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FOR IDENTIFICATION IN EVIDENCE

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FORM 2

P R O C E E D I N G S

1
2 ADMINISTRATIVE LAW JUDGE JOHN H. CORBETT, JR.: We
3 are on the record at this time. This is the time and place
4 that the Pennsylvania Public Utility Commission has set
5 aside for a public input hearing on the base rate filing of
6 National Fuel Gas Distribution Corporation at Docket Number
7 R-00061493.

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

13 At this time, we want to introduce to you some of
14 the people involved in this case. On the other side of the
15 court reporter, to the court reporter's right, would be
16 Anthony Kanagy, the attorney for National Fuel Gas
17 Distribution Corporation. Next to Mr. Kanagy is Sharon
18 Webb from the Office of Small Business Advocate. Next to
19 Ms. Webb is Robert Eckenrod from the Commission's Office of
20 Trial Staff, and to Mr. Eckenrod's right would be Darryl
21 Lawrence of the Office of Consumer Advocate.

22 JUDGE HOYER: We want to take a minute to summarize
23 for you what this case is about. On May 31st, 2006, NFG
24 filed a supplement to its tariff proposing to increase it's
25 rates by \$25.8 million, or 6.1 percent, from present

1 revenues. The company proposed that the rate increase
2 become effective on or about July 30th, 2006.

3 For residential customers, NFG proposed an overall
4 increase in rates of 6.1 percent. This would mean that the
5 average residential customer using 100 mcf of natural gas
6 annually would see his or her average bill rise from
7 \$143.94 per month to \$153.83 per month, or by 6.9 percent.

8 As part of this increase, the company proposed a 72
9 percent increase in the monthly customer charge for
10 residential service. If the Commission approves the
11 proposed rates, the monthly customer charge for residential
12 service will increase from \$12 to \$20.64.

13 After a preliminary investigation, the Commission
14 suspended NFG's proposed tariff supplement until March 2nd,
15 2007 by Order entered on July 20th, 2006 and assigned this
16 case to the Office of Administrative Law Judge for further
17 investigation and hearings.

18 A prehearing conference was held on August 3rd, 2006
19 where the parties established a litigation schedule.
20 Public input hearings were held yesterday in Erie. One was
21 held in the afternoon and a second in the evening. We are
22 here today for a public input hearing, obviously, and then
23 tonight, we have a public input hearing in Farrell.
24 Tomorrow afternoon, we have a final public input hearing in
25 Franklin. Technical evidentiary hearings will be held in

1 Harrisburg beginning October 17th, 2006.

2 After the parties file their briefs, Judge Corbett
3 and I will issue a recommended decision by December 22nd,
4 2006. By law, the Commission must issue it's decision by
5 March 2nd, 2007.

6 The parties in this case include the Commission's
7 Office of Trial Staff, the Office of Consumer Advocate, the
8 Office of Small Business Advocate and the Community Action
9 Association of Pennsylvania.

10 JUDGE CORBETT: Today's public input hearing is
11 important because we want to obtain your thoughts in this
12 case. We want to hear from those people most affected by
13 the current company proposal, you, the customers. We want
14 to hear what you have to say about this matter.

15 Your testimony will have a direct bearing on any
16 settlement the parties may propose, or if the parties are
17 not able to achieve a settlement, the Commission will
18 consider your testimony when deciding the merits of this
19 case.

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

24 Mr. Kanagy?

25 MR. KANAGY: Thank you, Your Honor. I just want to

1 say good afternoon to everyone. I am here on behalf of
2 National Fuel Gas Distribution Corporation.

3 As you are aware, the subject of the hearing today
4 is the proposed rate increase by the company. I would note
5 that for gas companies in Pennsylvania, there are two types
6 of rate cases that they can file with the Public Utility
7 Commission. The first is for the cost of gas itself and
8 the second is for the cost of service, or, in effect, the
9 cost of delivering the gas. The case involves the cost of
10 service, so the cost of gas itself is not at issue in this
11 proceeding.

12 I would note that if you have individual questions
13 or concerns regarding your account, there is a
14 representative from the company here that can help you with
15 those concerns. That person is not here to testify, but
16 here to help you with your concerns if you have individual
17 questions regarding your account. Right now I would like
18 to have him raise his hand so you can see him. If you have
19 individual questions, please see the gentleman back there.

20 This forum presents an opportunity for you to
21 express your views with respect to the company's rate
22 increase. We welcome your comments and thank you for
23 coming.

24 JUDGE CORBETT: Mr. Eckenrod?

25 MR. ECKENROD: Good afternoon. My name is Robert

1 Eckenrod and I am here representing the Commission's Office
2 of Trial Staff. The Office of Trial Staff is a semi-
3 independent arm of the Commission. We are charged
4 basically with representing the public interests in rate
5 proceedings such as this.

6 I have a team of expert witnesses. We have
7 economists, we have accountants and we have financial
8 analysts and engineers who are currently reviewing the
9 filing to determine if there are any recommended
10 adjustments to the filing. We also have been reviewing
11 your formal in informal complaints, too, to see if there
12 are any adjustments that are warranted in this proceeding.

13 As indicated by the other parties, this is the
14 opportunity for you, the ratepayers, to come out and tell
15 us how you feel about this filing. Then we can use that in
16 the proceeding, if warranted.

17 Thank you for coming out, and I look forward to
18 hearing every one of you speak.

19 JUDGE CORBETT: Mr. Lawrence.

20 MR. LAWRENCE: Thank you, Your Honor. My name is
21 Darryl Lawrence. I'm an attorney with the Pennsylvania
22 Office of Consumer Advocate. The OCA represents all the
23 ratepayers in this Commonwealth in matters involving
24 utility rate cases and filings that come before the
25 Pennsylvania Public Utility Commission.

1 Primarily, we have filed a formal complaint in this
2 matter. We are here to represent the interest of the
3 residential ratepayers in NFG's filing. We currently have
4 retained three outside experts to analyze the company's
5 filing, and at the appropriate time in this proceeding, our
6 lawyers and our experts will give the Commission our
7 recommendation as to how we believe this matter should be
8 resolved.

9 This afternoon is about you. We are here to hear
10 your opinions and your thoughts on NFG's requested rate
11 increase. It's very important that you give those thoughts
12 and opinions, that you stand up and testify and be sworn so
13 that your testimony can be part of the record and can be
14 used by the Administrative Law Judges in reaching their
15 ultimate decision on this matter.

16 At the conclusion of this hearing, should any of you
17 wish to speak to me individually about any concerns you may
18 happen to have, or if you need further information about
19 our office or what we do, I will be available. Please seek
20 me out.

21 Thank you for turning out in such numbers. We
22 greatly appreciate it.

23 JUDGE CORBETT: Thank you. Ms. Webb.

24 MS. WEBB: Thank you, Your Honor. Good afternoon,
25 everyone. My name is Sharon Webb and I am here on behalf

1 of the Office of Small Business Advocate. Like the Office
2 of Consumer Advocate and the Office of Trial Staff, we have
3 filed to participate in this proceeding. We also have an
4 expert who will be helping us evaluate the economics and
5 the numbers of the filing.

6 Our office primarily represents the business
7 interests to make sure that increases in rates are not
8 disproportionately allotted towards business customers.

9 This is your opportunity today. We want to hear
10 from you all. I encourage you, as counsel has done
11 previously, to testify under oath. We can use your
12 information to help formulate our final position with
13 respect to the case, and this is your opportunity to get
14 your issues on the record.

15 I'm not sure how long today's hearing will go, but I
16 will make myself available as time permits after the
17 hearing if there are any business customers who have
18 questions or inquiries. I also have cards and can follow
19 up with you at a later time.

20 Thank you all for coming.

21 JUDGE CORBETT: Thank you, Ms. Webb.

22 JUDGE HOYER: Previously we placed outside the
23 front door, sign-in sheets for people to print their names,
24 addresses and telephone numbers if you wish to speak here
25 at the hearing. When called, you will be asked to come

1 forward to testify.

2 The Commission's policy regarding public input
3 hearings gives you three options. The first option, you
4 may testify formally under oath or affirmation and be
5 subject to cross examination.

6 The second option, you may make an unsworn or
7 unaffirmed statement. Your statement will be off the
8 record and it will be not be subject to cross examination.
9 The court reporter will not transcribe your statement and
10 neither we or the Commission will consider it in any
11 decision.

12 Or, your third option, you may provide information
13 to the parties here off the record after the hearing for
14 their possible use at their discretion in any further
15 evidentiary hearings.

16 JUDGE CORBETT: As some of the attorneys up here
17 have previously stated, we strongly urge you to testify
18 under oath so we and the Commission can review your
19 testimony to the extent it meets the rules of evidence.

20 If you take an oath or affirmation, the court
21 reporter will transcribe your statement. Your statement
22 will then become a part of the official record in this case
23 and may be considered by us as well as by the Commission in
24 deciding this matter.

25 Since you are a witness, the attorneys may ask you

1 questions about your testimony. You should not become
2 upset by the questioning or feel that you are under
3 personal attack. Such questioning is entirely normal for
4 this type of legal proceeding.

5 We ask you simply that you listen to the questions
6 asked of you and that you answer the questions that may be
7 asked of you to the best of your ability. If any questions
8 are improper, we will let you know.

9 At this time, we will call the names of those people
10 who have signed the witness list. As we call your name,
11 please stand and remain standing until we have called the
12 last name. We will then ask you to take the oath or
13 affirmation of a witness if you wish to testify on the
14 record.

15 JUDGE HOYER: When I call your name, please stand.
16 Dorothy Earley, Earl Huckleberry, George Wright, Arden
17 Debore, Mary Ashby, Keith Abbott, Darcy Bean, Janet Clark,
18 Ed Kline, Howard Stewart, Fran Stonedale, L. Thomas Hayden,
19 Vivian Fey, Anne Furno, William Harrison, Tom Findlay, Olga
20 Bryant, Hollie Rose, Mary Bronze, Bruce Gilles, Mary
21 Hinderliter and James Jafko.

22 Whereupon,

23 ALL PROSPECTIVE WITNESSES
24 having been duly sworn, testified as follows:

25 JUDGE HOYER: Please be seated.

1 JUDGE CORBETT: A few observations before we call
2 the first witness. First, if you are reading from a
3 prepared statement and you have an extra copy of your
4 statement with you, please give it to the court reporter
5 before you begin to testify. If you have sufficient
6 copies, you could also give a copy to Judge Hoyer and
7 myself as well as the attorneys up here.

8 Second, this is a legal hearing. Everyone who is
9 called to testify is a member of the public here. Each
10 witness has the right to give his or her testimony free
11 from any interruptions, comments from others and the like.

12 In order to hear as many witnesses testify as
13 possible in the time that we have this afternoon, we ask
14 you to hold your applause or demonstration of appreciation
15 until the end of the hearing and all the witnesses have had
16 a chance to testify.

17 Again, it is important for us to hear what you have
18 to say and we would like to hear from as many of you as we
19 possibly can in the time we have allotted.

20 Third, to allow as many of you to testify as
21 possible, we ask that you confine your comments or
22 statements to no more than five minutes. I know this is
23 not a very long period of time, but we have another hearing
24 this evening in Farrell. We have to leave and set the
25 hearing up and so forth at the next hearing.

1 We have 22 witnesses on the list. We are going to
2 ask you to keep your remarks to no more than five minutes.
3 When you have one minute remaining, we will let your know.
4 Please keep your remarks concise and to the point. If
5 someone before you has said what you were going to say, you
6 can simply say that you agree with what they have said.
7 Your comments will have just as much weight as anyone else
8 who has previously testified.

9 Finally, we ask you to confine your remarks to the
10 issues involved in this case. We know that many of you may
11 have questions about this case or about other matters
12 involving the utility. This time allotted today is to hear
13 your testimony. If you have questions, there are people
14 here who will answer your questions after the hearing. The
15 attorneys volunteered to answer any questions you may have
16 after the hearing.

17 If it's a matter involving the Commission, there is
18 not only Mr. Eckenrod here from the Commission, but also
19 Jennifer Kocher, the young lady at the front table where
20 you signed in, is with the Commission's office of
21 communications and she can answer your questions.

22 With that, let me turn this over to Judge Hoyer.

23 JUDGE HOYER: There may be members of the media
24 present. If you are going to testify and you do not want
25 your picture taken by the media, then let us know when you

1 come up to testify, and we will ask the media to refrain
2 from taking your picture.

3 We ask the media to refrain from using lights or
4 flash during the hearing.

5 With that, we will call the first witness for this
6 hearing. I am going to call the first witness to come to
7 the podium and then three more individuals to take these
8 seats directly behind the podium so that once the witness
9 at the podium finishes speaking, we can call the next
10 witness and move forward quickly.

11 Ms. Earley, if you could please step right to the
12 podium. The following individuals please come forward and
13 take a seat behind the podium: Mr. Huckleberry, Mr. Wright
14 and Arden Debore.

15 Ms. Earley and the other witnesses I have just
16 called, when you begin to speak, please state your name and
17 spell it. We will ask you to also state your address, your
18 occupation and place of employment and indicate whether you
19 are a ratepayer of NFG.

20 Whereupon,

21 DOROTHY EARLEY

22 having previously been duly sworn, testified as follows:

23 DIRECT TESTIMONY

24 JUDGE HOYER: With that, you may proceed, Ms.
25 Earley.

1 THE WITNESS: I am Dorothy Early, D-o-r-o-t-h-y,
2 E-a-r-l-e-y. I live at 11902 North Luke, Meadville, PA.

3 JUDGE HOYER: Are you an NFG ratepayer?

4 THE WITNESS: Correct.

5 JUDGE HOYER: And your occupation?

6 THE WITNESS: I'm retired.

7 JUDGE HOYER: Thank you. You may proceed.

8 THE WITNESS: I just have a simple statement. I
9 oppose the surcharge increase on my gas bill. Just because
10 I'm frugal, turn my heat down to 60 and 65, insulate my
11 windows with plastic, wear long underwear, layer my
12 clothes, sit my regular socks plus hunting over them to
13 keep my feet warm, therefore, because I lowered my
14 consumption, you want to levy a surcharge. How low can you
15 get? Period, that's it.

16 JUDGE HOYER: Thank you. Any questions?

17 (No response.)

18 (Witness excused.)

19 JUDGE HOYER: Mr. Huckleberry. Again, when you
20 come to the podium, state your name, spell it, your
21 address, occupation and indicate whether you are a
22 ratepayer.

23 Whereupon,

24 EARL HUCKLEBERRY

25 having previously been duly sworn, testified as follows:

DIRECT TESTIMONY

JUDGE CORBETT: You may proceed.

THE WITNESS: My name is Earl Huckleberry, and it's spelled H-u-c-k-l-e-b-e-r-r-y, and I live at 450 Water Street in Saegertown, PA, and I am a ratepayer and I am retired.

I have a written statement here I would like to read. I, Earl I. Huckleberry, am writing this letter in protest of the surcharge that National Fuel Gas is asking. I cannot understand why we as customers should be penalized for trying to save on gas. My pension hasn't gone up no 30-plus percent that National Fuel Gas has already gotten.

So, I am speaking for myself. Please do not give them this surcharge that they are asking for. If you give them this increase, you and you alone are adding a tremendous burden to all senior citizens.

If I can see my way clear, this will be the last winter that I will be heating my home with National Fuel Gas. I have spoken already to more than 50 people who heat their homes with pellet or corn stoves or a combination, and at costs of \$800.00, I can heat my 1,000 square foot home for the winter months. I figured it up and I am paying close to \$2,000 a year to National Fuel Gas to heat my 1,000 square foot home.

National Fuel Gas already pumps air into lines along

1 with water, which God has already put there when it comes
2 out of the ground. So when you to your furnace and it
3 burns a yellow or an orange flame instead of a blue flame,
4 you know that you're not getting the heat out of the gas
5 that you are supposed to. I know this takes place because
6 I worked around gas wells for 15 years.

7 I know for a fact the senior citizens that I have
8 already talked to, like me, are hurting very, very badly.
9 Thank you.

10 JUDGE HOYER: Thank you. Any questions?

11 (No response.)

12 (Witness excused.)

13 JUDGE HOYER: Mr. Wright.

14 Whereupon,

15 GEORGE WRIGHT

16 having previously been duly sworn, testified as follows:

17 DIRECT TESTIMONY

18 JUDGE HOYER: Please state your name, spell it,
19 your address, occupation and indicate whether you are a
20 ratepayer.

21 THE WITNESS: George Wright, last name W-r-i-g-h-t.
22 I am a retired person, ratepayer and I live B-8 Manchester
23 House in Meadville.

24 My only statement is that since the utility
25 distribution system, they are essentially a monopoly, only

1 the Public Utility Commission can protect citizens against
2 unwarranted rate increases.

3 The surcharge for customer conservation is
4 especially onerous. We are being charged for following the
5 company's paid conservation commercials to turn the
6 thermostats down.

7 Senior citizens on fixed income could see most of
8 the 2007 COLA from Social Security go to the gas company.
9 Thank you.

10 JUDGE HOYER: Thank you. Any questions?

11 (No response.)

12 (Witness excused.)

13 JUDGE HOYER: Arden DeBore.

14 Whereupon,

15 ARDEN DeBORE

16 having previously been duly sworn, testified as follows:

17 DIRECT TESTIMONY

18 THE WITNESS: Good afternoon, everyone. My name is
19 Arden DeBore. I live at 21129 Star Rock, Meadville.

20 JUDGE HOYER: Could you spell your name for us,
21 please?

22 THE WITNESS: D-e-B-o-r-e.

23 JUDGE HOYER: And your first name?

24 THE WITNESS: Arden, A-r-d-e-n.

25 JUDGE HOYER: Thank you. Are you a ratepayer?

1 THE WITNESS: I am a ratepayer.

2 JUDGE HOYER: Your occupation?

3 THE WITNESS: I'm retired 24 years.

4 JUDGE HOYER: You may proceed.

5 THE WITNESS: Corporate America, you are traitors
6 to this great country of ours, and you, the Pennsylvania
7 Public Utility Corporation are just another part of
8 corporate America, indeed controlled by business people.

9 Now to explain my opposition to the proposed
10 increase of rates charged by National Fuel and the
11 suggested surcharge, just another way to fleece we, the
12 people, downright robbery.

13 Of all the many illnesses we have to contend with at
14 the present time, there is an element called greed, and
15 that's spelled g-r-e-e-d. That affects all of we, the
16 people. Greed is very much prevalent in the corporate
17 area.

18 In the year 2004, 2005 and 2006, my wife was very
19 ill, a massive subdural hematoma, two brain surgeries and a
20 broken hip surgery. After recovering, my wife was able to
21 come home. I was her main caregiver, 24/7. You know what
22 that means; 24 hours a day seven days a week.

23 On December 4 of 2004, wintertime, it was necessary
24 to keep the house warm. Natural gas was pretty expensive
25 for me to pay. For the year 2005 to 2006, I decided to

1 install a wood burning furnace, and I have my own wood that
2 I split and cut myself.

3 I tore down and replaced an old chimney and added an
4 electric generator. I was just making sure my wife was
5 comfortable and I was able to control natural gas costs. A
6 surcharge, you better forget it.

7 By the way, my wife Isabella died April 8, 2006.
8 That's it.

9 JUDGE HOYER: Thank you very much. Any questions?

10 (No response.)

11 (Witness excused.)

12 JUDGE HOYER: Would the following individual please
13 approach the podium, Mary Ashby, and, Pete Abbott, Darcy
14 Bean and Janet Clark, please take the three seats behind
15 the podium.

16 Whereupon,

17 MARY ASHBY

18 having previously been duly sworn, testified as follows:

19 DIRECT TESTIMONY

20 JUDGE HOYER: Ms. Ashby.

21 THE WITNESS: My name is Mary Ashby. I live at 223
22 Walnut Street, Meadville, PA, and we do have National Fuel
23 Gas. I'm retired.

24 They've already said about everything I was going to
25 say.

1 JUDGE HOYER: Could you please spell your name for
2 me, your last name?

3 THE WITNESS: A-s-h-b-y.

4 JUDGE HOYER: Thank you. Any questions?

5 (No response.)

6 Thank you very much.

7 (Witness excused.)

8 JUDGE HOYER: Mr. Abbott.

9 Whereupon,

10 KEITH ABBOTT

11 having previously been duly sworn, testified as follows:

12 DIRECT TESTIMONY

13 THE WITNESS: My name is Keith Abbott. I live at
14 11645 Pearson Avenue, Meadville, self-employed, National
15 Fuel Gas payer.

16 JUDGE HOYER: If you could spell your last name,
17 please?

18 THE WITNESS: A-b-b-o-t-t.

19 JUDGE HOYER: Thank you.

20 THE WITNESS: Quite a few years ago, I went to an
21 alternative fuel. In the following two years, I was
22 questioned as to my usage. I've had my meter replaced
23 twice because nobody believed I was using that little of
24 gas.

25 I was told that during the summers, because the

1 usage was so low, that my bill was an established rate,
2 which I understand it is needed for maintenance and
3 delivery of the gas, which I understand, but that is
4 already figured in to the price of the gas, minimum, and to
5 ask for a surcharge on top of that, I think is very poor
6 taste of the company to go that way.

7 For me, I drastically reduced my rates, but there's
8 a lot of people in this audience and a lot of people that
9 are not here that have done a lot to reduce their usage,
10 and to be penalized for that, I would really like to see
11 the PUC take a serious look at the profits of the company.

12 As I understand it, it's already built in to the
13 price, and just because the usage is dropping, they are
14 still making a profit. Just for them, from what I
15 understand, what it's basically going to do is maintain
16 their profits.

17 Maybe they should start looking at what the farmers
18 are getting paid for their milk. Their profits are
19 dropping and they have no option. National Fuel can go to
20 the PUC and try to ask for more money. I would really like
21 the PUC to take a serious look at this and rule in favor of
22 the consumer. Thank you.

23 JUDGE HOYER: Thank you. Any questions?

24 (No response.)

25 (Witness excused.)

1 JUDGE HOYER: Darcy Bean.

2 Whereupon,

3 DARCY R. BEAN

4 having previously been duly sworn, testified as follows:

5 DIRECT TESTIMONY

6 THE WITNESS: Hi, I'm Darcy Bean. I live at 1316
7 East Main Street, Conneatville, Pennsylvania. I'm a
8 ratepayer and I am on disability.

9 JUDGE HOYER: If you could spell your first and
10 last name as well, please?

11 THE WITNESS: D-a-r-c-y, R. Bean, B-e-a-n.

12 JUDGE HOYER: Thank you.

13 THE WITNESS: You're welcome. Sirs, gentlemen and
14 ladies, please say no. We are very much against the rate
15 hike. With all the energy prices souring now as they are,
16 it just isn't right to charge their customers more dollars
17 for using less gas. It may be okay for a few dollars per
18 month, but if National Fuel Gas gets it, we know down the
19 road they will just keep adding on more.

20 Conserve, conserve, conserve, that's all we have
21 heard for a long time. Is this the reward we get for
22 conserving, pay more? In the past two months, I, we, just
23 had a new Energy Star furnace installed. The old furnace
24 was 68 percent efficient. The new one is an Energy Star,
25 96.4. I, we, are hoping to use less energy.

1 What reward will we get, pay more? It's not right.
2 Tell National Fuel to do other things first. Do like
3 everyone else, take cuts in pay, don't increase wages, put
4 a wage freeze on. If they pay full insurance on employees,
5 have employees pay part of their own insurance. Downsize
6 where it is possible.

7 I don't know the hourly wage of a meter reader, but
8 I heard, so this is only hearsay. Is it true that a meter
9 reader gets between \$15 and \$20 an hour? Give them a cut
10 in pay. Use temps to read the meter.

11 We don't qualify for help in paying our bills. I'm
12 on a fixed income now. I'm on disability due to a job-
13 related accident. I just can't afford to pay more.

14 The energy companies begged and begged everyone to
15 use less energy. Finally the day come when we all
16 listened. That was the 2005-2006 winter season. Most
17 everyone I talked to dressed warmer, put plastic on their
18 windows, insulated, caulked air gaps and set thermostats
19 back, 66 to 68 degrees, including myself.

20 We really did use less gas, but our bill sure didn't
21 reflect the savings. All we heard was Hurricane Katrina
22 this, that and whatever else. Here it is, almost one year
23 later, gas is still blowed out of proportion.

24 Please say no. Thank you. Darcy Bean, August 29th,
25 2006.

1 JUDGE HOYER: Thank you. Any questions?

2 (No response.)

3 Thank you very much.

4 THE WITNESS: You're welcome.

5 (Witness excused.)

6 JUDGE HOYER: Janet Clark.

7 Whereupon,

8 JANET CLARK

9 having previously been duly sworn, testified as follows:

10 DIRECT TESTIMONY

11 THE WITNESS: Hello. I'm Janet Clark, J-a-n-e-t,
12 C-l-a-r-k. I live at 19424 Green Mountain Street in
13 Meadville. I am the controller for Meadville Moving and
14 Storage, Incorporated, and I am a ratepayer of NFG.

15 I am hoping to show how NFG's current billing
16 practices already glean them extra income for them and as
17 well, uses consumers' money.

18 In October of 2005, I bought a brand new energy
19 efficient furnace. I've been on NFG's billing forever, and
20 knowing that I should see a savings, I called NFG to have
21 them change the budget or reduce it because of the new
22 furnace. I was told that they wouldn't do that for three
23 months, so that would have been February, which was the
24 biggest balance of the winter. So, I went off the budget
25 plan.

1 National Fuel Gas would read my meter only
2 approximately two times a year while I was on the budget,
3 so I began calling in my reading every month since October
4 of 2005.

5 I do have exhibits, if you will. This would really
6 make it easy and it's very quick for me to explain them.

7 NFG read my meter on May 10th of 2006, and that's
8 Exhibit 1, and showed 22 cubic feet of gas between April
9 11th and May 10th. I was busy in early June, so I did not
10 get to call in my meter reading, so NFG estimated my bill
11 from May 10th to June 9th, which is Exhibit 2, at 33 cubic
12 feet with a reading ending at 4178.

13 On July 11th, which was 33 days later, I called in
14 my meter reading and it was 4172, which was well under
15 their estimated of 4178. Two days later, and that's
16 Exhibit 3, I received a bill correction, that I had been
17 billed incorrectly for one month and to disregard the prior
18 bill.

19 My due date for that prior bill was July 1st, so
20 they already had my money, and I paid for 33 cubic feet of
21 gas. So, they adjusted my usage to 16 cubic feet with a
22 reading of 4161, which is a number that they pulled out of
23 the air somewhere.

24 Two days later, Exhibit 4, I received my next
25 month's bill showing my called-in reading from July 11th

1 and their adjusted reading back-dated to June 9th.

2 If you notice the bottom of the June graph on
3 Exhibit 2, it originally showed 33, and now it shows 16.
4 So, I was credited for an overpayment, but then I was
5 charged the monthly customer charge and delivery charge, so
6 essentially, they crossed out their incorrect bill like it
7 never even existed. It just went away.

8 On October 10th, I called in my reading and it was
9 4179, which I note is just one cubic foot over that very
10 first large estimated gas bill, the incorrect estimate,
11 they said, and I was billed, and that is Exhibit 5.

12 I have a 30-year career in finance and accounting,
13 and you don't cross out your errors because that means you
14 are covering something up. You adjust it by credit or
15 debit.

16 Essentially, I should not have received a bill for
17 June, which is Exhibit 4. I already paid for 33 cubic
18 feet. And, my July bill, which is Exhibit 5, should have
19 shown one cubic feet of gas used, and figuring that bill,
20 it should have been about \$13.94 with the customer charge,
21 etcetera.

22 It took a lot for me to sit down and figure out the
23 proper accounting for this manipulation that occurred here,
24 so how is the average consumer going to protect themselves
25 from an overcharge?

1 This extra bill, the 00 bill, was a coverup and it
2 was a waste of personnel and postage, but they wanted that
3 extra customer charge and delivery charge. Call it what
4 you will, I believe it was a surcharge. That's all I have
5 to say.

6 JUDGE HOYER: Before you leave, we are going to
7 mark these exhibits, Janet Clark Exhibits 1 through and
8 including Exhibit 5. Is there any objection to their
9 admissibility?

10 (No response.)

11 Hearing none, they are admitted.

12 (Whereupon, the documents were marked
13 as Janet Clark Exhibit Nos. 1 through
14 5 for identification and were
15 received in evidence.)

16 JUDGE HOYER: Any questions?

17 (No response.)

18 (Witness excused.)

19 JUDGE CORBETT: The next witness is Ed Kline. Mr.
20 Kline, would you come to the podium, please? The next
21 three people please take a seat behind Mr. Kline. Howard
22 Stewart, Fran Stonedale, L. Thomas Hayden and Vivian Fey.
23 Whereupon,

24 ED KLINE

25 having previously been duly sworn, testified as follows:

1 DIRECT TESTIMONY

2 JUDGE CORBETT: Mr. Kline, you may proceed.

3 THE WITNESS: Good afternoon. My name is Ed Kline,
4 Ed, E-d, common spelling, K-l-i-n-e. Thank goodness my
5 father changed it when he came from Hungary. I live at 595
6 Penn Street in Linesville. I am a fuel gas user and I heat
7 my home and my water with gas, and my wonderful wife of
8 over 51 years does our cooking with gas. As you can see,
9 she does a lot of it.

10 I would like to address the Administrative Law
11 Judges of the Pennsylvania Public Utility Commission, local
12 leaders and those attending this meeting to protest the
13 proposed surcharge and rate increase requested by National
14 Fuel. Thank you for allowing these words.

15 First, we must be aware that this is not a new idea.
16 It has already come up before federal and state government.
17 They are already discussing what they will do if the
18 motoring public gets smart enough to slow down on the
19 highways and buy more fuel efficient vehicles.

20 By the public's cutting back on petroleum usage, the
21 government will be receiving less money from fuel taxes for
22 which the government is so hungry. They are already
23 talking about increasing fuel taxes, and that's evidenced
24 by the new media reports.

25 Isn't this the same thing that has happened with

1 National Fuel? Last winter was not as cold as had been
2 predicted, and I'm sure people tried to be more energy
3 conscious. They had to be because even last year, many
4 were more strapped for disposable cash, so natural gas
5 usage was lower.

6 What did this do to National Fuel Gas? It had to
7 lower profits for their stockholders. Now, we, the public
8 -- should the public that uses natural gas have to dig
9 deeper just to ensure those profits? If an automobile
10 company loses profits, they don't raise prices on their
11 cars. They have to lower them to keep their sales up.

12 Many are trying to be energy smarter even to the
13 extent of installing much higher efficiency heating plants,
14 as I might say I'm in the process of doing at this time,
15 evidenced by my arms. Another benefit of taking these
16 steps of being more energy efficient is to help clean up
17 our environment, lowering the green house gases that are
18 affecting us negatively.

19 My understanding of the Public Utility Commission is
20 that they are the watchdog protecting the public. My
21 request is that the Commission allow these people that will
22 be injured by said rate increases and surcharges to not be
23 injured by these increases and surcharges. Please do not
24 allow the increases.

25 Thank you for allowing me to address you.

1 JUDGE CORBETT: Thank you, Mr. Kline. Any
2 questions?

3 (No response.)

4 (Witness excused.)

5 JUDGE CORBETT: Howard Stewart.

6 Whereupon,

7 HOWARD STEWART

8 having previously been duly sworn, testified as follows:

9 DIRECT TESTIMONY

10 THE WITNESS: I am Howard Stewart, H-o-w-a-r-d,
11 S-t-e-w-a-r-t, 10287 Krieder Road, Meadville. I am retired
12 and I am a user of National Fuel Gas.

13 I filed because I saw a phone number in the paper,
14 and I called that in. Instead of them taking my
15 objections, they said I had to fill out a form, which I
16 did. The next thing I know, I get letters from the
17 attorneys from National Fuel Gas, who I did not write to.
18 I wrote to the PUC.

19 I was disgusted with the letter, so I threw it away,
20 which I should have not have. I would like to have it
21 today because to me it seemed like it was a matter of
22 intimidation, and I did not appreciate that.

23 I'm like most of the folks here, I suppose. I'm on
24 a fixed income. You have no way of recouping the increases
25 that you continually get. I don't understand even the

1 service charge that National Fuel has, what it's for. If
2 they want to double that, that's as bad as the surcharge
3 that they want to put on for no good reason.

4 I've lived at this same residence for 19 years, and
5 they have never touched the pipelines, as far as I know,
6 until I filed this objection. It seemed like a coincidence
7 almost. They come out and changed my meter on almost the
8 very day that I received the letter from the PUC.

9 I don't know whether that was to show me that they
10 really were going to do something or had, and really,
11 there's no reason for it because the pipe is a solid pipe.
12 No one does anything to interrupt it. The same way with
13 the meters. They read it every other month, and that's
14 fine.

15 I understand the cost of living increase, but the
16 surcharge, in my opinion, is ridiculous. I suppose if
17 National Fuel gets away with that, then the garbage man
18 will tell me I have to put so many bags in the can or they
19 are going to charge me for that. To me, it's just as
20 ridiculous as this seems to be.

21 Other folks talked about trying to conserve fuel and
22 to save in any way possible. I have done that also. So,
23 why would you want to if they are going to charge you for
24 not using more? In fact, in today's paper, there's an
25 article about a senior seminar to focus on heating cost.

1 Republican State Senator Bob Dobbins will host a senior
2 seminar to focus home heating costs on Thursday. It goes
3 on to tell when it is and what it's all about.

4 Then it says, Representatives from Pennsylvania
5 Public Utility Commission, First Energy Corporation,
6 National Fuel Gas and the Crawford County Weatherization
7 Program will discuss tips on saving energy, programs
8 available to help with energy bills and the charges to the
9 shut-off -- the utility shut-off laws. Then you are
10 encouraged to register for the seminar.

11 So, they tell you to save on one hand, and if you
12 do, it's going to cost you. I would urge the PUC to not
13 allow these increases. Thank you very much.

14 JUDGE CORBETT: Thank you, Mr. Stewart. Any
15 questions?

16 MR. LAWRENCE: I have a question.

17 JUDGE CORBETT: Yes, Mr. Lawrence.

18 CROSS EXAMINATION

19 BY MR. LAWRENCE:

20 Q Mr. Stewart, Darryl Lawrence from the Office of
21 Consumer Advocate. In beginning of your testimony, you
22 were talking about the fact that you filed a formal
23 complaint. Then after you filed the complaint, you
24 received a letter from NFG, which I believe you said you
25 got rid of, threw it away; is that correct?

1 A Yes.

2 Q Do you recall the contents of the letter?

3 A No, that -- some of the contents of the letter,
4 it almost sounded as if I had filed a civil action, which I
5 did not. All I filed was a complaint they asked me to do.
6 It said so-and-so was unfounded and then something else was
7 approved and something else was unfounded.

8 They talked about the hearing they was going to
9 have. It almost sounded as if there was a civil action
10 going on in my behalf, and that wasn't the case at all.

11 MR. LAWRENCE: I understand. Thank you very much.

12 JUDGE CORBETT: Any other questions?

13 (No response.)

14 (Witness excused.)

15 JUDGE CORBETT: Fran Stonedale.

16 Whereupon,

17 FRAN STONEDALE

18 having previously been duly sworn, testified as follows:

19 DIRECT TESTIMONY

20 THE WITNESS: My name is Fran Stonedale, F-r-a-n,
21 S-t-o-n-e-d-a-l-e, and I am ratepayer at 318 Arch Street in
22 Meadville, and I am retired.

23 Pennsylvania has a very high percentage of elderly
24 people, many of them on limited income, primarily Social
25 Security or pensions. They get a very...

1 JUDGE CORBETT: Excuse me. You might have said
2 this ma'am, but are you a customer of NFG?

3 THE WITNESS: Yes, I said a ratepayer at 318 Arch
4 Street.

5 JUDGE CORBETT: I understand, excuse me.

6 THE WITNESS: We get a limited increase for Social
7 Security and the annual increase is usually gone by the
8 first few months due to insurance increases, medical and
9 other uncontrollable costs.

10 Over the last few years, I have spent in excess of
11 \$4,000 in things like thermal windows, insulation, things
12 that were done primarily for environmental and conservation
13 reasons. I would like to leave some gas for my
14 grandchildren and future generations.

15 I was also hopeful of recovering some of that in
16 reduced rate costs, but the rate keeps going up as I cut
17 down on my rate. I use most of Ms. Earley's conservation
18 policies. In addition, I cook -- I have a limited family,
19 so I cook once a week and then warm over the food on my
20 pilot light on the gas stove.

21 To me, the rate increase may be justified if gas
22 costs go up, but certainly not the surcharge for those of
23 us who are trying to conserve.

24 I think National Fuel Gas and other companies should
25 look internally for savings. One possible area would be to

1 cut down the number of meter readings. Let people either
2 phone in or mail in their meter readings. Cut it down to
3 maybe four a year instead of six and other comparable
4 internal savings. Thank you.

5 JUDGE CORBETT: Thank you. Any questions?

6 (No response.)

7 (Witness excused.)

8 JUDGE CORBETT: L. Thomas Hayden.

9 Whereupon,

10 L. THOMAS HAYDEN

11 having previously been duly sworn, testified as follows:

12 DIRECT TESTIMONY

13 THE WITNESS: My name is L. Thomas Hayden, and
14 that's H-a-y-d-e-n. I live at 21384 Beverly Drive,
15 Meadville. I'm recently retired and I am an NFG ratepayer.

16 Before I give my prepared statement, I would like to
17 react to Ms. Clark's situation that she described because
18 it was identical to a situation that I went through just
19 last March and last April myself. I went through the same
20 process with NFG. It was identical, so I just wonder how
21 often that is occurring.

22 For my prepared statement, for the record, I would
23 like to state that the NFG proposal to penalize people for
24 energy conservation is the most ludicrous concept I have
25 ever heard of in my lifetime.

1 I would like to defend the statement with two
2 thoughts. Number one, this country was founded and has
3 existed for over 200 years on two fundamental principles,
4 democracy for our political guidance, and capitalism for
5 economic guidance.

6 This proposal by NFG is in total opposition and
7 defiance of capitalism, specifically the fundamental laws
8 of supply and demand.

9 Secondly, I retired after teaching 35 years in our
10 public school. I taught, of all things, science. A major
11 part of my curriculum, and curricula in all schools across
12 this Commonwealth, has been the importance and the absolute
13 need for conservation of all of our earth's resources.

14 The needs for conservation are obvious and have been
15 taught to all of us. In fact, there are now Pennsylvania
16 standards that are mandating that conservation be taught in
17 our public schools. How can NFG possibly think of defying
18 one of most fundamental lessons being taught in our
19 classrooms and, in fact, mandated in our classrooms? Thank
20 you.

21 JUDGE CORBETT: Any questions?

22 (No response.)

23 (Witness excused.)

24 JUDGE CORBETT: Vivian Fey, please come to the
25 podium. The next witnesses to take the chairs behind her,

1 Anne Furno, William Harrison and Tom Findlay.

2 Whereupon,

3 VIVIAN FEY

4 having previously been duly sworn, testified as follows:

5 DIRECT TESTIMONY

6 JUDGE CORBETT: Ms. Fey, you may begin.

7 THE WITNESS: All right. My name is Vivian Fey. I
8 live at 290 Willow Street, Meadville, PA. You spell my
9 name, V-i-v-i-a-n. My last name is F-e-y.

10 My question is, I did not live at this address in
11 January. I have written down here my amount of gas that
12 was used. I was put on the lottery program.

13 In January, I was to pay \$138. I did. When I moved
14 here, I was told that I was to pay \$168 until August. I
15 did.

16 I'm 73 years old and on SSI. Why am I being charged
17 \$805.80 now when all that I owed when it was shut off was
18 only \$475.13 plus \$69 to get it turned back on?

19 Well, in June I was upset because they didn't wait
20 the two days for to take and shut my gas off. They shut my
21 gas off May 30th. June, July and August, I had no gas. I
22 still have no gas.

23 In July, I thought, well, I'll pay it anyhow. I
24 paid the \$168. They did not acknowledge it. So, in May, I
25 don't see on this paper where they acknowledged that, \$168.

1 In August I paid. On the 1st of August, this month, I paid
2 \$168. They sent me a letter thanking me for that payment.
3 What did they do with the other two payments when they say
4 I still owe \$639.80? Still, you all want to put a
5 surcharge on top of all of this. I don't understand it at
6 all.

7 For the use of the gas here, I have already paid
8 \$1,224. The total amount of gas that I used was 451 cubic
9 feet. Why am I being charged \$805.80 now, and then when
10 they take -- get this payment in August, I still owe over
11 \$600, \$639? I do not understand it.

12 Yeah, I have my thing written down. Here is the
13 shut-off notice. May 30th they shut it off. Here I am
14 three months later with no gas and they are charging me
15 \$322 a month for gas.

16 They claim it's for when the people lived there in
17 January, that's what they had to pay. I don't use as much
18 as they did. I didn't use as much gas as they did, surely.
19 My landlady even talked to them and told there, there was
20 no even a furnace in there in January. How could they
21 charge \$322? There was no furnace in there. Nobody lived
22 there six months before.

23 Therefore, where do they get \$322 that I have to pay
24 when I'm on the lottery program to pay \$168? Then they
25 tell me, well, you're on the (inaudible) program and the

1 budget plan and you have to pay \$322 a month or get out.
2 Do they have the right to tell me to get out? Do they have
3 the right to do this?

4 JUDGE CORBETT: Ma'am, I think if you have
5 questions, there are people here who can answer your
6 questions. So that you understand, we are here today to
7 hear testimony concerning the rate increase.

8 THE WITNESS: And you are still going to put the
9 surcharge on me?

10 JUDGE CORBETT: I understand that, but if you have
11 questions, there are people here who can answer your
12 questions after the hearing. There's a gentleman in the
13 back of the room from NFG who will, I'm sure, be glad to
14 take your name, address and phone number and look into it
15 and get back to you later. There are also attorneys up
16 here who you can talk to after the hearing.

17 That's the proper way to handle the questions. If
18 you have anything further to say concerning the base rate
19 case, we will glad to hear that at this point.

20 THE WITNESS: Okay, but according to the paper,
21 they was supposed to charge, I don't remember the exact
22 amount, this surcharge on your bill. I can't pay the \$322
23 on mine. Add a surcharge on that, I still wouldn't be able
24 to have gas. I don't understand. What would it be when I
25 can't even pay \$322 a month? How much surcharge would be

1 added on to that amount that I have to pay?

2 JUDGE CORBETT: Again, I think if you have
3 questions, I think...

4 THE WITNESS: No, how much was the percentage that
5 was to be added on? I forget.

6 JUDGE CORBETT: I think it's 6.9, ma'am. If you
7 have questions about this, you can take it up with the
8 attorneys.

9 THE WITNESS: So that would make it over 400-some
10 dollars, and I only get \$603 a month.

11 JUDGE CORBETT: Okay. Does that conclude your
12 statement, ma'am?

13 THE WITNESS: Yes.

14 JUDGE CORBETT: Any questions?

15 THE WITNESS: Do you want these papers to show what
16 I'm discussing?

17 JUDGE CORBETT: I think you will need those papers
18 to talk to the people I referred to.

19 MR. KANAGY: Yes, Your Honor. I would encourage
20 Ms. Fey -- there's a company representative in the back,
21 and I would encourage you to speak with him about your
22 account.

23 THE WITNESS: Yeah, but do any of you who are
24 sitting there know the answer to why she would tell me to
25 get out? I never heard of this before; pay or get out.

1 That's what the woman told me at National Fuel.

2 MR. KANAGY: I would speak to the company
3 representative about that as well.

4 THE WITNESS: Well, you all should have an answer
5 for that also.

6 JUDGE CORBETT: Take it up with the person in the
7 back, ma'am. Thank you.

8 THE WITNESS: Fine.

9 (Witness excused.)

10 JUDGE CORBETT: The next witness is Anne Furno.

11 Whereupon,

12 ANNE FURNO

13 having previously been duly sworn, testified as follows:

14 DIRECT TESTIMONY

15 THE WITNESS: My name is Anne Furno, first name is
16 A-n-n-e, last name, F-u-r-n-o. I live at 447 Pine Street
17 in Meadville, Pennsylvania.

18 I am against the surcharge. Two words that come to
19 my mind are ludicrous and outrageous.

20 JUDGE CORBETT: Before you begin your statement,
21 ma'am, would you tell us first of all, what is your
22 occupation?

23 THE WITNESS: I am retired. I am a senior citizen.
24 I'm retired and also have employment as a jury commissioner
25 for Crawford County.

1 JUDGE CORBETT: Okay, and I take it...

2 THE WITNESS: And I am a National Fuel Gas
3 customer.

4 JUDGE CORBETT: Thank you.

5 THE WITNESS: Okay. Ludicrous and outrageous, two
6 words, there are a lot more I could say, but -- I live in a
7 home. I have a five-room home. I only heat four of those
8 rooms, and I do much to conserve, as many people before me
9 have stated. Yet, you want to punish us for doing that.
10 It just doesn't make any sense at all. This is just so
11 outrageous, I just can't say it any more.

12 I would like to know where a lot of our legislators
13 are at this time about this situation. If the PUC, which
14 was mentioned -- as somebody else mentioned before me, the
15 PUC is to be the watchdog for the consumers. Somebody
16 needs to be doing that or enforcing that, really. Putting
17 the surcharge on is certainly not being fair to the
18 consumers or helping them, having them in mind at all.

19 You've got a whole room full of people right here in
20 this meeting, this hearing. You had two rooms full
21 yesterday in Erie. You are going to have another one
22 tonight and tomorrow in Franklin. What does it take for
23 any one of you to know there is a problem with this?
24 Nobody in the consumer world wants this, so you really have
25 to get some idea through all of this, I hope.

1 luckily, because if not, I wouldn't be able to afford to
2 live where I'm at, which is a one-bedroom apartment.

3 The highest gas bill that I paid in the past was
4 \$283 at this particular place. If that would occur over
5 these coming winter months and with any increases, I would
6 be left with less than a hundred dollars in additional
7 disposable income for necessities. I venture to say that a
8 lot of individuals who are on fixed incomes are in the same
9 boat.

10 As the woman, Ms. Furno, had mentioned ludicrous is
11 definitely one of the words. To ask for a surcharge
12 because you are cutting down the amount of whatever service
13 you are using is absolutely ridiculous.

14 If the PUC should rule in their favor, I imagine
15 there is going to be a lot of angry citizens out there. As
16 it is, we are angry. We're fed up. What's next? If that
17 were to go in to the PUC, you know -- allow National Fuel a
18 surcharge, are the gasoline companies going to have a
19 surcharge because you are not billing as much gasoline on
20 your credit card?

21 They are already making record profits. From what I
22 understand, National Fuel Gas last year had a fairly
23 sizeable profit, and they are asking for a service
24 increase. What type of service? What additional service
25 are they providing? I really don't see any.

1 That's all I have to say today.

2 JUDGE CORBETT: Thank you. Any questions?

3 (No response.)

4 (Witness excused.)

5 JUDGE CORBETT: Tom Findlay.

6 Whereupon,

7 THOMAS FINDLAY

8 having previously been duly sworn, testified as follows:

9 DIRECT TESTIMONY

10 THE WITNESS: Thank you. My name is Thomas
11 Findlay, F-i-n-d-l-a-y. I live at 680 Park Avenue and I am
12 a ratepayer for NFG.

13 JUDGE CORBETT: Is that Park Avenue in Meadville?

14 THE WITNESS: That's correct, sir.

15 JUDGE CORBETT: Thank you. And, your occupation?

16 THE WITNESS: Currently I'm unemployed although I
17 have worked several years in the skilled trades, industrial
18 maintenance.

19 I will read from my prepared statement. Folks, I
20 understand NFG needs to raise rates because people are
21 conserving by burning less gas and therefore, reducing
22 NFG's margin. If so, this is brazen arrogance and the
23 officials responsible should be charged with extortion. if
24 found guilty, they should be jailed, not given a fine that
25 can be passed on to the consumer.

1 I want to add, if NFG wants to save money, they
2 could begin by not putting all these fillers and fliers
3 into the gas bills. That would be a savings right there.

4 I would like to present this written statement if I
5 may.

6 JUDGE CORBETT: You may give it to the court
7 reporter. Any questions?

8 (No response.)

9 Thank you, Mr. Findlay.

10 THE WITNESS: Thank you.

11 (Witness excused.)

12 JUDGE HOYER: Will the following individual please
13 approach the podium, Olga Bryant? Hollie Rose, Marilyn
14 Bronze and Bruce Gilles, please take the seats behind the
15 podium.

16 Whereupon,

17 OLGA BRYANT

18 having previously been duly sworn, testified as follows:

19 DIRECT TESTIMONY

20 JUDGE HOYER: You may proceed, Ms. Bryant.

21 THE WITNESS: Olga Bryant, O-l-g-a, B-r-y-a-n-t,
22 21701 Voden Drive, Meadville. I am retired. I am an NFG
23 consumer.

24 I would just like to echo all of the statements that
25 have been said. We get very small increases in our

1 retirement. Once our retirement is set, there is no
2 increase. We only get increases in Social Security.

3 How can we pay when all we are doing is giving out
4 between the insurance, the utilities, the gasoline and
5 everything else? We have nothing left. We don't gain
6 anything by our Social Security increase.

7 I don't want to see any increase in the rates or
8 delivery. I don't want a surcharge. People are suffering.
9 It needs to stop. Thank you.

10 JUDGE HOYER: Thank you. Any questions?

11 (No response.)

12 (Witness excused.)

13 JUDGE HOYER: Ms. Rose.

14 Whereupon,

15 HOLLIE ROSE

16 having previously been duly sworn, testified as follows:

17 DIRECT TESTIMONY

18 THE WITNESS: My name is Hollie Rose, H-o-l-l-i-e.
19 My last name is R-o-s-e. I live 1059 1/2 Park Avenue here
20 in Meadville, Pennsylvania. I am a ratepayer. I'm the
21 executive director of the Crawford County Coalition on
22 Housing Needs, Incorporated. I can say that again if you
23 would like. It's kind of long, Crawford County Coalition
24 on Housing Needs, Incorporated, and that's here in
25 Meadville, Pennsylvania.

1 I'm speaking today not only for myself, but also as
2 the executive director of the coalition, which is also a
3 ratepayer.

4 The coalition is a non-profit agency that works here
5 in Crawford County. We address the housing needs of those
6 who are low to moderate income, and we work especially with
7 families who find themselves homeless for various reasons.

8 One of the reasons that we found last year that was
9 prevailing in bringing families to us was that they did not
10 have heat. When you don't have a heating source that's
11 appropriate, they come in and they call you out of your
12 house. We end up finding ourselves more and more with
13 families in this situation each year.

14 In the last three years alone, we have worked with
15 more than 30 different agencies and services to provide for
16 these families, so we have hundreds and hundreds of people
17 that we work with each year who have found themselves in
18 these kinds of situations.

19 Meadville, I don't know if you are aware, is more
20 than 51 percent low-mod income. Meadville has a population
21 of a little over 16,000, so that means that more than 8,000
22 people within this small city are low income and are
23 strapped, just like the people who have spoken up today.

24 Affordability in housing is more than just being
25 able to pay your rent. Affordability has to do with

1 whether or not you can pay your utilities, whether or not
2 you can get from your work place to your home in an
3 affordable manner.

4 One of the things that we stress with the families
5 that we work with is conservation. Many of these folks do
6 no understand the geological impact of conservation, but
7 the do understand the impact on the bottom line of their
8 own pocketbooks.

9 Our concern is that we have been working very hard
10 to help them understand to lower their thermostats, to wear
11 the sweater to put on the socks and slippers at home, not
12 only conserving their water, their gas -- not only their
13 water, but especially their gas.

14 They don't understand -- the people that I've worked
15 with do not understand the fact that they can do all these
16 things that we are asking them to do, they see a little bit
17 of change within their income because they are conserving
18 and now they are going to be punished for that. That's how
19 they view it. So, the perception out there is very strong.
20 There's a lot of anger with the families that we are
21 working with.

22 Many of our clients are making between \$600 and \$900
23 a month. A nine dollar increase may not be much for a
24 family that's middle income, but for a family that we work
25 with here, nine dollars is a lot. Nine dollars is the

1 difference between diapers, which bill to pay, whether or
2 not they can get food and clothing for their children.

3 We implore you to consider this. Conservation is
4 something that we stress very, very hard to make sure they
5 understand, and they don't always get the environmental
6 impact, but they certainly do understand this as a
7 potential punishment. Thank you.

8 JUDGE HOYER: Thank you. Any questions?

9 (No response.)

10 (Witness excused.)

11 JUDGE HOYER: Marilyn Bronze.

12 Whereupon,

13 MARYLYN BRONZE

14 having previously been duly sworn, testified as follows:

15 DIRECT TESTIMONY

16 THE WITNESS: Hello. My name is Marilyn Bronze. I
17 live at 14142 Baldwin Street here in Meadville. I am also
18 a homeowner and I just recently became, what would you call
19 it, disabled, so now I am on a fixed income. I think this
20 surcharge is also ludicrous because now I will be on a
21 fixed income and I'm not going to be able to work overtime.

22 Last year I worked 72 hours a week. Three days a
23 week I was gone from the house, so the other 96 hours that
24 I would be home, I would move the heat up to 62 degrees,
25 from 55 to 62. This year I am going to be home, so it's

FORM 2

1 going to be 62 degrees to 65 degrees, and 68 if I get
2 company because everybody is cold when they come to my
3 house.

4 I can't afford to pay a bill because you guys get a
5 pipe dream. What I would like from you is an application
6 for stock for your company because at this point, if you
7 can't fight with you, you might as well join you.

8 I don't know. Like I said, there are so many people
9 that are upset, angry. Something needs to be done. Help
10 us. You want paid? We have to pay you, but, you know,
11 something seriously needs to be done. Thank you for your
12 time.

13 JUDGE HOYER: Could you spell your name, please?

14 THE WITNESS: Bronze, like the metal, B-r-o-n-z-e.

15 JUDGE HOYER: Thank you. Any questions?

16 (No response.)

17 (Witness excused.)

18 JUDGE HOYER: Bruce Gilles.

19 Whereupon,

20 BRUCE GILLES

21 having previously been duly sworn, testified as follows:

22 DIRECT TESTIMONY

23 THE WITNESS: My name is Bruce Gilles, that's
24 spelled G-i-l-l-e-s. I live at 373 Allegheny Street here
25 in Meadville, and I am a ratepayer and a homeowner.

1 JUDGE HOYER: Your occupation?

2 THE WITNESS: I'm retired. Just about everything
3 that I wanted to say has already been spoken, but I want to
4 emphasize to you that as the Public Utility Commission, you
5 are supposed to be guarding the interests of the customers
6 of a public utility, and we all implore you, do not, do not
7 let this surcharge go on for people conserving.

8 All this energy that they expended and all the money
9 for advertising and all that went with it about conserving
10 on your gas consumption, natural gas consumption, is all
11 meaningless, and we know it's all a subterfuge used to
12 disguise the fact that they are trying to get more money
13 when they -- using this conservation plea makes it look as
14 if they were concerned about us customers conserving our
15 usage of this natural gas.

16 If you, in good conscience, let them do this, then
17 you are not doing your job. That's all I have to say.

18 JUDGE HOYER: Thank you. Any questions?

19 (No response.)

20 THE WITNESS: You're welcome.

21 (Witness excused.)

22 JUDGE HOYER: Mary Hinderliter, would you please
23 approach the podium. James Jafko and Walt -- 99 Park
24 Avenue, Walt ...

25 (No response.)

1 Whereupon,

2 MARY R. HINDERLITER

3 having previously been duly sworn, testified as follows:

4 DIRECT TESTIMONY

5 JUDGE HOYER: Ms. Hinderliter.

6 THE WITNESS: My name is Mary R. Hinderliter. I
7 live at 335 Euclid Avenue, Saegertown, PA. I was born in
8 Saegertown. I use National Fuel Gas. I own business for
9 40 years and I'm a landlord, and I can't afford to retire.

10 JUDGE HOYER: Ma'am, could you spell your last
11 name?

12 THE WITNESS: H-i-n-d-e-r-l-i-t-e-r.

13 JUDGE HOYER: Thank you.

14 THE WITNESS: I have been at these meetings before
15 when they raised the telephone bills, pay phones, back in
16 the 1980s. Some of the things that you are saying today --
17 the people here who are trying to help themselves with this
18 conference, will find some of the things may be
19 misconstrued, so check it out in the papers.

20 Also, I have an article, a recent one, from the
21 Tribune. It says, "All is well for state's drilling
22 business." At the top there is another caption, "Third
23 straight year." Does this help the consumer? No, it
24 doesn't help us.

25 I have a note that I'm going to read and I'm going

1 to let you have a copy, and you can question me too. This
2 one was to Dear Mr. Cook, but now it's to the PUC. "It is
3 my understanding that the utilities pay the PUC to be their
4 watchdog. There is a conflict of interest because they
5 help fund their paychecks. The gas company should uncap
6 the wells instead of waiting for higher profits before
7 releasing the fuel for public use. The gas company have
8 received money from government sources for exploration,
9 subsidies, but instead, have put money in their pockets
10 while making the consumer believe that fuels were in short
11 supply."

12 This refers to Mr. Springirth, and I met him with
13 Mr. Warner years ago. "Mr. Springirth, who has tried time
14 after time to keep the utility companies from raising their
15 rates, will have little success to prove his case because
16 the utility companies have the most money and power to
17 fight him."

18 Yours sincerely, Mary Hinderliter. Please
19 investigate my comments for reliability.

20 Now, who pays the PUC and where do they get their
21 money to operate? Does anyone know that answer?

22 JUDGE HOYER: If you have any questions, you can
23 speak with Jennifer Kocher, the communications
24 representative.

25 THE WITNESS: Well, evidently, some other people

1 know something about this, too. I have to agree with Ms.
2 Furno. Thank you.

3 JUDGE HOYER: Any questions?

4 (No response.)

5 (Witness excused.)

6 JUDGE HOYER: James Jafko.

7 Whereupon,

8 JAMES JAFKO

9 having previously been duly sworn, testified as follows:

10 DIRECT TESTIMONY

11 THE WITNESS: James Jafko, 16292 North Shady Acres
12 Drive, Meadville, retired and a user of NFG.

13 I think lots has been said here about the negatives
14 in this forum and the forums you had before and the ones
15 that are to be coming. I can't believe that the PUC is
16 waiting here for the up-cry from the public to even start
17 an investigation, if they even will, to the rate increase.
18 I think it's ludicrous, as Ms. Furno, I think, used that
19 word.

20 My question is, why are these forums being held at
21 2:00 in the afternoon? I would grant you that if this
22 forum would be held at 7:00, 8:00 tonight when people could
23 attend this forum, people who are out there making a living
24 on minimum wage and fighting the issue of the pay increase,
25 you would not be able to hold it, probably, the Meadville

1 High School auditorium. There would be an overflow. So,
2 why are these forums being held at 2:00 when most people
3 can't attend?

4 You see all these people here? They are retirees,
5 They're here, they're concerned. Why can't we have them
6 when working people can attend? That's my question.

7 JUDGE HOYER: Any questions for the gentleman?
8 Could you spell your name, please, sir?

9 THE WITNESS: J-a-f-k-o.

10 JUDGE HOYER: Thank you.

11 (Witness excused.)

12 JUDGE HOYER: Walt -- 99 Park Avenue?

13 (No response.)

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

16 VOICE: Yes.

17 JUDGE CORBETT: Sir, would you come forward,
18 please? You also, sir, if you would come forward. Anyone
19 else whom we have not called that wishes to testify?

20 Would you both raise your right hand and be sworn?

21 Whereupon,

22 CARMIN GRASSO

23 and

24 JOE PADEN

25 having been duly sworn, testified as follows:

1 JUDGE CORBETT: Mr. Grasso, you may proceed.

2 Whereupon,

3 CARMIN GRASSO

4 having previously been duly sworn, testified as follows:

5 DIRECT TESTIMONY

6 THE WITNESS: My name is Carmin Grasso, C-a-r-m-i-n,
7 G-r-a-s-s-o. I live at 18258 Carman Street, C-a-r-m-a-n,
8 in Meadville, and I am a National Fuel Gas user.

9 JUDGE CORBETT: What is your occupation, sir?

10 THE WITNESS: I'm retired. I retired from the
11 Crawford County Weatherization Program, and I would just
12 like to mention to the board here that part of the
13 weatherization program's agenda is energy education.

14 We spent a lot of money on energy education, and
15 this is counterproductive to what National Fuel is doing
16 with this surcharge. It blows my mind that you guys are
17 even here to listen to us because this should be a no-
18 brainer. Thank you.

19 JUDGE CORBETT: Thank you. Any questions?

20 (Witness excused.)

21 (No response.)

22 JUDGE CORBETT: Sir, you may step forward.

23 Whereupon,

24 JOE PADEN

25 having previously been duly sworn, testified as follows:

FORM 2

DIRECT TESTIMONY

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THE WITNESS: My name is Joe Paden. I live at 13269 Dean Avenue, Meadville, Pennsylvania. I'm a National Fuel Gas user. I think the surcharge is ridiculous.

Another thing I wanted to say is why do they need the surcharges and raise your gas? I drive around the countryside. They have drilled hundreds and thousands of gas wells in Crawford County, Mercer County, Venango County. Where does all that gas go, where does it go? Does it come to us to save us any money?

They're drilling the wells. I could take you out in the countryside and show you six or eight of them within a mile.

So, there's something wrong with this PUC if they let them put that surcharge in, which I think they should not. Thank you for your time.

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

THE WITNESS: P-a-d-e-n.

JUDGE CORBETT: I think we have a question for you, sir.

MR. LAWRENCE: I just wanted the spelling, Your Honor.

THE WITNESS: P-a-d-e-n.

JUDGE CORBETT: Okay, thank you.

(Witness excused.)

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Is there anyone else whom we have not called who wishes to testify?

(No response.)

We thank you all for coming this afternoon. We will have an evening session this evening in Farrell. We thank you for your patience and cooperation. We are adjourned.

(Whereupon, at 3:25 p.m., the hearing was adjourned.)

C E R T I F I C A T E

I hereby certify, as the stenographic reporter, that the foregoing proceedings were reported 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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