)

16 JUDGE HOYER: Thank you.

17 (Witness excused.)

18 JUDGE HOYER: Okay, Erwin Marz.

19 Whereupon,

20 ERWIN MARZ

21 having been previously duly sworn, testified as follows:

22 DIRECT TESTIMONY

23 THE WITNESS: What should I call you? Should I just call
24 you Your Honor, or what?

25 JUDGE HOYER: That's fine.

1 THE WITNESS: Can I call you Surcharges?

2 Okay, the thing I want to talk about, I just have to use
3 more electric, so, appliances that sit on my gas stove. I got
4 my microwave oven, like most people have, electric fry pan,
5 just to try to conserve on some gas. I even have a couple
6 heaters for during the wintertime, to supplement the heat from
7 the gas.

8 JUDGE HOYER: Would you state your name, address, and
9 spell your name?

10 THE WITNESS: Oh, Erwin with a E, E-r-w-i-n. My last
11 name is M-a-r-z.

12 JUDGE HOYER: Your address?

13 THE WITNESS: 919 East 7th Street, Apartment 3.

14 JUDGE HOYER: Okay. Your occupation?

15 THE WITNESS: I'm --- I'm retired.

16 JUDGE HOYER: Okay. And you are a customer of NFG?

17 THE WITNESS: I've been a customer since 1955.

18 JUDGE HOYER: Thank you.

19 THE WITNESS: Okay?

20 Okay. I had to change the way I cook my meals to save on
21 gas. And then, I freeze the rest of it, and I use a microwave
22 to make my meals. Okay.

23 And one thing I want to know is, the surcharges, would
24 they be on a sliding scale, based on one's income, or it is
25 just going to be a flat fee for everybody? I'd like to know.

1 But anyway, I'm going to go on. Okay, senior citizens
2 like me, we want to do things, like belonging to a chorus,
3 maybe singing, or taking dance lessons, so we can go to a
4 dance. We want to take pictures of things and people, do
5 gardening, we want to play an instrument, or do things and go
6 places, like ballgames and that.

7 What this is leading up to, we like to do these things,
8 and we want to be going places, and we want to be able to do a
9 little shopping, like, at Wal-Mart or K-Mart, or other retail
10 stores. But the lower our small income is reduced by charges
11 and surcharges, the less we have left to buy the things that
12 are necessary, like food, medicine and clothing. Take all
13 these things away, and we may as well stop living.

14 When the weather gets colder, and our gas bills go up, we
15 have to sacrifice a lot of things, and still survive in the
16 cold. By turning down the heat, we get --- as we get older,
17 we really need that heat. And it's really tough to survive in
18 today's world. Why make it impossible?

19 Thank you.

20 JUDGE HOYER: Thank you.

21 Questions?

22 (No response.)

23 (Witness excused.)

24 JUDGE HOYER: Okay, Joseph Kaliszewski.

25 Whereupon,

1 JOSEPH KALISZEWSKI

2 having been previously duly sworn, testified as follows:

3 DIRECT TESTIMONY

4 THE WITNESS: My name is Joseph Kaliszewski, K-a-l-i-s-z-
5 e-w-s-k-i. I live at 3720 Emmett Drive, Erie, Pa. I am
6 retired, but I'm working part time for Classics Word Copying,
7 and, I'm also a Commissioner of Lawrence Park, so, I guess I'm
8 speaking on both of those behalves. And also, I want to speak
9 on behalf on mother, who's 91 and couldn't make it here.

10 JUDGE HOYER: Are you an NFG customer?

11 THE WITNESS: Yes, I am. So are my people from Lawrence
12 Park.

13 I want to talk about --- talk about my mother first, make
14 it very short and sweet. She's 91, and I talked her into it.
15 This year is the first year ever she applied for Energy
16 Assistance, and got it. Because National Fuel raised the rate
17 so high. And I argue with her every day, because she has to
18 keep her temperature at 68, 'cause you have conserve. 'Cause
19 National Fuel, it was only a few years ago, maybe five, six
20 years ago, had a great drive on. You gotta spend money,
21 putting new windows in, do insulation, all this stuff. I
22 mean, they were big on it. They would even come to your house
23 free and help, show you where you could do energy costs.
24 Because, it was costing so much to get gas, it was so hard to
25 get gas and get the supply ordered, all the supply and all

1 that, because our winters were so cold. And people, older
2 people especially, spent big dollars on it.

3 And on my own particular case, I didn't do it. I said
4 you know, "They're going to get us one way or the other." So,
5 I'm just going to enjoy life. Like I say, she's 91 and going
6 strong, but, she got her Energy Assistance. And she felt bad
7 about it, because she's on Social Security, and she's one of
8 the people from the old school, that have pride. "I can find
9 a way," you know, and so on. But I just wanted to let that be
10 known or anything else.

11 And secondly, like I said, I speak as a Commissioner.
12 I'm a elected official. I look at it and I say, Erie's in
13 trouble. Erie area is trouble. We've lost highly paid ---
14 many, many industries. At a time like this, both the state
15 and Erie, in particular, have a huge problem. We try to get
16 industry people to come back --- come back to the area. And
17 it is a beautiful area. We survive our winters. We moan and
18 groan, but, the summer makes up for it.

19 But the point being, if they raise the rates right now, I
20 know the gas rates down in Pittsburgh area are lower, other
21 parts of the state they're much lower. And here we go again
22 with National Fuel raising our rates.

23 And, you know, I look at that, and I look at like, the
24 minimum. First of all, we're all here because they're going
25 to put a surcharge on, 'cause all of a sudden, we got a couple

1 of good, warm winters, and they weren't making enough money,
2 after they told us to conserve.

3 Well, you know, next winter they may make a fortune, if
4 the almanac's right, 'cause it says it's going to be a real
5 bitter, cold winter. See, and all of a sudden it's going to
6 be brutal for the average person.

7 But the point being, you know, you can't bring back
8 industry or anything else, if our rates are higher than the
9 rest of the state. And even if you get Energy Assistance, you
10 know, some can't pay for that and get that extra money. And
11 it'd be nice if they didn't have to pay, if we could work
12 something out, you know, where the rates were such, that she
13 still could pay.

14 So, I just want you to consider that. You know, from a
15 standpoint as a public official, we need help. We don't need
16 more rates increases. We need rate decreases, so we can bring
17 industry in. If we did, if we had a lot more industry, then,
18 they wouldn't need the money, because they'd be getting it in
19 the industry.

20 And with that, I thank you for coming. And I hope you
21 consider, you know, very thoroughly.

22 JUDGE HOYER: Any questions?

23 (No response.)

24 JUDGE HOYER: Thank you.

25 (Witness excused.)

1 JUDGE HOYER: Pamela Mathews.

2 Whereupon,

3 PAMELA MATHEWS

4 having been previously duly sworn, testified as follows:

5 DIRECT TESTIMONY

6 THE WITNESS: Hi, my name is Pamela Mathews. That's M-a-
7 t-h-e-w-s. I live at 4426 Garden Avenue, Erie, Pa. 16508.

8 And I'm here because, I don't want to see this surcharge go on
9 our gas bills, 'cause I get --- I get Comp, and I'm paying my
10 medical expenses, and I just can't afford it, you know, with
11 the income I get right now, and I'm not working nowhere.

12 JUDGE HOYER: Are you an NFG customer?

13 THE WITNESS: Yes, I am. I've been an NFG customer for
14 about 17 years. And that's --- I just go along with all the
15 people are saying. I agree. It's all true. We don't need a
16 surcharge on anything.

17 So, that's all I have to say. Thank you.

18 JUDGE HOYER: Thank you.

19 Any questions?

20 (No response.)

21 (Witness excused.)

22 JUDGE HOYER: And would the following individuals please
23 approach the podium: Pat Henry and Rose Rose, Thaddeus Oslak
24 and Tim Gooley? Please come up and be seated in front row.

25 Whereupon,

PAT HENRY

1
2 having been previously duly sworn, testified as follows:

3 DIRECT TESTIMONY

4 THE WITNESS: Good evening.

5 JUDGE HOYER: Good evening.

6 THE WITNESS: I'm Pat Henry. And it's spelled H-e-n-r-y.
7 And, my address is 202 West Ninth Street.

8 On behalf of everyone here, and National Fuel Gas, as
9 I've been saying before, other than we heat with hot water,
10 National Fuel ---

11 JUDGE HOYER: Your occupation? Sorry to interrupt you.

12 THE WITNESS: I'm on disability and Comp.

13 It's very hard for people that have low income. They
14 cannot maintain the high surcharge. And ---

15 JUDGE HOYER: You are an NFG customer?

16 THE WITNESS: Yes.

17 Where my building is, it's all included with my rent.
18 But still, it --- it --- you know, it's going to affect
19 everybody, on behalf, and it's not right. It is not right.

20 And also, I'm helping my parents out that are on National
21 Fuel Gas with heat. And, my dad, he's on disability. He's
22 retired. You know, what's going to happen to my parents? You
23 know, these are senior citizens. You know, what's going to
24 happen to them? And we're baby boomers. Some of us here are
25 baby boomers. What's going to happen, you know? Are we going

1 to have to live in a tepee somewhere, so we all keep warm,
2 building a fire, you know?

3 This is what Native Americans do, live in a tent, have a
4 nice tent. We're going to have to go back to that again, I
5 would think. What we do? We have to. But, what's all going
6 to come out in the beginning? It's --- it's too bad, you
7 know. I mean, they have to have somewhere where they can live
8 on a budget. We do. We have to live on a budget every month.

9 So, I hope everybody can take this into consideration.
10 Please do not raise the rates. We don't need it. And neither
11 does my parents, and all the senior citizens.

12 Thank you very much.

13 JUDGE CORBETT: Thank you.

14 Any questions?

15 (No response.)

16 (Witness excused.)

17 JUDGE HOYER: Rose Rose.

18 Whereupon,

19 ROSE ROSE

20 having been previously duly sworn, testified as follows:

21 DIRECT TESTIMONY

22 THE WITNESS: My name is Rose Rose, R-o-s-e. I live at
23 3330 Route 6, Barker, Pennsylvania. I am an NFG customer.

24 JUDGE CORBETT: Your occupation?

25 THE WITNESS: My occupation is, I'm a physical therapy

1 technician.

2 Approximately, two years ago, we read about the
3 hurricane. Because of the constant increases and the rates
4 and everything in the gas company, we started looking for ways
5 to heat our home, which we have done successfully. And, the
6 first year we received bills from NFG in the amount of \$000,
7 because we were not using any gas, at all, from NFG.

8 This year, in the last three or four months, we have
9 started to receive gas bills from NFG in the amounts of
10 \$10.99, one was \$12.99 another month, \$13.99 another month.
11 It's never a consistent amount. We called NFG to find out why
12 we were being charged this amount, when we were not using
13 their gas. And, the answer that we received at that time was
14 that, "Well, since you're not using your gas, and there's no
15 gas going through the lines that you're being charged for,
16 we're going to charge you, because you are hooked up to our
17 facility." So, we're paying already, a gas bill for zero
18 usage. And now, you're contemplating a surcharge for people
19 that are not using enough gas? Are we going to be charged
20 again, another surcharge, on top of what we're already being
21 charged for, for using no gas?

22 Another thing I was wondering is, how can it be legal to
23 charge someone for something they're not using? Can that be
24 legal? Can you charge them for nothing? I wish you would
25 please look in to that for myself and anyone else that has

1 done their best to conserve their usage. We've conserved ours
2 beyond what most people can do. And, we're still paying. And
3 we're not getting a thing. And that's all I have to say.

4 JUDGE CORBETT: Thank you.

5 Any questions?

6 MR. LAWRENCE: Yes, thank you, Your Honor.

7 CROSS-EXAMINATION

8 BY MR. LAWRENCE:

9 Q Ms. Rose, I'm Darryl Lawrence, Pennsylvania Office
10 of Consumer Advocate.

11 You alluded to, in your testimony, that you had
12 completely transferred to an alternative heat source? Could
13 you expound on that, please?

14 A Yes, we have a gas well on our property. We
15 connected to our own gas well. And we just turned off
16 National Fuel Gas's well, and turned our own on. So, we have
17 not been using any of National Fuel Gas's gas through our
18 line, at all. And we're being charged for this, because we
19 still have that ability that we could switch back on. If
20 something would happen to our well, if our well would go dry,
21 we could switch back over, and turn on that valve, and use
22 NFG's fuel. Right now, we're not. And yet, we're still
23 paying, even though we're using none of their gas, at all.

24 Q Not being completely familiar with Erie, as far as
25 the city, you --- you obviously --- you don't live inside of

1 the city limits?

2 A No, I don't. I live in the county.

3 Q In proximity to the City of Erie?

4 A I pity my son.

5 Q Okay.

6 MR. LAWRENCE: Thank you very much.

7 THE WITNESS: You're welcome.

(Witness excused.)

8
9 JUDGE CORBETT: Thadeus Oslak.

10 Whereupon,

11 THADEUS OSLAK

12 having been previously duly sworn, testified as follows:

13 DIRECT TESTIMONY

14 THE WITNESS: Good evening. My name is Thadeus Oslak. I
15 live at 19 Maplenut Lane, Erie, Pennsylvania 16510. This is
16 in Woodhaven Mobile Home Park. If you want to get one step up
17 from a tepee, get a mobile home.

18 JUDGE CORBETT: Would you spell your last name for me,
19 please?

20 THE WITNESS: O-s-l-a-k.

21 JUDGE CORBETT: Thank you.

22 THE WITNESS: I have been a National Fuel Gas customer
23 since 1972. I'm currently retired, doing construction work.

24 Just in regard to the general increase, I kept track of
25 my gas usage and the cost for ccf. One time it was .88. It

FORM 2

1 went up to \$1.35. Everybody's talking about a 40% increase.
2 And I did the math on this. The raise was a 53% increase.

3 If you live in a mobile home, you know there's limits to
4 the amount of insulation that you can do. I put in extra
5 ceiling tiles in the kitchen and living room, got insulated
6 drapes, put them on the windows, as well as plastic on the
7 outside. And along with some other people that testified here
8 today, it seems like the borderline area for comfort is 62
9 degrees, which I kept most of the time during the winter,
10 except when you get the shivers, and then, kick it up to 64.
11 Get used to wearing sweaters, and buying multiple electric
12 blankets.

13 The thing I have a problem with NFG's request, is that,
14 they're basically asking us to pay for service not being used.
15 And this charge for service not being used, to me, learned
16 Judges and attorneys, is nothing more than theft. You're
17 getting asked to pay for something you're not using. It's
18 like a trucking company charging you for material that's not
19 being shipped. I don't see any sense to this. To me, it's an
20 insult, insult to all the NFG customers, and total lunacy.

21 That's all I have to say.

22 JUDGE CORBETT: Thank you.

23 Questions?

24 (No response.)

25 (Witness excused.)

1 JUDGE CORBETT: Tim Gooley.

2 Whereupon,

3 TIM GOOLEY

4 having been previously duly sworn, testified as follows:

5 DIRECT TESTIMONY

6 THE WITNESS: It's Tim Gooley, G-o-o-l-e-y, 630 East 29th
7 Street, Second Floor, 16504.

8 I am aghast. I would like to know why, nine months
9 estimated bills? I'm paying a flat rate every month, \$150.
10 They're giving me a \$49 credit, but I still have to pay the
11 bill, or they're going to shut me off. That's why I'd like to
12 know what's going on.

13 We're paying for services, and we're paying for utility,
14 and yet, they're screwing us on the back door.

15 Thanks.

16 JUDGE CORBETT: Could you state your occupation for the
17 record?

18 THE WITNESS: I'm retired.

19 JUDGE CORBETT: Okay, thank you.

20 THE WITNESS: I used to work for Carrier. I used to
21 install heating and air conditioning, for 20 years. I did my
22 best to make sure everything was as copecetic as you can.
23 This is ridiculous.

24 JUDGE CORBETT: Any questions?

25 (No response.)

(Witness excused.)

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JUDGE CORBETT: Okay.

Would the following individuals please approach the podium: Vic Kaliszak, and three other individuals please come and take a seat: Jay Hollenbeck, Hillary Entley and Mark Aleks?

Yes, sir, you may proceed.

Whereupon,

VIC KALISZAK

having been duly sworn, testified as follows:

DIRECT TESTIMONY

THE WITNESS: My name is Vic Kaliszak, K-a-l-i-s-z-a-k, 1146 East 40, zip code, 04. I'm retired.

JUDGE CORBETT: Are you an NFG customer, sir?

THE WITNESS: Yes. I've lived in my house for 50 years. I've been, whoever sends the gas there, which is NFG at the moment.

I want to answer a question of one of the ladies that was speaking earlier. Rose asked if NFG is attempting to, what's the word, get a charge a surcharge? If a service is not provided, then, the answer to that is yes. It's what provider's do.

And, to answer her other question, the proposed residential customer charge, to increase from roughly, \$12 to \$20, for services not provided, the answer is yes. That's

FORM 2

1 what NFG wants to do.

2 My plea to you, is to have NFG provide to you some other
3 course, in which they can do business and provide services to
4 their customer. Presently --- presently, they want
5 residential customers to bear 6% increases, and \$8-a-month
6 additional charge. I think they should spread the pain. Why
7 should a shareholder be getting a dividend every year, year
8 in, year out? Why should they --- the company management, why
9 should they be getting monumental increases? For what?

10 We're looking at a company now, that, for some reason,
11 can't make it. They're coming back to the residential
12 customer, asking us to help them out in their management
13 practices.

14 What you should do is challenge their management
15 practices. There's fat in there everywhere. They don't have
16 to respond to anybody. They fall short, they come to the PUC,
17 they file for a rate increase. And for some reason or other,
18 they get it every time.

19 They're asking us to take the pain. As far as I know,
20 they haven't taken any pain, at all. There's nothing in the
21 newspapers that I've read, that says that they've lost
22 anything. They want more, they get more. I cannot understand
23 why there is not some entity that could go after that company,
24 and say, "Whoa, man! Hey nobody else in business does things
25 this way. Why are you?" They have nobody to challenge them.

1 I think what you should do, in my opinion, is say, "No."
2 Say no twice. Tell them to go back to their innards, their
3 accountings, their monies here and there, and shape up. They
4 don't need as many people as they have. They certainly don't
5 need management with monumental salaries.

6 Why is it that we, low man on the totem pole, most of us
7 who need what they're providing, why is it that we have to
8 bear their burden? Let's share the burden. Let's move it
9 around. Do they have to give all these dividends? Do they
10 have to give salary increases? Do they have to give bonuses?

11 Why not shave something? Come back and show us a leaner
12 ship. Maybe we'll get on and go for a cruise. But, until
13 they do that, my best advice is, say, "No."

14 Thank you.

15 JUDGE CORBETT: Thank you.

16 Any questions?

17 (No response.)

18 (Witness excused.)

19 JUDGE HOYER: Jay Hollenbeck.

20 Whereupon,

21 JAY HOLLENBECK

22 having been previously duly sworn, testified as follows:

23 DIRECT TESTIMONY

24 THE WITNESS: My name is Jay Hollenbeck, H-o-l-l-e-n-b-e-
25 c-k. I reside at 2206 Bird Drive, Erie, Pa. 16510. I'm an

1 NFG customer since 1950 --- or, for 53 years.

2 I'm retired. But I still do carpentry work and
3 remodeling jobs that help pay the utility bills. I'm 75 1/2-
4 years-old. I just put in a 90 or 92% energy efficient furnace
5 on August the 14th of this year, at a cost of \$3300. I doubt
6 if I'll ever see a payback at this rate.

7 My math may be wrong, because I'm only guessing at
8 figures, but I read in the paper about 9.75 --- \$9.75 rate
9 increase. That's \$178 a year. And I'm guessing, I believe
10 200,000 customers, gas customers. That's \$23,400,000 a year.

11 One gentleman talked about a monopoly. I'm old enough to
12 remember when there were two gas companies. That was neat,
13 because there was competition.

14 The less gas we use, the more we pay. At this rate, if
15 everyone uses one half of their input, I guess the surcharge
16 could be 6% or more. People are leaving the area. And what's
17 scares me, if I'm the only person left in Erie, I'd have to
18 foot the entire bill.

19 If you had held this hearing at the City Center or
20 ballpark, that holds more than 475 persons, that is also an
21 area where there are more residents, low income residents
22 living. You would have seen how enraged we are over this rate
23 of the people.

24 If private business pulled these tactics, they'd lower
25 price for business, and could possibly go out of business. If

1 I'm actually quite new at this.

2 I was married, and, I'm going to be stuttering, 'cause I
3 have stage freight, so ---

4 JUDGE CORBETT: Alright. Can you tell us, are you
5 employed?

6 THE WITNESS: Yes. Actually, I clean a guy's --- an
7 elderly man's house sometimes, but I also have a part-time job
8 delivering cars that they bought.

9 JUDGE CORBETT: Would you spell the last name for the
10 court reporter, please?

11 THE WITNESS: E-n-t-l-e-y.

12 JUDGE CORBETT: Thank you.

13 THE WITNESS: Since I am new at this, I didn't know what
14 I was getting myself into last year when I moved out. I got
15 divorced, due to problems with my husband, and, I wasn't
16 aware, really.

17 To my surprise, my gas bill was \$400. And that was
18 just for one month. And, well, I moved in with an old friend
19 of mine, and, he didn't help me out, so, I just had to pay a
20 \$919 gas bill. And my mom had to help me out with that, along
21 with whatever assistance I could get, because I --- I didn't
22 know what I was doing. You know, I --- I never --- I lived
23 with my parents, and I got married, so, we lived on an Air
24 Force base, and we really didn't have to worry about that
25 stuff.

1 I do get child support, and I do work, but it's --- it's
2 not --- since it is part time, it's really not that, you know,
3 much. And she wants to go to Waldameer, she wants to go here,
4 she wants to go there. And I'm like, "I can't afford that."

5 And, I mean, she's five. You don't really don't get much
6 time with them. I do plan things with her, you know. We do
7 end up going to the beach, 'cause it's free. You know, we
8 went out with a friend the other night, and that was nice.

9 And, I think we should be conserving, because, what are
10 we going to leave them, if we don't? And, you know, I'm real
11 environmental and stuff like that, so, I think we should be
12 conserving. Now we're getting fined, because we are trying to
13 look out for our kids.

14 Last year, I think --- I think it was last year, there
15 was a couple of house fires, because people were trying to,
16 you know, heat their home with electric heaters, and, you
17 know, wood stoves. And, I mean, those people lost everything.
18 It's ridiculous. I --- we can't --- we can't afford it. We
19 can't afford to lose our houses, because we can't afford to
20 pay for gas.

21 I mean, where are we going to go? What are we going to
22 do? What --- what's going to be left for her, you know? You
23 know, that's another thing somewhere. That just makes me want
24 to cry.

25 That's --- that's pretty much it.

1 JUDGE HOYER: Okay, thank you very much.

2 Any questions?

3 (No response.)

4 (Witness excused.)

5 JUDGE HOYER: We'll call the next set of witnesses: Mark
6 Aleks, Steve Mason, Jacqueline Homan and Donnie Homan.

7 Mr. Aleks, you may proceed.

8 Whereupon,

9 MARK ALEKS

10 having been previously duly sworn, testified as follows:

11 DIRECT TESTIMONY

12 THE WITNESS: My name is Mark Aleks. I live at 4
13 Lighthouse Street in Erie, 16507.

14 JUDGE CORBETT: And would you spell your last name for
15 the court reporter, please?

16 THE WITNESS: A-l-e-k-s.

17 JUDGE CORBETT: And are you employed?

18 THE WITNESS: Yes. I'm self-employed in a couple of
19 different areas.

20 JUDGE CORBETT: Okay.

21 And, are you an NFG customer?

22 THE WITNESS: Yes. And I'm actually speaking on a couple
23 of different areas: one is a homeowner, and then, the other
24 one is a small business owner.

25 And, in looking at my notes, I understand that you guys

FORM 12

1 don't answer questions. But I wanted to throw something out
2 that needs to be answered. And that was, last year when the
3 hurricane came through and everybody was pretty much told in
4 this part of the country, "Get ready. There's a natural gas
5 shortage, and gas is --- " "gas price is going to go up 40%."
6 I think it was very close to that. And it did. But then, I
7 was poking around on the internet a couple months ago, and I
8 found an article, or actually, many articles, that stated the
9 natural gas reserves at storage capacity in this country is
10 full. It actually cannot hold any more natural gas.

11 So, the first thing that comes to my mind is, gas prices
12 went up, when they speculated on a shortage. They really
13 haven't gone down. And then, NFG is asking for a rate
14 increase, due to declined usage.

15 And I think that, part of that was a self-fulfilling
16 prophecy. As the price went up, people had no choice but to
17 turn their heat down in their homes. You could have somebody
18 like me in business that --- that heats a showroom and shop.
19 So, the first thing I did was went out and bought one of those
20 programmable thermostats, so I could shut the heat down when
21 we're not there, shut it down when we leave.

22 And then, you look around, and I'm wondering how much of
23 manufacturing takes natural gas to heat hundreds of thousands
24 of square footage? So, I'm back on the internet again. And,
25 I find that, a couple years ago Staress had put in place a

1 policy that is pretty much driving energy costs down in their
2 plants. If they cannot drive energy costs down, they will
3 leave.

4 So then, I'm, you know, thinking about the size of the
5 plant here, with what the cost of gas in the last year to heat
6 that. And I think it was thereabouts in the wintertime, very,
7 very early spring, that they announced that they were going to
8 leave.

9 We have vacant houses in the city. It's just an economic
10 phenomena that's happening, that houses are being vacated.
11 You have --- and what I do, I do have some rental properties,
12 so, I see that, in some cases families are merging. You know,
13 no longer can one or two people exist in their own apartment,
14 so, they're moving in together. And that also leaves some
15 vacancies.

16 And then, we come into this proposed rate increase for
17 the meter. I think that's what NFG wants, is a service charge
18 for a meter. So then, my mind starts wondering again, what
19 about the apartment buildings and the townhouses, the two
20 units, the three units, the four units, where there's only one
21 main gas line coming in from the street, going to that
22 building, and then, branching off for the meters? So, is that
23 appropriate to say, just because you have service coming out
24 of a meter, you have to pay, but there was really no
25 additional cost to NFG, at all?

1 Business --- business economics, in a competitive
2 environment, say that you have to do things better. You have
3 to control your costs. NFG has no competition. So, I'm
4 wondering, do --- do these basic economic rules apply to them?

5 Pennsylvania is losing business, mostly going to southern
6 states and Mexico. I can't remember the last time that
7 anybody from this area said they're going to shut down their
8 plant, they're going to move up north. And I think that, if
9 the whole State of Pennsylvania wants to keep business viable,
10 then, something needs to be done, on a --- on a larger scale
11 than this, to keep costs in check, so that, the business
12 owners, you know, who make these decisions, don't say, "We're
13 just shutting it down. We're going away."

14 I would like to address to the NFG executives, their
15 management team and their accountants, find another way. Not
16 in the form of a revenue increase from existing customers.
17 You have to do what I do. You find new customers with
18 marketing, products and ideas. The gravy train is running
19 dry. Improvise, adapt, and overcome.

20 And this is the last thing I wanted to throw out. If
21 every person that has a gas meter is --- is, let's say, bitten
22 for another \$100 per year, what's the fallout going to be to
23 the local economy? I don't see it being that much more viable
24 than where it is today, if that happens.

25 Thank you.

FORM 2

1 JUDGE HOYER: Thank you.

2 Any questions?

3 (No response.)

4 (Witness excused.)

5 JUDGE HOYER: Okay, Steve Mason.

6 Whereupon,

7 STEVEN ANDREW MATTHEW MASON

8 having been previously duly sworn, testified as follows:

9 DIRECT TESTIMONY

10 THE WITNESS: Steven Andrew Matthew Mason, 1041 West East
11 Street, Erie, Pennsylvania, retired, taking care of my mother
12 who's got Alzheimers, living in an apartment.

13 I have to echo everything that has been said here this
14 evening. What I'm realizing is, this is becoming a greed
15 situation with the gas company. But since we're in a
16 monopoly, and this is under different rules and regulations
17 that you all are governing, that name does not apply.

18 So, it's also obvious from this hearing, and everyone
19 I've seen this evening, that, all the emotional appeal is
20 basically falling on deaf ears. You people, I --- I believe
21 you're all appointed by the Governor. I believe you also
22 can't answer questions, which makes this whole thing almost
23 mute.

24 So, indirectly, since you are appointed, and the Governor
25 is elected, then, it seems obvious, that you do owe us, the

1 taxpayer, the citizen, some responsibility, 'cause what I'm
2 hearing here this evening, is basically the way this country
3 is going to be going irregardless of the fuel. And whatever
4 you decide here tonight, or in the future, when you make your
5 decisions, it's going to be a precedent, as to how you're
6 going to keep everyone in an economically depressed area
7 suppressed.

8 We need alternatives. We need to destroy the monopoly of
9 this one gas company. In a short-term break, they can all
10 make money. In the long term, you are destroying and setting
11 a precedent for the ruination of this country.

12 In short, it's pretty much prior to the French
13 Revolution, and the peasants are tired begging for bread and
14 being told to eat cake.

15 Thank you, gentlemen and lady.

16 JUDGE HOYER: Thank you.

17 (Witness excused.)

18 JUDGE HOYER: Okay.

19 Jacqueline Homan.

20 Whereupon,

21 JACQUELINE HOMAN

22 having been previously duly sworn, testified as follows:

23 DIRECT TESTIMONY

24 THE WITNESS: Yes. Thank you for the opportunity to
25 testify before you this evening. I'm going to try to make

1 this as concise and as simple as possible, but there's a lot
2 that must be covered.

3 I'm testifying as a customer of NFG, as a residential
4 customer, and as an economically disadvantaged, self-employed
5 business customer, too.

6 And, that being said, I'm Jacqueline Homan, at 816 East
7 26th Street, Erie, Pennsylvania.

8 JUDGE CORBETT: Could you spell your last name for the --

9 -
10 THE WITNESS: H-o-m-a-n.

11 JUDGE CORBETT: Thank you.

12 THE WITNESS: Owner of Homan Insurance Agency. I'm also
13 going to speak within the scope of the profession of risk
14 management, property and casualty.

15 First off, according to the National Fire Protection
16 Association of America, every year, between 3500 and 5000
17 people perish due to unsafe alternative heating methods,
18 between the months of November and February. That number
19 fluctuates, based on the brutality of the winter. This is not
20 a good energy plan. How do you pray, and flip a quarter, and
21 hope to God you're not going to have a cold winter, because
22 you don't make enough money to afford your gas bill? And this
23 is what's going on.

24 In addition to the loss of property, there's one case
25 that I --- I know of secondhand, where my husband gets his

1 heart medicines filled. The pharmacist's neighbor, in the
2 same block, was a 58-year-old man, who died the first week of
3 December, here in Erie, last year, because, on his income of
4 \$534 a month SSI, he could not afford to get his gas
5 reconnected, even though he was LIHEAP eligible, because his
6 LIHEAP grant was not enough to satiate NFG.

7 As such, the couple downstairs, the family downstairs, in
8 wanting to prevent him from freezing to death, allowed him to
9 run an extension cord from their unit up to his, with which to
10 run a space heater. The cord was faulty, it caused a fire.
11 This gentleman died. The family downstairs was left homeless.
12 The building was burned to the ground.

13 There are many more cases like this occurring. And the
14 cost in claims, this is not just hurting the poor. This is
15 not just hurting, you know, people like myself, that are
16 struggling on, you know, self-employed low income, and people
17 like my husband, who are on Social Security, and others that
18 testified before you tonight. This also reaches even you
19 gentlemen and --- and you gentlemen, who are a little bit more
20 economically fortunate, because, the more claims that are
21 filed, due to losses for property insurance, homeowner fires,
22 frozen burst pipes, these are all things that are caused by
23 not having heat in the winter. Guess what that does to your
24 insurance rates?

25 That means insurance rates throughout the entire state go

1 up. That means entire neighborhoods are redlined and deemed
2 uninsurable, and have to become a fair claim. Guess what that
3 does to the local real estate market? Guess what that does to
4 the local economy?

5 Okay. You understand where I'm going so far? Please nod
6 yes, so I can try and get through this. Am I confusing
7 anybody? Anybody have a question so far? Please, I'll be
8 glad to explain further. I'm trying to make this simple.

9 Okay. That being said, as a customer of National Fuel
10 and Gas, I struggled to start my own business, after a four-
11 and-a-half year fruitless job search, despite a university
12 degree in math and computer science. So, I started my own
13 business on a shoestring budget, stretching a mosquitoes butt
14 over a sugar bowl. And that's no lie.

15 I've managed to pull our home out of foreclosure, and get
16 our utilities reconnected, and I'm trying very hard to stay
17 out of poverty on that income. And that's because I manage my
18 business very well. I'm under the impression that, NFG
19 apparently does not do the same.

20 For the year that my family and I were without gas, we
21 were without the ability to heat hot water, to have heat, have
22 hot water and cook food. Now, as a diabetic, that meant, if I
23 cut myself, which I'm prone to sepsis because of being
24 diabetic, I didn't have the sanitation of the hy --- you know,
25 the hygienic means to property take care of myself.

1 My husband, who was a heart patient, suffered from the
2 cold. And this is what we had to live with for a whole year,
3 despite all the agencies that National Fuel told us was out
4 there for the help. But that help wasn't forthcoming.

5 So, for that whole year, while we suffered without hot
6 water, without the ability to cook, except for in our
7 microwave, and without the ability to heat water, except for
8 in --- in tubs up on the roof, like a solar deal, and then,
9 hauling it in and dumping it into the bathtub, this is how we
10 lived for a year, gentlemen.

11 During that whole time, we were inundated with phone
12 calls, every day, from collection agencies, who would call. I
13 think they were out of the backwoods of West Virginia or
14 something, because it was the same guy, and every other day he
15 would say, just like this, "Well, ma'am, why did y'all use the
16 gas, if y'all couldn't afford the service?" After about the
17 515th time, I explained to this bill collector that, in Erie,
18 Pennsylvania, not using the gas, and not having heat in the
19 winter, is not an option, it's a death sentence, if you don't
20 have it. I got a little fed up.

21 And, after about a year, National Fuel eventually did
22 reconnect us. They connect --- reconnected us the day after
23 Thanksgiving weekend of 2005. On Thanksgiving day of 2005, it
24 went down to 15 degrees. In my home it was 30. And that was
25 with a fabricated, safe-rated firebox, approved for burning

1 wood. And it was 30 degrees. I ended up in the hospital.

2 Now, 75% of my customers that I serve as an insurance
3 agent for auto and dwelling, are poorer than us, because they
4 don't even own their homes, they rent. And 75% of them are
5 within the immediate 16503 and 16504 zip codes. So, they're
6 within a half mile geographical radius. And they are without
7 service now, as I speak. And they are facing entering the
8 winter heating season of 2006 and 2007, without the ability to
9 get reconnected.

10 Now, as this gets worse, it will affect the people in
11 more than one way. It's going to affect the people who are
12 struggling to pay their bills, but are not deemed poor enough
13 to get help. But it also affects entire neighborhoods,
14 because if you live in the middle of two other people who
15 can't afford to get --- pay their gas bill, who have been
16 priced out, and there's a fire that occurs in their home, your
17 home can go up, too, as well as your homeowner's insurance
18 rates, if your home doesn't burn to the ground first. This is
19 a very serious issue.

20 With respect to the insurance industry, carriers have to
21 maintain what is called "lost reserves." The State of
22 Pennsylvania says that. Diane Cogan, the State Insurance
23 Commissioner, she tells each and ever carrier admitted to do
24 business in Pennsylvania what their loss reserves must be.
25 And those loss reserves, gentlemen, are based on claims filed

1 for damages and loss.

2 The --- the 41% rate hike passed by National Fuel in
3 September of 2005, has effectively priced out 68% of the City
4 of Erie's population. And I have some documents to give you.
5 And if I would have known I needed enough to give everybody, I
6 apologize, I really would have made enough to give every one
7 of you that's sitting at this table tonight. But first, what
8 I'm going to give you is, the US Census Bureau faxed a median
9 household income and poverty. And the next few stacks are ---
10 are of National Fuel bills, letters to the LIHEAP
11 Administrator, receipts for --- for National Fuel bills from
12 2004, 2005; letters to my elected officials, Matthew Good and
13 Senator Jane Earll, regarding this very serious issue; and
14 also, the denial of credit, when National Fuel's, what do you
15 call it, Public Relations Representative came out to advise us
16 of all the agencies out there that could help us, if we
17 couldn't afford their gas back on, even with help from LIHEAP.

18 And, you know, showing you her file, I also showed her a
19 letter written on National Fuel's letterhead, which I'm going
20 to submit to you with this stack of papers right here
21 (indicating), that states that, they couldn't help us, they
22 couldn't turn us back on, we were denied the credit. What
23 they wanted was more than what we were able to afford to pay.

24 I'm submitting this entire stack to all of you, and I
25 hope you guys can make copies to distribute among yourselves

1 to view at your leisure. Almost done.

2 This past year, business has been very tenuous, because
3 of the fact that, people can't even afford to buy used cars,
4 never mind pay for liability coverage, which is, you know, my
5 bread and butter, the auto insurance customers. As a result,
6 there's no cushion between monthly commission checks.

7 Even though my gas is now back on, every other month I
8 live with that fear that the other shoe's going to fall. In
9 the last two months my income has been below \$400 a month, if
10 truth be told.

11 Because there wasn't a cushion, due to the, you know,
12 little minuscule amount of my income, the fact that I was 10
13 days late to be able to meet my LIRA payment agreement,
14 National Fuel sent out a shutoff notice, when my bill wasn't
15 even 10 days late. I'm submitting that as evidence, too.

16 JUDGE HOYER: I'll just remind you, we're trying to make
17 sure we hear from everyone.

18 THE WITNESS: Right.

19 Here (indicating), gentlemen, is the poverty threshold
20 limits, as defined by the Federal Government, which is the ---
21 which is the yardstick used by JPEC, Martin Luther King
22 Center, Booker T. Washington, and a plethora, a myriad of
23 other, non-profit, 501 3C agencies, including the one that
24 National Fuel has administered, Neighbor for Neighbor Fund.
25 For whatever reason, very few people ever seem to get any help

1 from this fund. But yet, people earning at this threshold, or
2 above, by so little as a dollar, cannot meet the bills now.
3 They cannot. And for two persons, with no kids, that's
4 \$12,334 a year. I ask you, can you live on that? Don't
5 answer; just think about it.

6 Lastly, with what the Senate and the Representatives did
7 in this Commonwealth in 2004, during the lame duck session,
8 under cloak of darkness, and the secrecy of night, in the
9 passage of SB677, Chapter 14, Act 201, which allows utility
10 companies to ignore moratoriums for extreme winter shutoff and
11 shut off poor and troubled customers, in conjunction with
12 coming to your --- your organization, seeking your blessing
13 for rate increases that are not affordable, this, with all due
14 respect, gentlemen, and gentlewoman, is fascism. Because
15 fascism is "the merger of corporate and state power," Benito
16 Mussolini.

17 Now, as a human being, as an American citizen, I have the
18 right to life, liberty and the pursuit of happiness. If I
19 have to choose between insulin or food, or not freezing to
20 death, because of unaffordable utility bills, I am being
21 deprived by this monopoly, my right to life, and my right to
22 liberty, and my right to pursuit of happiness. And that, is
23 my individual rights as an American, not as a corporate
24 citizen. Corporation is an artificial person. I'm a real
25 person. So is everybody else in this room.

1 I'm closing with those statements, and I thank you for
2 allowing me to testify before you this evening.

3 JUDGE HOYER: Thank you.

4 Any questions?

5 (No response.)

6 (Witness excused.)

7 JUDGE HOYER: Donnie Homan.

8 Whereupon,

9 DONNIE HOMAN, SR.

10 having been previously duly sworn, testified as follows:

11 DIRECT TESTIMONY

12 THE WITNESS: Donnie Homan, 816 East 26th, H-o-m-a-n,
13 Senior.

14 I've lived here in Erie for probably, the last 30 some
15 years. Been a gas com --- you know, customer. I'm disabled.
16 You're looking at me like I missed something. Is there
17 something that I should have said and didn't so far? Okay. I
18 must have covered everything. I just want to make sure.

19 This past year, as the wife said, we were shut off and
20 everything like that. And, I had the resource to chopping up
21 wood and everything like that, which I injured my arm and my
22 back, shoulder, my body, which I already had back problems
23 before, knees and ankles, and going through a triple bypass
24 for heart problems, and put out of commission back in '87.
25 And, this has really been a taxation on me as to try to keep

1 heat in the house.

2 And, I have a feeling that I'm not alone here, in this
3 community and this area, of other people have gone through the
4 same thing. And it's everything she said, I agree with. And
5 everybody else has said, I agree with. And, you know, enough
6 is enough. We cannot afford one more rate increase. This is
7 nuts.

8 Thank you.

9 JUDGE HOYER: Thank you.

10 Any questions?

11 (No response.)

(Witness excused.)

12
13 JUDGE HOYER: Okay, Andy Samick, please approach the
14 microphone. And the following individuals please come forward
15 and take a seat: Ann DeMarco and Debbie McChesney.

16 Is Mr. Samick here?

17 (No response.)

18 JUDGE HOYER: Okay, Ann DeMarco, then.

19 Whereupon,

ANN DeMARCO

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

22 DIRECT TESTIMONY

23 THE WITNESS: Ann DeMarco, 1056 West 25th Street, Erie,
24 Pennsylvania 16502. I'm a National Fuel customer,
25 unfortunately.

FORM 2

1 My dad ---

2 JUDGE HOYER: Your occupation?

3 THE WITNESS: I am a retired teacher, but I'm still
4 working. I have a daughter-in-law who came home with her two
5 children. They are now 9 and 14. And we --- they know what a
6 gas bill is. They really do know.

7 We have educated them to learn their math, and I taught
8 them about their grandfather. As we were growing up, he
9 drilled a gas well in Mill Creek. He foresaw what was going
10 to happen in the future, and it's too bad you don't live in
11 Erie, 'cause you'd see what our winters are like.

12 He had a business. We had a big home, a nine-room house
13 with a fireplace. And he still drilled a gas well.

14 What did he see? He saw things the company was doing way
15 back when. And if there's anyone that you could tell you what
16 to expect in the future, you should have talked to my dad. He
17 said to me on the day I went to vote, when I came out, my two
18 brothers came out, my mom came out, and he walked up to me and
19 he said, "What'd you think of that, Ann?" I said, "Well, I
20 feel like I did my civic duty." We were 20 --- I was 21-
21 years-old. He said, "Well, I won't live to see this, but I
22 bet you will. And I said, "What is it?" He said, "You will
23 see people throw politicians out of their seats by their
24 collar, and say, 'What the hell do you think you're doing to
25 us and our country?'"

1 And I see it. I see it right now. Here is a company
2 that is making more money, and it's ludicrous. And yet,
3 they're going to put a surcharge on us? When did you ever
4 hear of that? It's going to be a chain reaction. Other
5 companies will use it, too, and if you want to break middle
6 class America, that's the way to do it.

7 We came into our home, fixed it up, and we raised our
8 family. Now, I'm helping to raise my grandchildren. And I
9 wonder, if we were having trouble making ends meet, with high
10 bills and medicine and all this other stuff, what was
11 happening to the companies in our community? They couldn't
12 conserve like we did. So, their bills went up. What'd they
13 do? They closed their places and moved out. What's going to
14 happen next? The rest of them'll go.

15 If National Fuel gets this surcharge, I can just imagine
16 how it's going to affect these companies. And I don't want to
17 see them go. Everything in our community depends on working
18 people. The small business man has --- he can't raise rates
19 of his products any more than the public will take.

20 People have moved out, companies have moved out. You
21 should come to 12th and Cherry, and see how they just tore
22 down a huge industry. And you almost cry when you see things
23 like that. That's history happening.

24 I was a history teacher. If I was standing up in front
25 of my class today, I would tell them, "You watch the rest of

1 this. You are living through it. See if you can find a job
2 in the United States."

3 We watched companies go overseas. Why? Because
4 politicians made most favored nation status. Wonderful. Who
5 did that help? Who did it help?

6 We're tired of it. What did we do in our own home? Now,
7 my daughter's working, and I'm working. The two children are
8 going to school. We turned our thermostat down. We turn to
9 an electric heater in the dead of winter, and you have to live
10 through Erie's winter, just two weeks of it. That would fix
11 you. You'd really know.

12 We insulated. We put plastic wrap. Now, when did we
13 ever see plaster --- plastic wrap when we were growing up on
14 windows? Never. That never happened in our community. But
15 we did it. My daughter said, "Wait. I'm going to show you
16 what I'm going to do." She bought plastic wrap, took the hair
17 dryer, and covered the windows. She showed our neighbors how
18 to do it, and the older people in our community and our blocks
19 and relatives. She went out there, all the way to Girard, and
20 showed my sister-in-law. She put up her plastic wrap in her
21 place, in my brother's place. People are helping people, but
22 there's only so much we can do.

23 It's sad to see America go down like this, to see Erie go
24 down. When in the world is it going to stop, so people can
25 have a decent live? Your children and grandchildren are going

1 to suffer through this these things. It's sad. I don't know
2 what's going to happen. When I'm gone, my daughter is going
3 to try to raise these children and give them a college
4 education. How's she going to do it, if she has high gas
5 bills like this?

6 Our bills went up, and up, and up. And then, they
7 doubled, then, they tripled. And that's when we started to do
8 these things. But there's only so much you can do.

9 Now, they come through with a surcharge, where you pay
10 for something you don't use? Are they serious? Where'd they
11 come up with this brilliant idea?

12 And if you pass this, you are going to set a precedent,
13 and it will fall on your shoulders, because, other companies
14 will do it, too. It's a chain reaction. Not only will these
15 companies do it, it's going to sink the middle class in
16 America.

17 The change is based on --- the charge is based on
18 something that you're now taking a figure, and then, saying,
19 "Here's how much you used." Throw all the meters out. What
20 good will they be? They'll just keep charging us anything
21 they want.

22 The only thing I would like you to do is consider very
23 seriously, lady and gentlemen, the fact that you are going to
24 be responsible for what happens to Erie. Not all communities
25 have a winter like we do. I've lived here all my life. I

1 went to Slippery Rock to college. And then, on to Penn State
2 to work on a Master's. But I came back to Erie. I love the
3 winters, I love the summers. If it's icy cold, and the
4 streets freeze, I drive slower to work. That's all. We
5 adapt. But how can you adapt to a surcharge that makes
6 absolutely no sense?

7 So, what do you do when we have done in our home? We
8 have said, "No" to our children. We have said, "No" to our
9 grandchildren. Now you can say, "No" to the PU --- the PUC
10 can say, "No" to the gas company.

11 JUDGE HOYER: Thank you.

12 Any questions?

13 (No response.)

14 (Witness excused.)

15 MS. SAMICK: Excuse me, gentlemen. I think when you read
16 "Andy Samick," I think it was Cindy Samick, which is me. I
17 signed up after her.

18 JUDGE HOYER: Okay. Yes, Ms. Samick, you were right
19 before Ms. DeMarco. Please approach the podium.

20 We --- we do have several individuals still on the sign-
21 in sheet who wish to testify, so, I'd ask all of you to bear
22 that in mind when you make your comments, make a statement.

23 Whereupon,

24 CINDY SAMICK
25 having been previously sworn, testified as follows:

DIRECT TESTIMONY

1
2 THE WITNESS: My name is Cindy Samick. I live at 1059
3 South Drive, Wadsworth, Pennsylvania. I am on part Social
4 Security Disability, plus, I work part time for Voices For
5 Dependents, for people with disabilities.

6 JUDGE HOYER: Would you spell your last name?

7 THE WITNESS: S-a-m-i-c-k.

8 I'm one of the few people that, eh, so so on budgeting.
9 But I get my Social Security check at the beginning of the
10 month. I put all the utility bills out first thing.
11 Nothing's ever late.

12 Last winter, I have no idea how this happened, you guys
13 didn't receive my bill, or the gas company didn't receive my
14 bill. I've done --- I do have National Fuel. I was only late
15 a month. And I didn't know this. When I got my bill the
16 following month, it was for double payment. And I called the
17 lady up, and she looked through my records and stated that
18 I've always paid my bills on time. Never had a problem with
19 that. They were going to shut me off.

20 Well, in order to get rid of the check from National Fuel
21 which is, oh, \$70-some, because, you don't want it to go to
22 the bank, 'cause you don't know where it went, you have to
23 cancel the check. So, you have to pay the cancellation fee.
24 Then, you have to pay the whole double gas bill, because you
25 weren't expecting that. So then, you're a little short.

1 Try to apply for the LIRA thing, which was great.
2 Thankful I got it, but I got it a little bit too late. So, I
3 had to come up with the whole balance of the money, all at
4 once.

5 Lucky for me, I don't own credit cards. I don't have
6 frivolous things like cell phones, and, you know, that crazy
7 stuff. So, I managed to make due. A lot of people can't make
8 due.

9 My daughter got married in December. Her husband cannot
10 stay here. He joined the military and he may go to Iraq. He
11 could not stay in Union City, because there's no jobs up
12 there. And there's nothing here in Erie to keep him here.
13 We're losing a lot of our people, 'cause there's nothing here.

14 And all the elderly people, which I do feel bad for, they
15 struggle. Why? Because they've worked their whole life, for
16 a beautiful home, for retirement, to go do things for
17 themselves. They make too much money, so, they can't qualify
18 for anything. They have too many assets, so, they can't
19 qualify for anything.

20 My mother was in a nursing home. No, she doesn't get
21 National Fuel, 'cause she gets, oh, what do they call it, the
22 oil. Okay? She may not be able to stay at home any more, and
23 it's not just National Fuel. It's all --- all the companies.
24 They're just killing them. She may have to go into a nursing
25 home, because she can't afford to stay home.

1 It's really tough. I feel bad for all the elderly people
2 because, they worked their whole life to get something. I
3 wasn't blessed that way. I was married. And like the woman
4 had said earlier, it's a real shock. You're married for 13-
5 some years. Your husband takes care of all the bills. And
6 all of a sudden you're going EHHHH! You don't know what to
7 do. And you learn real fast. It's sink or swim. I'm above
8 water, just barely.

9 My son graduates this year, and he'll probably have to
10 leave, because there's nothing here. All the industries are
11 gone, because everything went overseas. And it's bad.
12 What are you going to do? I struggle like everybody else.

13 Please don't let them do this? I keep my head above
14 water, as it is. Don't let us all drown. And as bored as you
15 might be sitting here listening to all of us, we gotta have
16 family out there. You gotta have friends. You've gotta have
17 people that you've seen struggle through this. You have to.
18 I can't imagine you don't. I know that you probably all live
19 in a different realm than we do. You probably have a lot more
20 money than I do. Okay?

21 So, look at the guy, your neighbors, people around you.
22 You don't know what they're going through. You aren't going
23 to --- we have more homeless people out there, you know, lots.
24 Probably five years, than I've ever seen.

25 I used to work at McDonald's down at 12th and Sax, and --

1 - at third shift. And I would' give coffee away to homeless
2 people, because, you know, they're cold. And a couple that
3 lost their home, oh, maybe nine years ago, did the same thing
4 that a lot of people do, electric heaters. Their house got
5 burned, and they lost everything.

6 They came into McDonald's one day, in the morning, to go
7 settle up with the lawyers and whatnot, for their insurance
8 coverage. The lady isn't here. And I'd asked her, because
9 that's the kind of person I am, very curious. I'd asked her
10 what happened, and she had said how she had lost her home the
11 night before. They had an electric heater on, and, they lost
12 everything. And I'm looking and thinking to myself, "Okay, I
13 can give her free breakfast."

14 The manager, the big corporate manager of McDonald's, the
15 high --- hierarchy guy, is there that morning. I didn't know
16 it. My manager kind of bawled me out for doing it, and he
17 came up behind him. And I said, "You know what? You people
18 make billions and billions of money a year on pancakes. I'm
19 sure you can spare two dinners --- " "two breakfasts this
20 morning. If you can't say that you're not caring enough to
21 help the little guy, then, you shouldn't be in business."

22 And if you're listening to all these people who suffer,
23 and you can't have any compassion, then, maybe this is a joke.
24 Okay.

25 Thank you.

1 JUDGE HOYER: Any questions?

2 (No response.)

3 (Witness excused.)

4 JUDGE HOYER: Debbie McChesney.

5 Whereupon,

6 DEBBIE MCCHESENEY

7 having been previously sworn, testified as follows:

8 DIRECT TESTIMONY

9 THE WITNESS: Hi, I'm Debbie McChesney, M-c-C-h-e-s-n-e-
10 y. I live at 10000 Oliver Road, McKean, Pennsylvania. I'm an
11 NFG customer.

12 I'm a service representative at a credit union. And my
13 husband and I are your typical middle class people. We pay
14 for everything. We pay our gas bills on time. We pay for
15 everything. We sent our daughter to college. We pay for
16 everything.

17 Three years ago, we got a new furnace, paid for it. Two
18 years ago, we put in insulation in our attic. We also
19 supplement our heating with a pellet stove. We go through
20 three ton of pellets a year.

21 Last year, when NFG announced that they were going to
22 increase because the cost of gas went up, we decided that we
23 were going to cut back on the amount that we use. We turned
24 our thermostat from 72 to 68 degrees.

25 In the heating season --- heat --- heating season, 2004

1 to 2005, we used 976 ccf, and it cost us \$1,196.16. By
2 cutting back five degrees, for the 2005-2006 heating season,
3 we used 705 ccf of natural gas, and it cost us \$1,219.89. So,
4 by using 271 cubic feet of gas less, it cost us \$23.73 more.
5 That's not a lot, granted. But we were cold. And we're
6 average people.

7 I worry about my parents, 85-years-old, living in their
8 house on Social Security, having to pay. They set their
9 thermostat at 60 degrees. They cover up with blankets. How
10 many of you cover up with blankets at night, in the winter?
11 It's not easy to see that.

12 And what about the people that make minimum wage? They
13 work hard. They work just as hard as you, just as hard as me.
14 And I worry about them.

15 And then, I read on the National Fuel Gas website, where
16 for the last 104 years they paid dividends. 104 years they've
17 paid dividends to their stockholders. And they have the nerve
18 to donate \$25,000 to Gannon University this year. That's our
19 money. If they're spending --- if they're donating \$25,000 of
20 our money, why do they need a rate increase? Why do they need
21 to charge us for using less? I used less. It cost me more.

22 I have copies of my gas bill, if you'd like. I've got
23 the copy of their website. I'm just appalled that they are
24 asking for this increase.

25 They're asking for a 6% increase this year. Last year,

1 my raise increase, where I work, was 2 1/2%. My raise this
2 year was 3%. We're barely keeping up. We're middle income,
3 but we're starting to slide on the downside.

4 Every year, no matter what, NFG asks for a rate increase.
5 If it's a cold winter, we use too much, they need to increase.
6 If it's a warm winter, we didn't use enough, they need an
7 increase. I realize everything goes up. But we just can't
8 take anymore. We're average working people, and we pay for
9 everything. We don't qualify for anything. It's just
10 ridiculous.

11 And I ask you, please, don't give them this increase.
12 Look at everything. How many of you make over \$100,000 a
13 year? I'd like to know. How many people in this audience
14 make \$100,000 a year? I doubt very many. There's more of us
15 than there are of you. Please, listen to us.

16 Thank you.

17 (Witness excused.)

18 JUDGE HOYER: Okay. Diane McManus, and Rita Mangini.

19 MS. MANGINI: Mangini.

20 JUDGE HOYER: Ms. Mangini, would you please come up here?
21 Ms. McManus, you can have a seat.

22 Whereupon,

23 DIANE McMANUS

24 having been previously duly sworn, testified as follows:

25 DIRECT TESTIMONY

1 THE WITNESS: Okay, my name is Diane McManus. That's
2 Diana with an a on the end. Last name, M-c-M-a-n-u-s. I live
3 at 215 Cherry Street, Erie, Pennsylvania 16507. I'm employed
4 at Family Services as a social worker, and I am a customer of
5 NFG.

6 I came here tonight to support my fellow citizens in the
7 community. I agree with everything I've heard. I've heard
8 more than I was even aware of. I know my own personal
9 experience. I do have a new home. I'm a new homeowner
10 recently. I have less than 1200 square feet to heat. I turn
11 my thermostat down to 50 during the day. And then, I turn it
12 up to 62. I supplement it with other heat. My highest gas
13 bill was \$200. People say, "Well, you didn't have such a low
14 gas bill." However, look at where I set my thermostat. If I
15 had to be home all day, I'm sure I would have a little bit
16 higher utility bill.

17 When I read in the paper that NFG was asking for an
18 increase, because they lost money, because we conserved gas, I
19 was appalled. All I have to say is shame on you. It's
20 unethical.

21 And another thing about the equipment that you need to
22 maintain, new home, just a little over two years old, and the
23 meter and the pipes fitting it, were rusting badly. I had to
24 call NFG to get that repaired. Why? And that cost more money
25 to send somebody out to repair that.

1 That's about all I have to say. I do agree and support
2 the matter.

3 JUDGE HOYER: Thank you.

4 Any questions?

5 (No response.)

6 (Witness excused.)

7 JUDGE HOYER: Rita Mangini, if you could please approach
8 and raise your right hand?

9 (Witness sworn.)

10 JUDGE HOYER: Okay, you may proceed.

11 Whereupon,

12 RITA MANGINI

13 having been duly sworn, testified as follows:

14 DIRECT TESTIMONY

15 THE WITNESS: My name is Rita Mangini. I've lived in
16 Erie all my life. And I've been a customer of National Fuel
17 about 25 years or more.

18 I became a homeowner in year of 19 --- 1999. And, since
19 then, progressively, my gas bills have been outrageous. I was
20 on budget billing, starting with the winter of 2003, because,
21 up to then, it's been increasingly out of hand. I'm paying
22 for past winters.

23 So, with the winter of 2000 and --- let's see --- winter
24 of 2004, I was still paying budget billing, but it wasn't on
25 budget billing, because I was paying still for the other

1 winters. So, it was an outrageous bill for the month. So, I
2 would take my --- actually, my --- I turned --- I work in the
3 day. I work for the state, the Unemployment Office. So, I am
4 middle class. I pretty much maintain I'm not --- I do pretty
5 good moneywise. I do have a good job, but this is really
6 breaking me.

7 I don't do credit. I pay everything cash. Everything I
8 do is with what I have. I don't do credit cards, or cash, or
9 loans, or anything. I don't deal with interest. That's how I
10 --- was told what to do.

11 Okay. So, the winter of 2004, I actually kept it from
12 70, 72, my --- my gas bill. And it would --- it just went up
13 --- out the door. It was crazy. So, in 2005, I decided that
14 was the last time I was going to be on budget billing. So, I
15 --- what I did was, when I'm not home, and I don't have any
16 children, I don't invite my grandchildren to my house,
17 especially in the winter, because, it's not suited for them,
18 because, when I'm not there, the gas --- the --- I turn my
19 heat down to 50. When I am there, it's at 60. I couldn't put
20 it above. I decided I can't do this. I've got to pay it and
21 get this out of my hand. I've got to get this down to where
22 I'm paying a regular gas bill.

23 And not, all the notices, everything that you're hassled
24 with when you're --- when it's out of control, and you're
25 paying past due bills and all that.

1 So, that always pretty much resolved, but, may come this
2 year, to where I went off the budget bill. I'm paying, still
3 my gas. But my gas still is, in the summertime, between \$125
4 and \$150 per month.

5 So, and, with all this happening, my --- what I did when
6 it was --- when it had the temperature down to 50, I moved
7 upstairs, the upstairs bedroom, which I normally never use. I
8 lived in that bedroom. I did turn the electricity on, and
9 turned a gas heater on, when it got pretty bad, and it got
10 really cold. But I try not to do that, because I don't want
11 my electricity to go out of hand, and not be able to afford
12 that, either, not to hassle with that.

13 So, in the meantime, my gutter's falling down on my
14 house. I can't even afford to fix my gutter. So, my gutter
15 goes, and that went in the --- in the winter of 2003, and I
16 still have not been able to afford to fix my gutter, to where
17 it's damaging my --- my basement. Now, I'm going to have to
18 deal with my basement.

19 And with this increase, and with this surcharge, with me
20 not using the gas, and charging me this, I'm not sure what my
21 next winter's going to be, and if I'm going to be able to
22 afford to pay and fix my basement, and fix my gutter.

23 So, that's where I'm at. So, I'm really, really asking
24 you to reconsider this, and don't --- and what I'm asking you
25 to do is, not only hear with your ears, but hear with the ears

1 of your heart. That's really what I beg you to do. And
2 listen to the common people here. And, side with us, the
3 common people, and --- and this afternoon, Ken Springirth
4 asked for a 2 point minimum rate decrease in his testimony, and
5 I ask that you do that, and deny the surcharge and increase.
6 I please beg you to do that.

7 Thank you.

8 JUDGE HOYER: Thank you.

9 Any questions?

10 Ms. Mangini, we do have a questions for you. I
11 apologize. If you could please approach the podium again?

12 CROSS-EXAMINATION

13 BY MS. WEBB:

14 Q. You indicated that you had a --- a bill, gas bill last
15 month of \$120, with everything turned up. What appliances are
16 on your gas bill? Is it heat and hot water?

17 A. I have an electric stove. So, it's not gas stove. So
18 it's, I guess, the water. I don't have the heat on. I turned
19 it off. So, it's the water, I guess.

20 MS. WEBB: Thank you.

21 (Witness excused.)

22 JUDGE HOYER: Okay, Loretta Deeds, please approach the
23 podium.

24 FROM THE FLOOR: How about Bill Welch?

25 JUDGE HOYER: We have --- if a name has not been called,

1 then, we haven't gotten to that list.

2 MR. WELCH: This is ridiculous. This is ridiculous. I
3 signed it twice out there. And then, she told me she brought
4 it up there, and you don't even have my name. I'm going to
5 tell you something, this is not due process. I ---

6 JUDGE HOYER: Mr. Welch, I do have your name here, sir.
7 But there are several names in front of you. We will get to
8 you. If we --- we're trying to get there. Let us move
9 forward, so that we can get everybody heard. Okay? I do see
10 your name on the list. Thank you.

11 You may proceed.

12 Whereupon,

13 LORETTA DEEDS

14 having been previously duly sworn, testified as follows:

15 DIRECT TESTIMONY

16 THE WITNESS: I'm Loretta Deeds, 60 West Metcalfe, Erie,
17 Pennsylvania, retired, an NFG customer for 16 years.

18 JUDGE HOYER: Could you spell your last name, please?

19 THE WITNESS: D-e-e-d-s.

20 JUDGE HOYER: Thank you.

21 THE WITNESS: Like the property deeds.

22 My aunt, who is 95-years-old, has lived at 2943 Myrtle
23 Street, still does, for 50 some years, and has always been a
24 National Fuel Gas person. So, I am speaking for --- I wanted
25 to come to speak for both of us. But everyone here has

1 already said all of the things that I had wanted to say, or my
2 aunt would have wanted to say.

3 Other than the fact that, throughout history, it has
4 always been illegal to charge somebody for a product they will
5 never get. And that's what the surcharge is.

6 You say, "Okay, you have conserved, and because you're
7 conserving, we're going to charge you, because you have
8 conserved." You are charging for gas that we will never
9 receive, a product we will never receive and never use. And
10 that is illegal. And if the PUC allows it to do that, we may
11 just as well throw our justice system out the window.

12 Thank you.

13 JUDGE HOYER: Thank you.

14 Any questions?

15 (No response.)

16 (Witness excused.)

17 JUDGE CORBETT: Okay, the following individuals have
18 signed, in after we called the prior --- the prior list and
19 swore witnesses in. So, I'm going to ask --- I'm going to
20 call this list now. I'm going to ask you all to please stand
21 at your place, and just be sworn in: William Welch, Mary
22 Janet Ayers, and David J. Smith.

23 (Whereupon, all prospective witnesses were duly sworn.)

24 JUDGE HOYER: Alright, Mr. Welch, would you come forward
25 please? Mr. Welch, you can approach the --- the podium.

1 Whereupon,

2 WILLIAM WELCH

3 having been previously duly sworn, testified as follows:

4 DIRECT TESTIMONY

5 THE WITNESS: Yes. My name is William Welch, 3108
6 Highland Road, Erie, Pa. 16506, retired. I do something on
7 the side, try to maintain my medical expenses.

8 JUDGE CORBETT: And are you a customer ---

9 THE WITNESS: I'm a customer of National Fuel Gas.

10 JUDGE CORBETT: Would you also spell your name?

11 THE WITNESS: W-e-l-c-h.

12 JUDGE CORBETT: Thank you.

13 THE WITNESS: I'd like first to say, you know, I think
14 this is contemptible to have this here in this building,
15 because, the poorer people in this community are not here.
16 The people that are suffering the most are not here. This
17 place is an energy hog. This building is a disgrace. You
18 should not have these meetings in places that not --- are not
19 energy efficient. You go out in the hall, and they have all
20 incandescent lighting through the building. This is a
21 disgrace to have it up here. Even though they offered bus
22 rides, Mr. Springirth suggested other places to have this
23 meeting. You've denied a lot of people the opportunity to
24 speak here tonight.

25 The other thing is, on the last proceedings, I --- my

1 testimony was struck down. I was never notified until
2 afterwards. That's ex-partite communication. And I guarantee
3 you, I'm going to file, if this thing comes through, with the
4 Disciplinary Board, the Judicial Review Board.

5 JUDGE CORBETT: Mr. Welch, let's get something straight.
6 We're here tonight to hear the present situation with NFG and
7 the Rate Case. We're not here to hear any other issue, any
8 other litigation that you've been involved in. If you have a
9 comment to make concerning the present rate filing of ---

10 THE WITNESS: I do.

11 JUDGE CORBETT: --- (Continuing) --- NFG, we will hear
12 that comment.

13 THE WITNESS: But I want to be corresponded, because I --
14 - I'm being left out of the loop. And that's not going to
15 happen this time.

16 Now, what I'd like to testify, I used to do energy
17 consulting with major corporations, with the Department of
18 Energy, with the Ohio Energy Department, with New York.
19 And I'm going to tell you right now, this gas company is not
20 selling gas. They don't have to, because they got you to
21 subsidize them.

22 I'll give you an example, many of them. Number 1,
23 distributive generation. Do you know what that is? That's
24 where little businesses can generate their own electricity and
25 use the gas and the heat more efficiently. National Fuel Gas

1 isn't pushing that in this area. You don't see any
2 distributive gen --- co-generation. You don't see a fuel cell
3 in this area.

4 Our Township Supervisor wrote to Mr. --- the President of
5 National Fuel Gas, requesting, that they put a fuel cell in
6 here. He had --- he had funding for this. National Fuel Gas
7 never even replied. They don't want to sell gas. They want
8 you to subsidize them. They want you to subsidize the
9 stockholders. Where is the efficiency in this? How can you
10 ask --- how can you --- how can they ask you to raise rates,
11 when they're not even selling their gas? They don't even want
12 to do that.

13 I can tell you right now, the northeast, they're paying
14 \$11.74 an mcf. You go over in Ohio, they have restrictions.
15 \$7. That's all they can raise it. That's by the legislature
16 over there. And right here, we got outrageous rates. Now,
17 there's something wrong here. There's something basically
18 wrong.

19 When little industries are leaving the area, and I just
20 consulted with one. She --- she --- she had to quit. I went
21 to all the legislators, tried to get help for her. It was a
22 real clean laundry industry. It was a handless cleaners.
23 This industry did analysis. They did analysis across the ---
24 the whole franchise and chain. And you know what they found?
25 They had the highest amount --- highest gas rates across the

1 whole country. Now, there's something wrong with that. That
2 business went out of business, because they couldn't afford
3 the utility bills. Now, it's --- this is a new way of the
4 future. This is CO2 cleaning. They're eliminating --- out in
5 California, they're donating money to put these things in,
6 \$12,500. What do we have in Pennsylvania? We have these
7 industries, the first one in Pennsylvania, and it left. They
8 left because the utility costs, particularly their gas, was so
9 high.

10 This is hurting a lot of little businesses. A lot of gas
11 consumers, and particularly little businesses, have been
12 paying sales tax on a utility, and they're manufacturers.
13 That's --- they shouldn't have to pay that. That's exempt,
14 under the Pennsylvania Code, 3232, Title 61. They're exempt
15 under manufacturing. They're a lot of them paying it. Why?
16 They're taking the money and floating it. This is wrong.
17 This is basically wrong.

18 Now, on January 22nd, 2001, Talisman Energy and Seneca
19 Resources, which is a division of National Fuel Gas, announced
20 an exploration, joint venture, of the Appalachian Basin of the
21 United States. This is a tremendous opportunity for two
22 companies to work together and under an exploration basis.

23 Dr. Jim Bucky, President and Chief Executive Officer of
24 Talisman, Talisman has an extremely successful working similar
25 plan in place in Ontario, where we have spent \$60 million and

1 drilled over 90 wells, with a 91% success rate. That's
2 drilling in the Trenton Black River formation.

3 "We recently --- " or "recent deep gas was discovered in
4 the Appalachians, the potential to become a major producing
5 area, with ample infrastructure and the best gas market in
6 North American," said James Beck, who just recently retired
7 with a real big golden parachute, President of Seneca. This
8 is a mutually beneficial agreement, with two companies
9 providing technical operating expertise to jointly explore,
10 setting up mineral holdings in the area. Five-year agreement.
11 This was signed in 2001, between Seneca and Talisman. That's
12 National Fuel.

13 It includes nearly one million acres of Seneca land in
14 western New York and northwest Pennsylvania. This is one of
15 the oldest oil and gas producing regions in North America,
16 with 150,000 wells in the area. Most of it's your low
17 productivity and shallow. The companies will be targeting the
18 deep orbisnian gas prospects at a depth of 6500 to 11,000
19 feet. Talisman will earn 55% interest in drilled wells.
20 National Fuel gets 45.

21 Now, why am I --- why am I so upset about this? I'm
22 upset about this because, the Presbyterian Church of Sudan is
23 suing Talisman for genocide over in the Sudan. That's why
24 I'm upset. That's very --- that's terrible.

25 Professor --- National --- this was in the Buffalo paper.

1 We have no coverage in this area. National Fuel Gas
2 Corporation partnership with Canadian Oil company drilling in
3 the Sudan has drawn princes of the Husay, for those who say
4 oil revenues the effort in nation's bloody civil war.

5 Eric Reeves, a professor at Smith College in
6 Massachusetts, said National Fuel could be targeted for a
7 campaign that would sway the investors for 45 of the
8 utilities' shares. National Fuel gas is a partner with
9 Talisman in drilling for natural gas through Seneca Resources.
10 Talisman's Sudanese oil revenue, and they're paying the
11 National Islamic Fund, which is part of the terrorist
12 organization of Hamas and Hezbollah, which they have training
13 camps in the Sudan.

14 The Sudanese revenue has funded government killing and
15 enslavement of its own people, which until 1998, harbored
16 Osama Bin Laden and his terrorist network.

17 All I'm saying is, this company is quoted as being
18 immoral, it's out of control. National Fuel Gas was
19 partnering in the first place with this company? They're
20 named in the lawsuit. You can see in on the internet on
21 Montague and Berger. And Seneca Resources is right there.
22 Now, how come? How come this company can get away with this?
23 It's subsidizing terrorist organization, and yet, terrorizing
24 the people right here in our own country, right here in our
25 own cities here in Erie, Pennsylvania. That's wrong.

1 Now, what is this com --- what is this company up to? I
2 --- you know, it's just amazing to me. I go around and I
3 don't see --- I see one thing, is they're buying off by
4 charitable organization, every little bit of colleges, civic
5 organizations. They're giving money away like a drunken
6 sailor. Now, they do that to influence these people, so they
7 don't say anything. That's what's going on.

8 Last year they --- this whole thing about conservation is
9 a joke. Number 1, how many of you asked National Fuel Gas,
10 "Are you considering global warming in your rate base?" Are
11 they? I don't think they are. Maybe they are. Maybe they
12 want to pay --- make us pay for that. I want to know if
13 that's been in their formula.

14 2. How does National Fuel Gas allocate the cost between
15 the business customers, or residential and transportation of
16 gas? Who's getting the emission credits on these things?
17 They're --- obvious compressor stations are getting emission
18 credits. All in --- if you read their 10K reports you can see
19 that. Where's this money going?

20 I want to know, on the advertising. I see it all the
21 time. They have this, what they call "co-op advertising." We
22 got swimming pool people in town, advertising for National
23 Fuel Gas, 'cause all they have to say is, "Natural gas is your
24 most energy-efficient choice." All --- they have to put that
25 in there, to get the co-op advertising. We had a little

1 company out in the county that sold woodburning stoves was
2 getting money for this. Now, those are some of the things
3 you've got to start asking.

4 And the office expenses. How's this distributed? How
5 about the supply and storage? How --- how are these costs
6 allocated? In Erie, we have a big storage area. They don't
7 buy gas. They're still buying gas at a lower rate, this ---
8 and storing it. And they sell it in the winter. Even though
9 they say, "Oh, well, the electric companies are using this."
10 Huh-uh. They're storing gas.

11 Now, here's something that's just incredible. Did you
12 know that National Fuel Gas is paying into a fund to promote
13 conservation? A big fund. Now, why should they spend money,
14 at the same time, come to you and say, "Hey, we need a rate
15 increase, 'cause people aren't using enough gas," and at the
16 same time, paying money into this fund, to loan money to
17 people to save gas? That does --- that doesn't even make
18 sense.

19 The other thing is, National Fuel Gas had what they call
20 "compressed gas stations," for busses and --- and things like
21 automobile fleet, automobiles and stuff. How come they closed
22 them down? Why did they close them down? When the state is
23 giving money to school districts, to municipalities. Up in
24 Buffalo, New York, they just bought 30 new busses which are
25 diesel-electric, or compressed gas electric busses, 30 of

1 them. General Motors makes 1000. How come? How come they're
2 --- the state's promoting this stuff, and at the same time,
3 National Fuel Gas is not promoting it to sell gas to these
4 school districts, because, you don't understand, this is a ---
5 this has a ratchet effect. It's not just the fact that,
6 people have to pay more for their gas or transmission. These
7 school districts are getting hot --- they're getting just
8 clobbered. So, you know what that does? That raises the
9 rates in the school district, the tax rate, to cover the cost
10 of the gas. This is crazy. This is crazy.

11 You have National Fuel Gas partnering with a company that
12 would --- that does genocide. They're still up in Alberta,
13 Canada, sending gas down here. And at the same time, telling
14 people to conserve, and then, telling you they want money to
15 help them subsidize themselves for conserving. It doesn't
16 make sense. The stockholders should --- this is a --- I'm
17 telling you, this is really --- you talk about a pyramid.
18 Whoa! This is unbelievable.

19 You have a corporation being subsidized by a Utility
20 Commission, for doing nothing. Not --- and the stockholders
21 don't have to take any risks. That's in --- this is hard to
22 believe.

23 Now, I sent to the Consumer Advocates, I sent them a mess
24 of questions before, 'cause I'm not --- I'll tell you, this --
25 - this is all stacked against us. National Fuel Gas can spend

1 \$800,000 and hire all their expert witnesses. Where can we
2 get our expert witnesses to bring in? I'd like to bring some
3 alternative energy people in here, and tell you how National
4 Fuel Gas isn't promoting their product. That's something
5 you've gotta consider. They're not promoting their product.
6 That's unbelievable. They're not doing it. They have ---
7 they have really high efficient furnaces for industry, that
8 these industry does --- that industry don't even know about,
9 for heating water. They don't know about this. I've gone out
10 and asked them. It --- well --- they're using this company as
11 a lost leader. They can do it this way. They have it
12 structured in a way that, they can --- they can make National
13 Fuel Gas Distribution lose money all the time.

14 I mean, they have other divisions, which are very
15 profitable. And they --- and they make their --- I mean, it -
16 -- and you can only examine National Fuel Gas Distribution.

17 At the same time, I mean, they have a monopoly. Now, it
18 doesn't make sense why they're not promoting, and why they're
19 not doing anything. Do they promote energy stock products?
20 No. I never saw anything about energy stock products. That's
21 a Federal program. They're pouring money into it all over the
22 place. Are they promoting it? No.

23 Now, the other thing is, I heard at that hearing, I was
24 up there at that hearing, and they pulled this pipe up, one of
25 the VP's or President of National Fuel Gas Distribution of

1 Pennsylvania. And he says, "This is what we're paying for."
2 What I want to know, when I go from talking to plastic, some
3 discuss energy for 50 years. Now, what kind of guarantees do
4 they have on their pipe? They're saying that --- now, what I
5 think happened, is they let this stuff go to hell in this
6 area, and they let the system go down. Now, they want to, you
7 know, do something about it. And they want to charge us,
8 because they were paying their stockholders, when they should
9 have been paying to --- to actually maintain their system.
10 And I'd like to know what percentage of National Fuel Gas is
11 iron and which is plastic.

12 And what --- what are the projections of replacing gas
13 lines and meters? You know they have these remote meter
14 reading devices in this area, bought the company, and the
15 company went bankrupt. There's all kinds of meters stuck on
16 peoples homes all throughout this area, that are remote
17 meters, that aren't working. And I wondered whether or not
18 they were working when they had them installed. That's
19 something no one's asking. I want to know what was wrong with
20 those units.

21 And I also want to know, with this Talisman Energy, with
22 this big lawsuit coming, and they signed the rights over to
23 them, in certain areas, where does that stand? Do we have to
24 pay now, because the company that's handling this, actually
25 handled the holocaust survivors, and got billions of dollars?

1 It this going to affect the earnings of this company, if they
2 go after them? I want to know that. I mean, because it's all
3 there. You can just look at Berger and Montague. It's all on
4 the internet. Just take a look. The law suit's there.
5 Seneca Resources is named. Now, I want to know what's going
6 on here?

7 And also, what about the Fur Case? The Fur Case. I ---
8 I think you should suspend this until they decide the Fur
9 Case. Because, Elliot Spencer, the Attorney General of New
10 York, brought that Case, and that Case is pending, I believe,
11 and that Case will affect the transmission costs, which will
12 affect the gas costs in this proceedings. I think you should
13 delay this until that Case is resolved, because it's going to
14 influence --- it's going to influence --- I mean, I guess, the
15 PUC's involved in that Fur Case. And the --- and Elliot
16 Spencer's involved in that Fur Case, Attorney General of New
17 York. And what's that going to do? That's going to affect
18 the transmission rate, because he's challenging the cost on
19 that transmission. Well, that's certainly going to affect
20 this Case, because that's what you're looking at.

21 Well, that's all I have to say. But I just want to say
22 this: I don't think it's right, that this meeting is held
23 here, because a lot of people don't have the opportunity. The
24 poorest, the blacks, the hispanics, how many were here
25 tonight? Maybe 3 or 4. That's wrong. They're suffering, and

1 this is not the place to have meetings. You've gotta have ---
2 did they have pub --- adequate transportation and close to
3 their homes. Not up here.

4 Thank you.

5 JUDGE CORBETT: Thank you, sir.

6 (Witness excused.)

7 JUDGE CORBETT: Mary Jane Ayers. And David Smith.

8 Ms. Ayers, you can come to the podium. Mr. Smith, you
9 can come up and have a seat up front. Thank you.

10 Whereupon,

11 MARY JANET AYERS

12 having been previously duly sworn, testified as follows:

13 DIRECT TESTIMONY

14 THE WITNESS: My name is Mary Janet Ayers. The last name
15 is A-y-e-r-s. I live at 2208 Plum Street, Erie, Pa. 16502.
16 I'm employed. I'm a teacher for an agency, GECAC. I've never
17 done anything like this.

18 JUDGE CORBETT: Can you tell us if you are a customer of
19 NFG?

20 THE WITNESS: Yes, I am.

21 JUDGE CORBETT: Thank you.

22 THE WITNESS: I'm a homeowner. And, every time they have
23 a rate increase, I just pay more. And, I work about 46 hours
24 a week. I work my regular job, and a part-time job. But I'm
25 not able to make, you know, ends meet, and don't get behind in

1 my bills. Thank heavens.

2 I do turn my thermostat down when I'm not at home, and I
3 try to conserve. I just spent almost \$5000 for a new furnace
4 and five new windows in my home, so that I could conserve.
5 And, when I read in the Erie Times Sunday paper, I don't know
6 when it was, that National Fuel was going to have a surcharge
7 for conserving, I thought that was absolutely ridiculous. I -
8 -- I just do not think that, that's right.

9 I think that --- that they should have maybe set up the
10 revenue that they spent on the commercials, that they
11 encouraged us to conserve, they maybe should have saved some
12 of that revenue, and --- that they used in advertising, to
13 meet their other expenses, because, I just do not think it's
14 right that they encourage people to conserve, and then we're
15 penalized for it.

16 So, that's why I'm here tonight. I've never done
17 anything like this, again. And I sat and listened to
18 everyone. And I thank you for your time. I know it's been a
19 long day, and a long night. But I just think that this is
20 wrong. And so, I just had to make my voice heard.

21 So, thank you very much for listening to me and giving me
22 this opportunity to speak.

23 JUDGE CORBETT: Thank you, Ms. Ayers.

24 Any questions?

25 (No response.)

1 JUDGE CORBETT: Thank you.

2 (Witness excused.)

3 JUDGE CORBETT: David Smith.

4 Whereupon,

5 DAVID SMITH

6 having been previously duly sworn, testified as follows:

7 DIRECT TESTIMONY

8 THE WITNESS: Good evening, and thank you for the
9 opportunity to address this committee. My name is David
10 Smith. I live at 649 Blaton Road, which is in Mill Creek
11 Township, 16509. I've been a National Fuel Gas customer for
12 the past over 20 years. I'm a retired military officer, a
13 part-time teacher at Gannon University, and I'm an insurance
14 underwriter.

15 And I work for one of the most rate-related industries in
16 the business. National Fuel's regulated, so are we. But what
17 is the difference between the insurance industry and other
18 industries that are regulated and the utilities? If we --- if
19 we --- there was only one company that wrote automobile
20 insurance in Pennsylvania, what kind of service, and what kind
21 of rates do you think you would be paying?

22 Instead, there's hundreds of companies, that are fighting
23 for the consumers dollars. And actually, the rates have gone
24 done in Pennsylvania for the past 30 years, and they are
25 continuing in a --- in a projection, so to speak, to go down

FORM 2

1 even further. The companies are offering --- they have to be
2 for service, they have to compete for price, they have to show
3 the people that --- why they should buy insurance from us,
4 instead of the green lizard on TV. You can buy it ---
5 insurance on the internet, you can buy it from the agent, you
6 can buy it over the phone.

7 So, because of this competition, the natural competition,
8 prices are going down, even though it's a regulated industry.
9 Nobody shows up at insurance rate hearings anymore, because
10 the rate filings are usually downward.

11 So, my suggestion is, National Fuel owes an obligation to
12 all the consumers to be as efficient as possible. And also,
13 we owe the people of Pennsylvania the opportunity to buy gas
14 from other sources and increase competition. Because
15 increased competition improves efficiency, brings down the
16 cost to the consumer, and makes executives work for their high
17 salaries.

18 That's all I have to say.

19 JUDGE CORBETT: Thank you very much, Mr. Smith.

20 Any questions?

21 (No response.)

22 (Witness excused.)

23 JUDGE CORBETT: Is there anyone else who wishes to
24 testify, whom we have not called?

25 Yes, sir, come on up.

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MR. CLARK: Good evening.

JUDGE CORBETT: Would you tell us your name first, sir?

MR. CLARK: My name is William R. Clark.

JUDGE CORBETT: Alright, Mr. Clark, you need to be sworn, I believe. Would you raise your right hand?

(Witness sworn.)

Whereupon,

WILLIAM R. CLARK

having been duly sworn, testified as follows:

DIRECT TESTIMONY

JUDGE CORBETT: Alright.

And, would you begin by giving us your full name and spell your last name for the court reporter?

THE WITNESS: My name is William R. Clark, C-l-a-r-k.

JUDGE CORBETT: And your address?

THE WITNESS: I reside at 1546 Woodlawn Avenue, Erie, Pa. 16510.

JUDGE CORBETT: And your occupation, sir?

THE WITNESS: I'm the Minister of Christ Temple Church, 1917 Potomac Avenue, Erie, Pennsylvania 16510. I've been a minister at that church for 49 years. And I come tonight as observations of knowing that you have received good information from two experts: Mr. Springirth and Mr. Welch.

I was associated, perhaps you don't recall, many years ago with Susan Shanaman, the Chairman of this committee, and

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1 Wilson Goode, who was a native of Philadelphia. I had known
2 them many years.

3 Many years ago, I was the Chairman of a group called PUC
4 Concerns, and, fortunately or unfortunately, we did almost as
5 well as you did. And I had an office downtown, that I served
6 perhaps, 15 to 2000 people, without charge.

7 But several facts here tonight, I heard in a round-about
8 way, that you have rescinded the moratorium of natural gas in
9 the wintertime. I think we properly responded to that
10 project. Is that a fact? Have you rescinded that?

11 JUDGE CORBETT: We had nothing to do with that, sir.
12 That is the Responsible Utility Customer Protection Act, and,
13 unfortunately, that is a --- that's something that we have no
14 control over. That Act tells us what to do.

15 THE WITNESS: Yeah.

16 JUDGE CORBETT: That is something that has to go through
17 the State Legislature.

18 THE WITNESS: I would hope that you would forward this
19 information that's been gathered here this evening to the
20 Governor. I had the privilege of being with him on this past
21 Friday, I believe it was, and I took pictures with him. And I
22 think he'll be coming back to town. So, we --- we're very
23 concerned about the people in Erie.

24 I've been a resident all my life here, too. And I have
25 congregants that really are in poverty situations. I have to

1 --- I have to go to people's houses, and their children's.
2 Newborn babies are in the home, the gas is turned off. So, I
3 will be tomorrow, approaching some of the executives of the
4 company, and asking them to consider --- reconsider this
5 request. I'll also be asking them to intercede, and I'm sure
6 they consider to maintain the moratorium that we've had for a
7 number of years, which has been very beneficial to poor
8 people, and as long as the winter months exist, it's critical
9 in their lives.

10 I've been living here when the Army had to come in and
11 dig us out. And those were pretty cold months, at 35, 40
12 degrees below 0, thereabout. So, I'm asking you to consider
13 this, not just to take this. I know you're governed by the
14 PUC, and I know that they --- the companies subsidize your
15 salaries. That is, to some extent. And I also know that the
16 Governor has something to do with your --- your enterprise.

17 So, I'm asking you to reconsider. Not just to have a
18 meeting. I have been with Mr. Wells. The people that ---
19 that's the only reason I spoke. I wasn't going to speak. But
20 the only reason I spoke was that, when I looked around and saw
21 that there was one or two blacks in here, and that --- that
22 embarrassed me.

23 And, that probably is because of the fact that, they feel
24 left out. And not only in this situation, but similar
25 situations like this. So, had you --- if you had this

1 downtown at the Avalon or someplace, or one of the centers,
2 you'd probably had perhaps half the people that --- not only
3 these people that need, but the people that really --- those
4 people I have to serve in many capacities, and subsidize
5 money.

6 I been a pastor 49 years. I have never received a
7 salary. My church is paid for, the parsonage is paid for,
8 because of hard work. But these gas bills are really getting
9 to us. And so, I'm going to be asking some of the leaders of
10 the company who I know, to reconsider this, along with you.

11 We do appreciate you appearance. But most of all, we are
12 servants of the people. That's what we should take into
13 account, and the fact that, people are our main entity. And
14 their concerns are not important to us. And we've lost the
15 fact that, God has left us here on earth to help each other.

16 So, here in Pennsylvania, you --- you need to come in the
17 wintertime, as somebody said, you know, just for what winters
18 are in Erie. And it starts in sometime in September, and ends
19 in early April, or late May, I should say, and you can see
20 snow sometimes in early May. And so, I've seen that happen so
21 many times. So that's what you need to know. Come up here
22 sometime, and you'll see what we're going through.

23 God bless you. I hope your decision will be based on the
24 testimony you've heard, as you go about these areas. God
25 bless you, and thank you for your appearance.

JUDGE CORBETT: Thank you very much, sir.

(Witness excused.)

JUDGE CORBETT: Is there anyone else whom we have not called, who wishes to testify?

(No response.)

JUDGE CORBETT: I thank you. I thank you all for your taking the time out of your busy schedules to be with us this evening, and your patience in --- in staying with us this evening. And, your comments and testimony will certainly be taken into consideration when we sit down and take a look at this Case.

Thank you very much, and the hearing is now adjourned. Thank you.

(Whereupon, at 10:26 p.m., the hearing was adjourned, to be reconvened on August 29, 2006, at 2:00 p.m., in Meadville, Pennsylvania.)

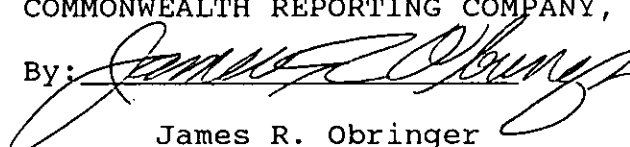
C E R T I F I C A T E

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

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