

Testimony of Phil Pulley

Date 8/20/13

Pages 52 - 170

Exhibit # SBG CG/SG 8

COMMONWEALTH OF PENNSYLVANIA

PUBLIC UTILITY COMMISSION

-----x
 :
SBG Management Services, Inc. : Docket Nos.
v. Philadelphia Gas Works. : C-2012-2304167
 : C-2012-2304215
 Initial Hearing. : C-2012-2304303
 :
 -----x

Pages 1 through 270

Fourth Floor Hearing Room
State Office Building
801 Market Street
Philadelphia, Pennsylvania

Monday, August 26, 2013

Met, pursuant to notice, at 10:08 a.m.

BEFORE:

ERANDA VERO, Administrative Law Judge

APPEARANCES:

FRANCINE THORNTON BOONE, Esquire
P.O. BOX 549
Abington, Pennsylvania 19001
(For SBG Management Services)

LAURETO FARINAS, Esquire
800 West Montgomery Avenue
Philadelphia, Pennsylvania 19122
(For Philadelphia Gas Works)

Commonwealth Reporting Company, Inc.

700 Lisburn Road
Camp Hill, Pennsylvania 17011

WITNESS INDEX

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

<u>WITNESSES</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>
Bernard L. Cummings				
By Ms. Boone	9	--	47	--
By Mr. Farinas	--	42	--	--
Philip Pulley				
By Ms. Boone	53	--	136	--
By Mr. Farinas	--	101	--	146/175
Daniel D. McCaffery				
By Ms. Boone	177	--	--	--
By Mr. Farinas	--	203	--	--
Eric Lampert				
By Ms. Boone	222	--	255	--
By Mr. Farinas	--	247	--	--

FORM 12

EXHIBIT INDEX

NUMBER

FOR IDENTIFICATION IN EVIDENCE

(None.)

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

Any reproduction of this transcript
is prohibited without authorization
by the certifying reporter.

C E R T I F I C A T E

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

COMMONWEALTH REPORTING COMPANY, INC.

By: William J. Horst (w)
William J. Horst

FORM 2

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

1 MS. BOONE: Yes. My next witness is Mr. Phil Pulley.

2 JUDGE VERO: Good morning, Mr. Pulley.

3 MR. PULLEY: Good morning, Your Honor.

4 JUDGE VERO: Please raise your right hand.

5 Whereupon,

6 PHILIP PULLEY

7 having been duly sworn, testified as follows:

8 JUDGE VERO: Thank you. Would you please state your
9 name, and spell your last name for the record?

10 THE WITNESS: My name is Philip Pulley, P-U-L-L-E-Y.

11 JUDGE VERO: And what is your current address,
12 Mr. Pulley?

13 THE WITNESS: Work is 1095 Reidle Road, Reidle,
14 Pennsylvania.

15 JUDGE VERO: You may proceed, Ms. Boone.

16 MS. BOONE: Thank you.

17 If we could, the binder that has been submitted into
18 evidence of information, Mr. Pulley will need to refer to
19 that.

20 JUDGE VERO: Yes. You may provide him with a copy.

21 MS. BOONE: Thank you.

22 JUDGE VERO: What binder are we talking about?

23 MS. BOONE: This is initially the Fairmount binder.

24 JUDGE VERO: I have two. So which one?

25 MS. BOONE: Oh, I'm sorry. It's Fairmount 1. Or I'm

1 sorry, Fairmount 2. It's under tab seven.

2 JUDGE VERO: Okay.

3 MS. BOONE: I'm sorry. Tab eight. Correspondence.

4 THE WITNESS: Can I get my glasses?

5 MS. BOONE: Sure.

6 (Pause.)

7 THE WITNESS: Thank you.

8 MS. BOONE: I would just say at this point,
9 Mr. Pulley is just to provide examples of the issues that
10 are listed in the complaint, and to just give a background
11 for some of these disputed transactions, and that the
12 individual transactions will be addressed in detail through
13 another witness.

14 JUDGE VERO: Mr. Farinas, do you agree with that
15 process?

16 MR. FARINAS: I do.

17 JUDGE VERO: All right. You may continue, Ms. Boone.

18 MS. BOONE: Thank you.

19 **DIRECT EXAMINATION**

20 BY MS. BOONE:

21 Q. Mr. Pulley, will you please state your name?

22 A. Philip Pulley.

23 Q. And your position?

24 A. I'm the director of operations for SBG
25 Management.

1 Q. Can you tell us what SBG Management does?

2 A. It's a real estate and property management
3 company.

4 Q. And how is it related to the parties in this
5 case, Fairmount Manor Realty, Elray and Marshall Square?

6 A. It is the management company responsible for
7 those properties.

8 Q. And as the director of operations, what do you do
9 on a day-to-day basis?

10 A. I always think that I do everything. But my
11 specific responsibilities would be the physical attributes
12 of the real estate would be overseeing things like heat,
13 electric, plumbing, sprinklers, fire protection.

14 Would also be responsible for improvements, both from
15 a capital nature as well as what we call instantaneous
16 maintenance as well as deferred maintenance on the
17 properties.

18 It would also include reviews of bills, whether it's
19 from a vendor. Would also include a review for things
20 related to utilities that are considered outside the norm.

21 Q. Okay. And you perform this job function, you
22 have these responsibilities, across all of the properties
23 that are part of the consolidated cases, all nine cases; is
24 that correct?

25 A. That's correct.

1 Q. Including the first three that we're here for
2 today, Fairmount, Elray and Marshall Square?

3 A. That's correct.

4 Q. Can you tell us a little bit about the properties
5 of Fairmount, who the tenants are, the kind of buildings
6 these are?

7 A. Fairmount Manor is a 110-unit garden style
8 apartment complex located between Sixth and Seventh Street
9 in Fairmount.

10 The property was acquired by its owners in 2001. At
11 that point in time the property was owned by the City of
12 Philadelphia, the Philadelphia Housing Development
13 Corporation.

14 The property was under a Hack (phonetic) contract
15 with the U.S. Department of Housing and Urban Development.

16 The property to this day, because of relations with
17 the community and so forth, even though it's sitting in
18 basically Northern Liberties, the property is still a low
19 and moderate income property. And the property has not gone
20 through a conversion to what I call yuppie housing.

21 The property is still there, even though the area has
22 re-gentrified around it. For the good of the community,
23 that was the understanding and arrangement with the city
24 council representatives, as well as the state
25 representatives from that area and beyond.

1 Q. So these are tenants who don't have a lot of
2 disposable money, a lot of extra cash to kind of waste?

3 A. No. Most of the tenants are either on, they're
4 receiving some aspect of Section 8 or some other subsidy, or
5 welfare, or they're disabled vets and they're receiving
6 subsidies from the Federal Government.

7 Some have family members taking care of them, because
8 they can't comply with the program because of the program
9 requirements.

10 Q. So are these tenants where if their gas bill is
11 off five percent or ten percent or 20 percent, it affects
12 what they have to spend on their basic necessities?

13 A. Yes.

14 Q. Substantially it affects them?

15 A. Very substantially.

16 Q. Are these also the kinds of tenants who at some
17 point have trouble paying their bills?

18 A. Yes, they do.

19 Q. And so what happens to a landlord's management of
20 a property like that in terms of addressing bills and
21 receiving bills?

22 A. Well, it becomes of a critical nature. We watch
23 the bottom lines very careful. We watch everything from the
24 amount of time the police spend at a property to what we
25 spend on lawn cutting, snow plowing, roof repairs, tree

1 maintenance, the utilities. The utilities are always a big
2 part of it.

3 In this particular instance, with this property, the
4 landlord is watching everything. I mean the real estate
5 taxes; I mean we're looking at the new AVI stuff, and how
6 all those little nuances affect the property so that we can
7 keep it there for the residents.

8 Q. So if you found a bill that seems to be
9 excessive, or not within the realm of reasonableness, what
10 do you do?

11 A. Well, the general format is we basically have a
12 ten-percent plus/minus. So if a bill comes in on a monthly
13 basis, and let's say it's 1,000 one month, it's 1,100 the
14 next month, it's 900 the next month, that then that doesn't
15 raise a red flag.

16 If we get a bill that's out of line, we're going to
17 question it. We're going to question the vendor, we'll
18 question the utility, we'll question an array of different
19 people, depending upon what that bill is.

20 There has to be an explanation of why it is. We've
21 got a responsibility to make sure that everything we do is
22 correct, is proper, and that we're not overpaying for goods
23 of services.

24 When we were under the strict guidelines of the Hack
25 contract, I mean we were under a contractual obligation with

1 the Federal Government to do it that way. We had to
2 challenge things.

3 Q. Okay. Now, when you challenge bills in general,
4 what do you look for as components in terms of figuring out
5 what you should pay?

6 A. Well, it has to be an explanation of why the bill
7 went up or why something is not, doesn't seem proper.
8 Sometimes it's the scope of work with a vendor. Other
9 times, with a utility, we're questioning usage. We're
10 questioning why did it go up.

11 In the instance of Fairmount Manor, it's eleven
12 buildings that are all identical that have similar
13 occupancy. So if one building is getting a bill, let's say
14 for electric, of \$1,000 per month, and all the rest of them
15 are \$998, \$1,100, \$1,200, and all of a sudden you get one
16 for \$10,000, that raises a major red flag.

17 Q. Have you had issues like that with PGW bills?

18 A. Yes.

19 Q. I'd like to turn your attention to page 101 in
20 the Fairmount 2 binder, under Section 8.

21 A. That was the SBG Fairmount 101?

22 Q. Yes.

23 A. I'm at the right place.

24 Q. If you could just take a look at that email. If
25 you would just read it for the record?

1 A. Which part do you want to read, December 2 or
2 November 20?

3 Q. If you could start with November 20.

4 A. This is an email to, from Gwen Ormsby (phonetic).
5 Gwen was the paralegal or assistant to David Hyman.

6 Q. I'm actually, if you could go to where it starts,
7 at page seven, which is on page -- I'm sorry, on page 105.
8 That's where it starts. November 17.

9 A. SBG Fairmount 105, Gwen Ormsby email,
10 November 17, 2008. Gwen was a paralegal or attorney with
11 David Hyman, with the law firm of Klein, Bard, Bell &
12 Brecker (phonetic).

13 She wrote to me, and, Good afternoon, Mr. Pulley.
14 Please let me know your availability for two proposed
15 meeting dates. Friday, November 21, at 3:30, and Tuesday,
16 November 25, at 2:00. These are the dates that Mr. Guzman
17 can meet. I am told that this meeting will probably last
18 about two hours. Also, PGW is under the impression that the
19 property list below is incomplete. They want to discuss
20 your accounts in their entirety at the meeting. Please
21 confirm.

22 Q. And then on the next page it lists the properties
23 as?

24 A. It lists the disputed properties at that time.

25 Q. Okay. So that was the information of

1 David Hyman. Who is David Hyman?

2 A. David was an attorney we hired to help us in
3 trying to resolve our differences with PGW. We weren't
4 getting response from PGW.

5 So we hired David to reach out to PGW. He came
6 highly recommended. He was the past president of the Gas
7 Commission. And he said he could help us in trying to
8 resolve our differences and get to the bottoms of the
9 billing and disputes.

10 Q. And what were the disputes?

11 A. The disputes were high billings. The disputes
12 were problems with meter reads. The disputes were liens.
13 It went on and on.

14 Q. So you had already been in touch with PGW about
15 this matter before you engaged Mr. Hyman; is that correct?

16 A. Oh, yeah. I mean going back to the very
17 beginning, we had attempted our own contacts during, like
18 say 2001, 2002, 2003.

19 We then employed Daniel McCaffery, Esquire to aid in
20 our efforts in 2004, -5, -6. Dan had thrown up his hands.
21 We then had hired Klein, Bard, Bell & Brecker to assist us
22 in trying to get to a resolution from that standpoint.

23 Q. What happened to this meeting that they were in
24 the process of scheduling? Look at the next email.

25 A. There was a lot of misses on getting the meeting

1 scheduled. PGW demanded a listing of all of our accounts.
2 Which we don't know why they wanted that, because we only
3 had certain ones that were in dispute.

4 But we went back and forth. Then it was going to
5 become a telephone conference, and then it didn't become.
6 And it couldn't get scheduled. And then ultimately we were
7 able to get a telephone conference together in December.

8 Q. Okay. In the December telephone conference, what
9 was said?

10 A. The December telephone conference lasted more
11 than an hour, probably a little bit less than two hours.
12 But essentially it went over that what all of us were going
13 to do.

14 That included PGW providing a breakdown of all of the
15 information that was requested, which included the issues in
16 regards to the high bills, the meter issues, breakdowns of
17 principal and interest.

18 So we could analyze the bills rather than you just
19 get a bill that says, hey, here's what you're owed. And
20 that was a lot of what was going on.

21 They were supposed to provide us with this
22 information. We were supposed to pay certain aspects of
23 this. We were supposed to get together, and Mr. Dunn was
24 supposed to provide us with information.

25 Q. And did you receive that information?

1 A. We eventually did, in preparation of a meeting
2 about six months later, with Mr. Dunn.

3 Q. I'd like you to turn to page 99 of the same
4 binder. And if you can read the email that you wrote to
5 John Dunn dated December 7, 2008, 11:16 a.m.

6 A. John, in follow-up to our agreement of the other
7 evening, the following is to transpire in regards to SBG
8 Management managed properties. We shall pay the current
9 usage charge. If there is a dispute with those charges, we
10 are to immediately contact you and advise accordingly of our
11 concern. I would like to take this opportunity to wish your
12 family a healthy and happy holiday.

13 Q. After sending that email, was there a response
14 from Mr. Dunn saying that that wasn't the procedure to
15 follow if there is a dispute?

16 (No response.)

17 Q. Did he list some other alternative in contacting
18 him if there was a dispute?

19 A. Well, it took approximately, it was more than a
20 month, to get a response back to that email. Which Mr. Dunn
21 did apologize for.

22 He indicated that he would start working the
23 following week on the preparation of the materials so that
24 we could all meet and review this information.

25 Q. So on December 7, you were told that if there is

1 a dispute, to contact John Dunn, that he would resolve the
2 dispute. You had already told him the problems; is that
3 correct?

4 A. That's correct. They were discussed intimately
5 on the conference call.

6 Q. Now, we just heard about this 30-day cycle in
7 general. When did you hear back from Mr. Dunn after
8 receiving the December 7 email?

9 A. Well, that unto itself was more than 30 days.

10 Q. And at that point did you receive a written
11 explanation of the problem?

12 JUDGE VERO: Just a moment. Ms. Boone, aren't you a
13 little bit outside of the statute of limitation?

14 MS. BOONE: I wanted to talk about that. As we go
15 through this correspondence, and we've now looked at files
16 and documents and records that actually go back to when the
17 properties were acquired in 2001 or so, we find that PGW has
18 engaged in a process and practice of telling SBG we're going
19 to work this out; bring us your disputes; we can take care
20 of it; we will handle it; we will take care of it.

21 And we believe that this is a case where principles
22 of estoppel should apply. That this is a management company
23 that really believed that they could work with their public
24 utility to resolve things, to get answers.

25 You can see the amount of time that's passing. All

1 the effort, even in this one example I'm presenting, SBG is
2 constantly pushing for the meeting, SBG is constantly
3 pushing for a call, SBG is constantly saying can we sit
4 down.

5 And there's this lax attitude. I hate to say that,
6 but there is a certain non-urgency to resolving these issues
7 and questions.

8 JUDGE VERO: All right.

9 MS. BOONE: And so we believe that there is actually
10 a case for estoppel. We will present additional testimony
11 that shows that they waited three years to actually
12 investigate something.

13 MR. FARINAS: Your Honor, I believe this was part of
14 the issues that we discussed. And to the contrary, I
15 believe that there was sufficient amount of notice about all
16 of their specific complaints and disputes that SBG had that
17 they could have filed with the Commission in a timely
18 manner.

19 MS. BOONE: Then why did Mr. Dunn say, if you have a
20 dispute, come to us, come to me? Why didn't he say go to
21 the PUC if there's --

22 MR. FARINAS: As you heard from Mr. Cummings this
23 morning, it's their job to talk about anything, to come with
24 me. I believe that when you do hear testimony from Mr. Dunn
25 and Mr. Savage that it will be there was only so much that

1 they can do. But their job is to be welcoming to the
2 customer.

3 JUDGE VERO: Okay, let's see. So the purpose of this
4 portion of Mr. Pulley's testimony is to establish estoppel;
5 right?

6 MS. BOONE: Yes.

7 JUDGE VERO: Okay.

8 MS. BOONE: Estoppel. As well as to show some of the
9 other issues in this case.

10 BY MS. BOONE:

11 Q. And then on January 20, as you went -- that was
12 for 2009. Ultimately, as you dealt with Mr. Dunn, what
13 ended up happening over the course of the --

14 A. Approximately six months later, we finally got a
15 schedule and had a meeting with Mr. Dunn in our offices. At
16 which time to begin the discussion about the resolution and
17 the accounts. And we had actual numbers and so forth.

18 Those items that we went over, we basically left the
19 meeting, and there was an exorbitant amount of information
20 that Mr. Dunn was to provide.

21 Those again were to be breakdowns of principals,
22 interest, penalties, a description of the accounts. There
23 was, became issues regarding tenant accounts and landlord
24 accounts at that times also.

25 Q. Did you receive this information?

1 A. No.

2 Q. Did you receive it in written?

3 A. We didn't receive it at all, whether written or
4 verbal.

5 Q. And this was for the accounts at Fairmount; is
6 that correct?

7 A. And other accounts, yes.

8 Q. What other accounts?

9 A. Included stuff at Elray. One second, I can tell
10 you.

11 (Witness perusing document.)

12 A. It was Elray, Fern Rock, Simon, Fairmount, I
13 think Oak Lane, Colonial. Just to name some of them.

14 Q. Okay. Now, it's my understanding that you've had
15 issues that your contact with PGW extends back to 2000-2001;
16 is that correct?

17 A. That's correct. I believe it was 2001.

18 Q. I'm just using this as a sample. It's my
19 understanding that even in 2010, which is a statutory
20 period, that there were also problems.

21 Can you turn to page 96, please, of the document?

22 JUDGE VERO: What page are we looking at?

23 MS. BOONE: Page 96. An email that begins 2010.

24 BY MS. BOONE:

25 Q. Or, I'm sorry. If you could go to page 109. I

1 apologize. The correspondence on page 109, in the
2 correspondence binder.

3 A. That's the one in front of me?

4 Q. You have Fairmount. We need to bring you the
5 correspondence binder. It's SBG correspondence, page 109.

6 (Document handed to witness.)

7 A. Okay.

8 JUDGE VERO: Which one is this? An exhibit that was
9 submitted yesterday, or Saturday?

10 MS. BOONE: No, this was submitted last week.

11 JUDGE VERO: The correspondence?

12 MS. BOONE: Yes.

13 JUDGE VERO: Do I have a correspondence binder?

14 MR. FARINAS: Are you still referring to SBG --

15 MS. BOONE: No, it's the binder called SBG
16 correspondence binder. I think that was delivered Thursday,
17 the correspondence.

18 MR. FARINAS: I thought I brought everything. I
19 don't have it.

20 JUDGE VERO: Yes, I don't have one either.

21 MS. BOONE: Do we have an extra?

22 THE WITNESS: What page am I going to?

23 MS. BOONE: It's page 109 of the correspondence.

24 JUDGE VERO: I'm there.

25 THE WITNESS: Do you want me to give them this book?

1 MS. BOONE: No, because I wanted you to read it into
2 the record.

3 JUDGE VERO: Just a moment. Before you proceed, I
4 need to make sure that I have it. So I'm going to call for
5 a recess.

6 MS. BOONE: Okay.

7 JUDGE VERO: You can use this as a personal break.
8 And we will reconvene at half past eleven.

9 MS. BOONE: Thank you.

10 (Recess.)

11 JUDGE VERO: I do have 11:31. So we're back on the
12 record.

13 Ms. Boone, when I interrupted you, you were in the
14 middle of your direct examination of Mr. Pulley. And you
15 were referring to what page?

16 MS. BOONE: On page 109 in the SBG correspondence
17 binder.

18 JUDGE VERO: Thank you.

19 BY MS. BOONE:

20 Q. You just testified that you corresponded with
21 Mr. Dunn in December, and then more than 30 days elapsed.
22 In January there was a response.

23 I'd like to see how this resolution is progressing,
24 if you would just read for the Court the email that you
25 received, the email from Mr. Dunn on May 13, 2009. We're

1 now five months later.

2 A. It was from Mr. Dunn, addressed to me. Hi,
3 Folks. I just want to thank you all for meeting with me
4 yesterday and spending the afternoon to start the review of
5 all the PGW gas accounts. We have already started the
6 review process this morning, and I am having the two
7 settlement checks investigated presently to see where PGW
8 post the payments. More of the accounts we be --

9 Q. Will.

10 A. -- worked on shortly. Please support our meeting
11 time and topics of discussion to David Hyman immediately, as
12 I believe he has made inquiries to PGW staff today asking
13 how we're making out. Gratefully, John Dunn, III.

14 Q. So when you followed through on this, before you
15 got David Hyman involved, you were trying to resolve this on
16 your own. You just read a set of correspondence from
17 November of 2008. You now have a letter, you now have an
18 email from May 13, 2009, where Mr. Dunn is going to start
19 working on it; is that correct? That's more than eight
20 months.

21 A. That's correct. But even more so before
22 Mr. Hyman got involved, we had Dan McCaffery involved in
23 other efforts to try and resolve the differences.

24 So we just didn't start with Mr. Hyman. We started
25 well in advance of that going back to 2000- I think, -3,

1 2004, with someone else. We kept trying to work these
2 things out, and previously had an understanding with PGW.

3 Where we were today with this email in May 13, 2009,
4 was we had sat down, began to go over the things. And some
5 of the issues we sat in that meeting were monumental issues.
6 I mean there's more than \$100,000 in checks missing that
7 were settlement, that were title company checks.

8 Q. Can you talk a bit about the problem with the
9 settlement checks that are referred to in this email?

10 A. They were never posted anywhere. We have no way
11 to see where they were ever applied to any of the accounts
12 from that standpoint.

13 And so this is why we're bringing it up, saying,
14 where's the money; you know, it should be applied to
15 accounts.

16 Q. For the record, can you explain what a settlement
17 check is and what's involved with this kind of payment?

18 A. Well, we went through a refinance of this
19 property back in 2004 or 2005.

20 Q. If we can just take a minute. If you can turn
21 back to the SBG Fairmount binder at page 146, you'll see a
22 settlement sheet from Keystone Agency. It's page 146, under
23 tab 10. The second binder.

24 (Pause.)

25 A. That is a settlement sheet. But that is not

1 pertinent to what these checks were.

2 Q. I'm sorry. I meant page 152. I apologize for
3 that.

4 A. Okay. There are the missing checks.

5 Q. What's the name of the check?

6 A. It's Elkins Park Abstract Company.

7 Q. And it says paid to the order of whom?

8 A. PGW. Philadelphia Gas Works.

9 Q. And the amount?

10 A. \$80,539.68.

11 Q. And the account number on the check?

12 A. 0075710860.

13 Q. And what is that account for? What property is
14 that account?

15 A. It's one of the buildings at Fairmount Manor.

16 Q. And at the bottom there's a note. It says PGW.
17 What does that mean, the escrow amount, balance of the
18 escrow?

19 (Pause.)

20 Q. Under the number 4882.

21 A. Oh. It gives, like I think the title company
22 charges \$100 processing fee, \$75 processing fee. So it
23 netted out -- so they started with an amount of \$80,714, and
24 they netted out their charges.

25 Q. And the date of this check is?

1 A. July 18, 2007.

2 Q. And if I can just turn your attention back to SBG
3 correspondence page 109, where you're talking about the two
4 settlement checks. And this is one of them. What's the
5 date of that email again?

6 A. May 13, 2009.

7 Q. So you made a payment, SBG made a payment, or
8 payment was made to PGW on behalf of the property owner,
9 Fairmount, in the amount of \$80,000, July 18, 2007, and PGW
10 didn't know where the check was?

11 A. No, they didn't know where that one was. Nor,
12 there was another \$22,000 or \$23,000 check that was also the
13 same thing.

14 Q. If you turn to page 153, is this the second
15 check?

16 A. Yes.

17 Q. And what is that amount on that check for?

18 A. \$22,990 and no cents.

19 Q. And the check is payable to the order or, pay to
20 the order of?

21 A. PGW, Philadelphia Gas Works.

22 Q. And the date again?

23 A. July 18, 2007.

24 Q. What's the address on the check that it's paid
25 to?

1 A. P.O. Box 7789, Philadelphia, Pennsylvania.

2 Q. If you just briefly turn back to page 152, what's
3 the address on that check for \$80,000?

4 A. P.O. Box 7789. The same.

5 Q. So they were both sent to the same place, the
6 same date, same paid, to be paid to the same party, PGW; is
7 that correct?

8 A. That's correct.

9 Q. What happened in terms of the bills you received
10 after these checks were paid?

11 A. We never saw the credit. So we kept asking about
12 the credit. And that's in correlation to my meeting with
13 John Dunn on May 13 to say, besides the other 40 issues we
14 had, or 50 issues we had on that schedule that day, there
15 was, okay, well, where's the credit here?

16 Q. When was it that you first found out that the
17 credit wasn't applied?

18 A. Well, it basically went back until August or
19 September of that year. You're looking for your bill to get
20 paid down and see that reflected. And it was never
21 reflected.

22 Q. Now, if you turn back to page 153, it shows the
23 back of that check, doesn't it?

24 A. That's correct.

25 Q. And what does it indicate on the back of the

1 check? Under endorse here, what does it say?

2 A. It says, pay to the order of Bank of America for
3 deposit only, Philadelphia Gas Works, treasury deposits.

4 Q. And the date that that check was cancelled? If
5 you could turn to the side, above the number 457056? You
6 have to turn it sideways.

7 JUDGE VERO: Ms. Boone, are you referring to 153?

8 MS. BOONE: Yes, on 153.

9 THE WITNESS: That check was not deposited until
10 October 18, 2007.

11 BY MS. BOONE:

12 Q. Even though it was written for July 18, 2007; is
13 that correct? So that's three months before that check was
14 deposited?

15 A. That's correct. And that was a title company
16 check sent directly by the title company. We never -- we
17 didn't have that in our possession.

18 Q. And even after it was deposited three months
19 after it was written, how much longer was it before this
20 check was accounted for by PGW? Or if they addressed your
21 question?

22 A. I don't think it was until we just got
23 information as part of these things. In one of the books
24 that we looked at over the weekend, there was something in
25 there that showed, I think, where the check got deposited.

1 Q. This sounds like this took more than 30 days as
2 an investigation to find a payment. Is that correct?

3 A. Well, it took them just shy of six months to just
4 deposit the check. And I mean we sat with Mr. Dunn in May
5 of 2009, and now here we are 2013, and we get something that
6 shows where it was deposited someplace, but it never
7 appeared on any of our bills and statements.

8 Q. Is this one of the questions that you've
9 continued to ask PGW, that you sought information for that
10 you had a question about?

11 A. Yes.

12 Q. Okay.

13 MS. BOONE: Across the properties, we're showing
14 Fairmount as an example of how long it's taken to respond to
15 these issues.

16 But these issues have occurred across the various
17 properties where there have been inquiries that haven't been
18 answered promptly.

19 MR. FARINAS: Your Honor, I'm not sure if Ms. Boone
20 is giving testimony.

21 MS. BOONE: Well, I'm trying to explain the order of
22 the evidence that's being presented.

23 JUDGE VERO: The order of evidence that's being
24 presented. All right.

25

1 BY MS. BOONE:

2 Q. Among the other issues that have come up in this
3 matter, there are issues on the dispute code. It's my
4 understanding that the issues that have also, that have come
5 up here have involved excessive billings. Can you explain
6 how that's a problem, or where that's been a problem?

7 JUDGE VERO: Just a moment. I'm sorry, Ms. Boone,
8 Mr. Pulley. Since you are moving ahead and going to another
9 issue, I understand that you are done, or you have exhausted
10 the issue of estoppel; right?

11 MS. BOONE: No. I have other witnesses to testify on
12 other examples of it.

13 JUDGE VERO: All right. You may proceed.

14 MR. FARINAS: Your Honor, if I may ask a question?
15 If there are other witnesses to testify on estoppel, are we
16 now doing estoppels? Will we have an opportunity to do
17 estoppel through its beginning of its case in this matter
18 with respect to all --

19 JUDGE VERO: Will PGW have an opportunity to address?

20 MR. FARINAS: Estoppel.

21 JUDGE VERO: Estoppel. Yes, that's my problem. I
22 need to determine how far back I will allow SBG to go in
23 terms of its figures and numbers. I need to find out
24 whether estoppel applies to all the statute of limitations.

25 So I would prefer that we exhaust the statute of

1 limitation issue.

2 MS. BOONE: Okay.

3 JUDGE VERO: And the best way to do it is through
4 correspondence. And Mr. Pulley is here testifying of
5 correspondence, or referred to exhibits covering
6 correspondence.

7 And if you have other witnesses available that can
8 cover oral conversation, etcetera, then I would prefer that
9 you bring it all at once so I can make a determination,
10 rather than we jump from general to specific the next day.
11 Do you know what I'm saying?

12 MS. BOONE: Yes, absolutely.

13 JUDGE VERO: Because we can have Mr. Pulley cover
14 everything in general terms, and then you will have to go
15 back to another witness to cover it in specifics.

16 And that is not something I prefer to do. I would
17 like to have one issue done with, next issue done with, next
18 issue, next issue, and so on and so forth. I cannot keep
19 going back and forth. It's counterproductive, in my
20 opinion. And confusing.

21 MS. BOONE: I understand that. But we were told that
22 we have certain witnesses only for a limited part of time,
23 and that we need to cover all the issues with them.

24 JUDGE VERO: So you're saying that you are reserving
25 the rest of estoppel until Mr. Dunn is available tomorrow?

1 MS. BOONE: Right. Because I think he has to provide
2 testimony too.

3 JUDGE VERO: It's highly unusual. I'm not saying
4 it's not doable. But it's unusual, and it might lead to
5 confusion. Okay?

6 MS. BOONE: Okay.

7 JUDGE VERO: And here, subpoenas would have been
8 helpful to have Mr. Dunn when you needed Mr. Dunn.

9 MS. BOONE: If I can just speak?

10 JUDGE VERO: Yes.

11 MS. BOONE: I'm also offering this information from
12 the period beyond three years because I think it's relevant.
13 It's relevant in terms of the practices and the procedures
14 of this organization.

15 Under Rule 406, you can show evidence of practice and
16 pattern, if it's relevant.

17 JUDGE VERO: Rule 406 of what?

18 MS. BOONE: The federal rules of procedure and the
19 Pennsylvania rules.

20 JUDGE VERO: This is a state agency.

21 MS. BOONE: I understand. But even under the
22 Pennsylvania Rules of Civil Procedure, you can show. But
23 even within the PUC rules, I know that the decisions have to
24 be based on relevant evidence, that the complainant is to
25 present a full case.

1 One of the things that we may ask the Commission to
2 do is to issue a penalty because so many violations have
3 occurred here.

4 In deciding whether a penalty will be issued, the
5 Commission will look at how long the actions have occurred,
6 what corrective actions were taken, did the agency go in to
7 try to stop it, or if it just continued to do this.

8 So if we were only to talk about something that
9 happened within a three-year period, I think we would be
10 denying the Commission the opportunity to see the full
11 breadth, to have a full understanding of how far back these
12 violations go, and the fact that they were not corrected.

13 So even if the Commission decided I don't want to
14 give a refund for those years that are out of statute under
15 a theory of estoppel, they still need, this Commission still
16 needs this information to reach a determination on whether
17 to impose a penalty in terms of these violations occurring
18 over so many years.

19 So the evidence is offered for two purposes.

20 MR. FARINAS: Your Honor, I believe that the evidence
21 should not be offered without first establishing that they
22 have a right to show that they have not slept on their
23 rights with respect to the estoppel question.

24 It simply becomes prejudicial of how many things
25 occurred in the past for the wrongs that actually can come

1 before you.

2 MS. BOONE: If I may speak to that. Prejudicial
3 means that prejudice would be unfair bias. This isn't
4 unfair bias. This is what you actually did. This is how
5 you actually responded to customers' issues.

6 JUDGE VERO: I don't need you to characterize PGW's
7 behavior.

8 MS. BOONE: Okay.

9 JUDGE VERO: Because then you'd be testifying.

10 MS. BOONE: That's true.

11 JUDGE VERO: All right. I don't need that. What I
12 need is to determine is how far SBG will be allowed to go
13 into details.

14 Because there's one thing establishing a pattern of
15 behavior and really quickly mentioning that it's been going
16 on for this many years, and it's another thing going into a
17 lot of details, talking numbers in the hundreds of
18 thousands, or whatever.

19 And if I let it in, I will need to go and look for
20 that check and see if it was cashed, and who sent it to
21 whom, when, etcetera, etcetera. If I allow it, I will need
22 to dedicate a lot of attention to it.

23 MS. BOONE: And we're prepared for that.

24 JUDGE VERO: But technically, it's outside of statute
25 of limitations. Do you understand? I cannot let it slide.

1 I have to dedicate a lot of attention to it, or I will just
2 let it summarize real quickly, or be summarized real
3 quickly.

4 However, I think that we can work with it.

5 MS. BOONE: Okay. Thank you.

6 JUDGE VERO: And I can reserve my opinion or my
7 rule-making until after I've heard everything that you need
8 to bring in.

9 MS. BOONE: Thank you, Your Honor.

10 JUDGE VERO: All right.

11 BY MS. BOONE:

12 Q. Mr. Pulley, if you would turn to page 137 on the
13 SBG correspondence, please.

14 A. Yes.

15 MR. FARINAS: Your Honor, as I'm reviewing this
16 document, I just want to be clear. If this is the time to
17 establish the issue of the statute of limitations, we are
18 about to discuss a property that is not part of the dockets
19 we're discussing today. Again, I'm not sure of the
20 organization.

21 JUDGE VERO: Page 37 in the correspondence binder
22 does not --

23 MS. BOONE: 137.

24 JUDGE VERO: 137. And you're saying this is for a
25 property that's not covered --

1 MR. FARINAS: It's for the Simon Garden Realty. I'm
2 assuming it's not for Fairmount or the other two, Elray or
3 Marshall, that we're discussing in these three days.

4 MS. BOONE: But I was told that you wanted witnesses
5 to provide general information across the board for all the
6 properties.

7 JUDGE VERO: We're off the record for a moment.

8 (Discussion off the record.)

9 JUDGE VERO: We are back on the record.

10 You may proceed with Mr. Pulley's direct testimony.

11 MS. BOONE: Okay. Thank you.

12 BY MS. BOONE:

13 Q. With respect to Elray Gardens, can you turn to
14 SBG correspondence page 122?

15 A. Yes.

16 Q. Would you read this email into the record? And
17 state the date, please.

18 A. Sunday, December 7, 2008. John, good morning.
19 Just getting caught up from the week. Our contact at PGW re
20 the installation of meters at Elray 3608 and 3610 Spring
21 Garden Street is Joanne Strong. She was referred to us by
22 Robin Burt. The message we got was that until bill is
23 current we cannot get meter installation. The installation
24 at 3608 is ready for inspection; 3610 is being piped at this
25 time. Any assistance in this matter would be greatly

1 appreciated.

2 Q. And what was Mr. Dunn's response thereafter? If
3 you could turn to page 123.

4 A. Thank you.

5 Q. That same correspondence.

6 (Pause.)

7 Q. If you could read from John Dunn, December 15,
8 2008?

9 A. Yes. It says, Vince, the PGW collector did call
10 me, and I told him to ignore the collection notices. He
11 had, as we, PGW, do have a working agreement with SBG. And
12 I was off last Friday, and still do have to set up the holds
13 on your gas account, as it should be done by day's end.

14 Q. Now, again, this email is from whom?

15 A. This is from John Dunn, dated December 15, 2008.

16 Q. Who works for?

17 A. PGW.

18 Q. Once again he's telling you that if there's a
19 problem, who are you to refer to for that problem?

20 A. Him.

21 Q. And what does this email tell you that will
22 happen if you have this problem, say, with your gas meter?
23 What is this leading you to believe?

24 A. He'll address them to satisfaction.

25 Q. Did he say in this email to go to the PUC and

1 file a complaint?

2 A. No.

3 Q. Did he make that verbally to you?

4 A. No.

5 Q. I'd like now to turn your attention to page 126
6 in the SBG correspondence binder. If you could start
7 reading at December 10, 2008, 12:42 p.m., that email?

8 A. From me to John Dunn. Just received the attached
9 termination notices. Can you please address. The response
10 back, I got back, same --

11 Q. Can you say the date of the response?

12 A. It was also December 10, 2008. It was
13 approximately five minutes later, at 12:47 p.m.

14 Q. From whom?

15 A. From John Dunn.

16 Q. To?

17 A. To me, Phil Pulley. Phil, I know I am behind.
18 But I will get caught up on all of your matters. For now
19 these termination notices have been cancelled. Thanks.

20 Q. Once again, you had a problem, you had a
21 question. Was it answered by -- was the response to go file
22 a PUC complaint?

23 A. No.

24 Q. What was the answer?

25 A. He was addressing them.

1 Q. That was in 2008. Mr. Dunn is still working on
2 your account in 2009; is that correct? The SBG managed
3 properties; is that correct?

4 A. That's correct. We met him, I believe it was in
5 May of 2009.

6 Q. I'd like for you to turn your attention to SBG
7 correspondence binder page 116. If you can read the email
8 that starts, Thursday, March 12, 2009. If you can read who
9 it's from, who wrote the email, who it goes to, the date,
10 state the date again.

11 JUDGE VERO: What page is this, again?

12 MS. BOONE: It's SBG correspondence book, the binder.

13 JUDGE VERO: What page?

14 MS. BOONE: Page 116.

15 JUDGE VERO: Thank you.

16 THE WITNESS: The email is from John Dunn to me.
17 Phil, I'll look into it today. It appears by our meter
18 reading history that there has been no usage during this
19 time. Do you know why this apartment was put in the name of
20 SBG? Let me know. Thanks, John.

21 I responded back --

22 BY MS. BOONE:

23 Q. On what date?

24 A. The same date. The time's a little messed up.
25 But it says, no -- it says, but know that. It should

1 probably have said no, but thank you.

2 Q. What was this issue about, this meter reading
3 issue? What was that?

4 A. I believe this was one of the apartments. If you
5 go back to 118, and you go back to 119, that's dealing with
6 an apartment.

7 Q. Okay. Let's take a look at that bill. It's in
8 SBG correspondence binder page 118. This is a PGW works
9 bill; is that correct?

10 A. That's correct.

11 Q. When you look at the past-due amount on that
12 bill, what does it say it is?

13 MR. FARINAS: Your Honor, if I may, I thought we were
14 doing testimony on the concept of estoppel generally. I
15 understood the communications and the timing, but now we're
16 discussing the bill again. We're discussing details. Or
17 did I hear wrong?

18 MS. BOONE: I'm not asking for the calculation of
19 this. I'm asking for the kind of information he sent to
20 Mr. Dunn, and whether Mr. Dunn promptly responded to it.

21 And I'm also trying to show that if you look at this
22 bill, it looks like it probably had a monthly charge,
23 normally a 53.28, and all of a sudden it gets a new amount.

24 Or, I'm sorry, there's a credit. But there's a
25 question about this bill. I just want to provide the

1 context for the kinds of questions that are being given to
2 Mr. Dunn, that they are the kind of billing disputes or
3 billing questions that Mr. Cummings testified would be in
4 the purview of CRC.

5 MR. FARINAS: Just one more. If I'm hearing right,
6 we're discussing matters from February of 2009. However,
7 previously we've gone over emails from later in 2009.

8 So I was thinking if you're going to show at some
9 point there was reliance, it wouldn't be going back in the
10 past, it would be up to the meetings of 2009.

11 That's where the reliance would be, rather than going
12 backwards in history to outline another issue and another
13 issue, as opposed to --

14 JUDGE VERO: I agree with Mr. Farinas.

15 MS. BOONE: I am jumping around a bit, that's true.

16 JUDGE VERO: Well, that just muddles the record, just
17 causes confusion. We are dealing with the reliance and
18 estoppel, and I need you to show me.

19 MS. BOONE: Okay.

20 BY MS. BOONE:

21 Q. Go on, continue. But some of these issues that
22 we're talking about from 2008, 2009 and 2010 with Mr. Dunn,
23 essentially the issues involved what? What were the
24 problems in terms of at SBG with the properties?

25 A. There was missing payments, it was high bills, it

1 was -- they would present a bill that made absolutely no
2 sense, and then we'd try to dissect it. Then we would ask
3 for a breakdown of the usage, principal of the bill, and the
4 late charges and so forth so we could ascertain what the
5 bill meant.

6 Q. In terms of being vigilant about pursuing this,
7 you say that you're director of operations. Did you refer
8 any other employees at SBG to get involved in this matter?

9 A. I asked Eric Lampert to help, as well as
10 Mrs. Shor.

11 Q. And also, did you employ outside counsel?

12 A. Yes, I did.

13 Q. The issues that we're talking about, even though
14 they're 2008-2009, do they go back much further than that?

15 A. Yes, they do.

16 Q. To how far, would you say? Were they also
17 problems in 2004 and 2005?

18 A. Yes.

19 Q. Okay. In terms of Elray, in terms of Fairmount
20 Manor. At Fairmount; if you can just turn to page 116.
21 Were you aware of the problem at Fairmount Manor in 2004?
22 If you would turn to, actually, page --

23 MR. FARINAS: Your Honor?

24 MS. BOONE: I said that I am going back in time.

25 JUDGE VERO: That's okay. We're referring to the

1 second binder from Fairmount?

2 MS. BOONE: Yes, the second binder from Fairmount,
3 page 112.

4 JUDGE VERO: 112?

5 MS. BOONE: Yes.

6 THE WITNESS: Oh.

7 JUDGE VERO: Okay.

8 THE WITNESS: Yes, I'm there.

9 BY MS. BOONE:

10 Q. On page 112, can you read the date of the letter?

11 A. June 18, 2004. It was from Eric Lampert to PGW.

12 Q. And Mr. Lampert is the controller; is that
13 correct?

14 A. Yeah.

15 Q. What was the issue here?

16 A. It's a high bill. It's a \$13,000 bill.

17 MS. BOONE: I'm going to ask if Mr. Lampert can be
18 called to testify about this matter, since you said you
19 wanted to provide testimony.

20 MR. FARINAS: Your Honor, I believe when I last spoke
21 I was referring --

22 JUDGE VERO: Just a moment.

23 MR. FARINAS: Sure.

24 (Pause.)

25 JUDGE VERO: But you have come to the conclusion that

1 this is the extent of Mr. Pulley's testimony with regards to
2 correspondence, statute of limitation and estoppel?

3 MS. BOONE: Just a few more questions, and then I
4 will actually turn to Mr. Lampert. I would like to reserve
5 the right to call Mr. Pulley back on the statute of
6 limitations, based on what Mr. Dunn may say.

7 JUDGE VERO: But for today Mr. Pulley is done on this
8 issue?

9 MS. BOONE: With just a few more questions.

10 JUDGE VERO: Well, I would prefer for you to complete
11 your questioning of Mr. Pulley. He will be available to SBG
12 for cross examination, and then you can bring your next
13 witness on the issue of statute of limitations.

14 MS. BOONE: Okay.

15 BY MS. BOONE:

16 Q. Now, in addition to working with Mr. Dunn, was
17 there another employee at CRC that you worked with, a
18 Mr. Savage?

19 A. Yes.

20 Q. If you would turn to SBG correspondence page 84?

21 JUDGE VERO: And Ms. Boone, please don't asking
22 leading questions. This is your witness.

23 MS. BOONE: Pardon me?

24 JUDGE VERO: You just asked a leading question.

25 MS. BOONE: Oh. Okay.

1 THE WITNESS: Yes.

2 BY MS. BOONE:

3 Q. Please read this letter, this email.

4 A. Email from me to Ted Savage, Ralph Savage, dated
5 July 5, 2010. I wrote to him, Ted, got these the other day
6 in the mail. We are still waiting for the breakdown in
7 reconciliation that Dunn promised us a year ago. I think we
8 need to meet. The PGW bills are still wrong in a host of
9 our buildings. Also, PGW has placed liens on our properties
10 for tenant issues of which we are not responsible. PGW
11 placed liens on a property that we don't owe you any money.
12 Give me a call when you're back. And there is an attachment
13 to that. That email.

14 Q. If you turn to page -- in SBG binder
15 correspondence page 86. Is that the attachment?

16 A. Yes.

17 Q. And 87. Is that also an attachment?

18 A. Yes.

19 Q. And 88, 89?

20 A. Correct.

21 Q. 90?

22 A. Correct.

23 Q. 91?

24 A. Correct.

25 Q. What's the title of each of these --

1 A. Correct. They say non-residential post-
2 termination notice.

3 Q. It says on this notice that we will shut your gas
4 service off on -- is there a date listed there?

5 A. No.

6 Q. And in terms of the amount that's past due, what
7 was your understanding about that?

8 A. Which one are you looking at?

9 Q. Page 86.

10 A. Sorry. It shows \$31,752.52. Which didn't make
11 any sense.

12 Q. Why not?

13 A. First off, we don't believe we owed that money.
14 Secondly, there's no breakdown of interest. Thirdly, when
15 we did ask for breakdowns, we still had never received the
16 breakdowns.

17 There's no way for us to back into this. It doesn't
18 make any sense. We added up bills that didn't pan out. The
19 numbers are different.

20 Q. And is that the same for the shutoff for the
21 document identified as SBG correspondence 87, page 87?

22 A. Yes.

23 Q. And for 88?

24 A. Yes.

25 Q. And for 89?

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

A. Yes.

Q. And 90 and 91?

A. That's correct.

Q. So you had questions about these. You sent this to Mr. Savage. And what was his response?

A. I think it was too bad, in the response, about how to handle them. We continued to ask for a meeting. If you go by the date here, this was July 5, 2010.

Q. Right. If you'll turn to SBG correspondence page 92. If you could just read that email.

JUDGE VERO: What page was this?

MS. BOONE: SBG correspondence book page 92.

BY MS. BOONE:

Q. If you'll read the original message?

A. Yes.

Q. Which is from Phil Pulley to?

A. To Ralph. Please find attached --

Q. And his last name?

A. Savage.

Q. The date?

A. Account number 0700249550. The name on the bill is for another unrelated property that has nothing to do with this location. How PGW ever put it in the corporate name for an unrelated property is a mystery. Moreover the address and unit number are for a tenant at Admiral Court.

1 This should have been in the tenant's name and not this
2 entity.

3 Q. And then for the next? Was there another
4 account?

5 A. Account number 0373007503. This is one of the
6 accounts that we have been waiting for PGW to reconcile for
7 three years. For PGW to place a lien against this property
8 will cause irreparable harm. PGW has ten days in which to
9 remove this erroneous lien. These are two examples of how
10 PGW acts without any regard for its customers, legal
11 principles or consumer responsibility. I thank you in
12 advance for correcting both of these matters immediately.

13 Q. This email is dated what? What's the date?

14 A. August 25.

15 Q. If you read the email above it, what's the date
16 of that email response?

17 A. September 20 -- excuse me. September 17, 2010.

18 Q. And who's it from?

19 A. It's from me to Ralph Savage. Ralph, just
20 touching base. Call me when you're ready to meet.

21 Q. What correspondence or contact transpired between
22 the date of the August 25 email and the September 17 email
23 with Mr. Savage?

24 A. I don't believe any.

25 Q. And with anyone else on this issue?

1 A. No.

2 Q. Okay. Thank you.

3 A. I was directed by John Dunn to deal with
4 Ted Savage when John Dunn retired.

5 Q. And approximately when did John Dunn retire?

6 A. I believe it was the latter part of '09, like
7 August, September-ish. It was summer.

8 Q. Prior to his retiring, did he say that on these
9 disputes that have been outstanding you should file a PUC
10 complaint and stop coming to them? What was his --

11 A. He never said that. I thought we were working it
12 all out. We were waiting for information, which goes back
13 to our December 2008 conference call with Mr. McCaffery,
14 Rochelle Guzman, John Dunn was on that call. I don't
15 remember. I mean there's a whole host of people from PGW.
16 I was the only one from our side of the table.

17 MS. BOONE: If I could just have a moment.

18 (Pause.)

19 MS. BOONE: All right.

20 BY MS. BOONE:

21 Q. Now, in 2010, let's move a little bit forward,
22 I'd like you to turn your attention to SBG Fairmount page
23 92.

24 A. 92?

25 Q. Yes. Fairmount 92.

1 A. I'm on that page. I just read that one.

2 Q. You read it in the correspondence. This is the
3 Fairmount binder.

4 A. Oh.

5 Q. In the Fairmount binder, page 92.

6 A. You got me there.

7 (Pause.)

8 A. Yes.

9 Q. If you can just read this email?

10 A. It's dated August 3, 2010, to Ralph Savage from
11 Phil Pulley. Ted, this is what we've been working off of.
12 Everything with a T or a V is a tenant units, of which we
13 are not responsible for. Let's focus on everything else.
14 Can we get a breakdown as follows, usage and distribution
15 cost, penalties, interest, miscellaneous.

16 Q. Okay. And when you turn to page 93, what is that
17 document?

18 A. This is the list, the infamous list that we began
19 to -- we met with John Dunn in May of 2009, and sat with him
20 and went through this list. This was the information that
21 was given to us in regards to our responses and concerns of
22 accounts.

23 Q. Right. So over these several years, you've been
24 asking for information on everything from what happened to
25 checks, a breakdown of bills. And even today, in the

1 meeting that occurred just a few months ago, what kind of
2 information did you seek at the April meeting? Is it
3 similar to the information that you sought in this 2010
4 letter?

5 A. Well, it was very generalized. They talked about
6 assays and service agreements. They talked about assays and
7 so forth. But there's still a lot of loose odds and ends
8 that were all open, and no resolution to anything.

9 Q. When did you finally file the PUC action?

10 A. The PUC action, I'm not exactly sure.

11 Q. What led you to finally file the PUC action in
12 2012, the PUC complaints, on behalf of the parties that own
13 Fairmount, Elray and Marshall?

14 A. We were told to do so by Ralph Savage.

15 Q. In what year is that?

16 A. I believe it was 2012.

17 Q. All right. If you could turn your attention to
18 page 35 in the SBG correspondence?

19 Or, I'm sorry. This starts with page 37, the SBG
20 correspondence binder. Please state who this email is from.

21 A. SBG correspondence 37 is from Kathy Treadwell to
22 me, dated January 30, 2012. Phil, attached is a listing of
23 PGW accounts in dispute. Let me know if you need anything
24 else.

25 Q. Are these pretty much the same accounts that were

1 in dispute in 2010?

2 A. I didn't cross-reference the list, but a lot of
3 them look the same to me.

4 Q. And who is Kathy Treadwell is our -- she is an
5 accountant in our accounting department that came on and
6 joined us the latter part of 2011. And getting frustrated
7 with PGW, I more or less said, Kathy, try and help us clean
8 this up.

9 Q. So you dedicated an employee to follow up on
10 these issues?

11 A. That's correct.

12 Q. About how much --

13 MR. FARINAS: Your Honor?

14 BY MS. BOONE:

15 Q. About how much time?

16 JUDGE VERO: Do you have an objection, Mr. Farinas?

17 MR. FARINAS: No.

18 JUDGE VERO: Okay. Continue, Ms. Boone.

19 THE WITNESS: I would say full time.

20 BY MS. BOONE:

21 Q. Okay. If you turn to page 36 in the SBG
22 correspondence binder, what did you do with the information
23 from Ms. Treadwell?

24 A. I sent it to Ralph Savage on January 31, 2012.

25 Q. Please read that. Please state who the email is

1 from, who it's to, the date and the contents of the email.

2 A. It's from Phil Pulley to Ralph Savage,
3 January 31, 2012. Ralph, please see the attached list of
4 accounts and disputes. Can we sit down with PGW accountants
5 and yourself to review; many of these are tenant matters.

6 Q. Who's copied on this email?

7 A. Gerald Clark, who's an attorney at PGW. I had a
8 lot of interaction with Mr. Clark. Trying to reach out to
9 him. He was something with liens. Daniel McCaffery, who
10 was our counsel at that time involved with us. And also
11 Kathy Treadwell, the accountant I spoke about.

12 Q. And then what's the next email that follows? It
13 begins on page, SBG correspondence binder page 35.

14 A. I sent the email on SBG correspondence 36 on
15 January 31.

16 Q. Okay.

17 A. I then wrote back on -- I wrote to Ralph Savage
18 on March 2. Ralph --

19 Q. Please state the year.

20 A. That was March 2, 2012. Ralph, see the attached
21 as requested. Any questions, you can speak to Kathy or me.

22 Q. Why did you need to send him this email on
23 March 2, 2012, when you sent the email on January 31, 2012?

24 A. Because I got no response. And that's a non --
25 what's the word I'm looking for? Nice way to remind

1 someone, hey, by the way.

2 Q. Okay. So what's the next email that follows?

3 A. Approximately a week later I received an email
4 from Ralph Savage on March 8, 2012, to me. And he had
5 carbon-copied Daniel Murray and Gerald Clark.

6 Ralph had said, Phil, we have reviewed your list of
7 accounts. I have added a review column to reflect our
8 investigation results. If the row is blank, this account
9 number and its debt was recorded. If the row says not on
10 list, then no debt was recorded. If the row says correct
11 account number, it means that the number you provided was
12 incorrect, and the debt was recorded under the corrected
13 account number as shown. As I stated before, tenant debt
14 can be liened to the property where the gas was consumed.
15 If you have any -- if you have anything else to dispute, you
16 can file a complaint with the Public Utility Commission.
17 Their contact information is 1-800-692-7380. There is no
18 need for us to meet regarding this debt.

19 Q. Okay. So when did your inquiry about these
20 accounts first start?

21 (No response.)

22 Q. About bills from PGW across the various
23 properties.

24 A. December -- well, August 2008 was when we hired
25 Mr. Hyman. And we had a conversation with PGW in December

1 of 2008. Some four years back.

2 Q. And prior to hiring Mr. Hyman, what were you
3 doing about billing disputes?

4 A. Writing to PGW. We retained Daniel McCaffery,
5 Esquire to reach out to their attorneys to discuss with
6 their attorneys how we can resolve these things.

7 Q. Okay.

8 MS. BOONE: That would be all. I'd like to call
9 Eric Lampert, please.

10 JUDGE VERO: Let Mr. Farinas cross-examine
11 Mr. Pulley.

12 Do you have any questions? I'm assuming you do.

13 MR. FARINAS: Yes, I do.

14 JUDGE VERO: Okay. You may proceed.

15 MR. FARINAS: Thank you, Your Honor.

16 **CROSS EXAMINATION**

17 BY MR. FARINAS:

18 Q. Mr. Pulley, I want to visit several areas. First
19 of a general nature. I'm going to kind of bounce around
20 just to touch on the varicus points in your testimony.

21 First, in the correspondence you mentioned and the
22 problems that you had with the Fairmount properties
23 accounts, the discussion about some were tenants and some
24 are not. And you mentioned the tenants which we're not
25 responsible for. Can you tell me what you were referring

1 to?

2 A. Well, it goes back beyond that.

3 Q. No, I'm asking, when you referred to that, what
4 are you referring to with that?

5 A. There were account numbers that PGW had come back
6 and said they were tenant accounts, but they had put them in
7 our name.

8 Q. And did any of your discussion involve the
9 liening of the properties for the tenant debt?

10 A. Not in 2008 and 2009. We were unaware of all
11 these liens until sometime in 2011.

12 Q. And when you became aware of the liens, is that
13 when you again tried to step up and dispute them, dispute
14 the underlying debt?

15 A. Yes.

16 Q. And was it your view that because the liens were
17 based on tenant debt, SBG should not be held responsible for
18 them?

19 A. Well, the answer is yes. But I'd like to qualify
20 that. Because in some instances the accounts were in tenant
21 names.

22 Then PGW took them out of the tenant names and put
23 them in our name. And has no such authority in which to do
24 that. Meanwhile the tenants still resided in the units.

25 Q. But it was your view, part of your dispute, that

1 the accounts that remained in the tenants' names, and for
2 the period that they were in the tenants' names, even before
3 they were put into SBG's name, those you were still
4 disputing, even though Mr. Savage told you that these
5 amounts could be -- the property could be liened?

6 A. Well, each one of those is independent. We had
7 one particular tenant where who resided in another property
8 not owned by us. They incurred a couple thousand dollars
9 worth of gas obligations to PGW in that property.

10 When they then moved into our property, that debt
11 carried with them. So in trying to put a number -- let's
12 say they owe \$2,000 to Acme Real Estate. Then they moved
13 into SBG building and incurred \$3,000. PGW now was seeking
14 to collect \$5,000 from us for that matter.

15 Q. And that was a problem that you introduce to
16 Mr. Savage, which he answered you, not 30 days, but he
17 answered you? He was forthright and told you that there was
18 an error, and corrected the error; correct?

19 A. Well, we're not sure. And the reason being is,
20 PGW refused to turn over tenant account information with the
21 names on the bills, who originally took out the services.

22 So even though you want to say, hey, you got a lease,
23 or you have a bill, we couldn't decipher what the bill was,
24 because you refused to give us copies.

25 Once you finally did give us something, you redacted

1 all the information from it. So we're sitting back and
2 we're still scratching our heads, going, should we be
3 responsible for that under the tariff. And we don't know.

4 Because if you gave us a breakdown -- another example
5 is how misapplied LIHEAP payments were done by PGW.

6 Q. I think we're going far afield.

7 JUDGE VERO: Let's stick to one issue. Continue.

8 BY MR. FARINAS:

9 Q. So the issue of not being given tenant account
10 information absent a subpoena or anything like that was also
11 part of your continuing issue with PGW?

12 A. Yes.

13 Q. All right. Let's go back.

14 MR. FARINAS: Your Honor, actually I did distribute
15 this to the parties by email, and I have brought enough
16 copies. I'll present you with a copy. This represents
17 PGW's correspondence folder.

18 BY MR. FARINAS:

19 Q. I want to change gears a little bit and go back
20 to the period of 2008, I won't go back any further, where
21 there was a relationship established. I believe that was
22 the period that you hired Mr. Hyman; correct?

23 A. That's correct.

24 MS. BOONE: I think that the witness needs a copy of
25 the correspondence.

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

MR. FARINAS: Oh, I'm sorry.

THE WITNESS: That's okay.

(Document handed to witness.)

THE WITNESS: Thank you.

BY MR. FARINAS:

Q. I believe if I can direct your attention to PGW correspondence, C-O-R-R, page one of this folder.

A. Wait. To what number?

Q. Page one. First page.

A. Oh, okay.

Q. Do you have any recollection of, shall we say, the condition of the relationship between PGW and your organization when you acquired the services of David Hyman?

A. I'm not sure I understand the question.

Q. Did discussions between PGW improve when you acquired the services of David Hyman?

A. A little bit. Not much.

Q. Okay. Now I'll direct your attention to page three. I'd like to point you at an email from you dated Friday, January 23, 2009. Would you read that email? And I believe you're addressing Mr. Hyman, your counsel.

A. That's correct.

Q. Can you read that for me?

A. It says, David, just a heads-up. We have heard from John Dunn of PGW. He is on top of everything and is

1 helping greatly. Eric and he should be meeting within the
2 week. At this point everything is harmonious.

3 Q. Now, let's jog my memory to your direct testimony
4 in which you referred to a meeting that was finally held
5 with John Dunn, and you said was an awful lot of material
6 presented.

7 A. Right.

8 Q. Do you remember when that meeting took place?

9 A. In May.

10 Q. In May of 2009?

11 A. That's correct.

12 Q. And the material, did it include all of the
13 properties that you had disputed, or all the addresses from
14 the Fairmount property that you disputed?

15 A. I think it did. I'm not sure.

16 Q. Okay. And can you tell us where this meeting
17 took place?

18 A. The meeting in May?

19 Q. Yes.

20 A. Took place at our offices at 1241 Welsh Road.

21 Q. Did you ever meet with John Dunn anywhere else?

22 A. I'm not sure.

23 Q. Do you remember coming to your house to meet with
24 him?

25 A. That's the same place, 1241 Welsh Road.

1 Q. Oh, okay.

2 A. Okay. And you're right, I did meet with him
3 previously. I met with him with Mary Mandabi (phonetic),
4 your counsel, Atty. McCaffery, Tom Murphy and those guys.
5 So I met him in connection with the 2004 settlement with
6 PGW.

7 Q. Okay. 2000?

8 A. Four.

9 Q. Four.

10 A. Sorry.

11 Q. And now we're talking about 2009?

12 A. Correct.

13 Q. This was the last meeting you had with John Dunn;
14 correct?

15 A. That was the only meeting and the last meeting.

16 Q. Well, and after that he retired?

17 A. Yes.

18 Q. Just to get a little bit more detail. How much,
19 and I don't know if you want to describe it in reams of
20 paper, or binds, how many spreadsheets did Mr. Dunn bring to
21 this meeting in May of 2009?

22 A. I think it was just -- if you go back to SBG
23 Fairmount 000093 and 94, I believe that was it.

24 Q. And you said he brought a lot of -- if I remember
25 your testimony, he brought a lot of information with him.

1 Correct?

2 A. Well, this is a lot of information. It's a lot
3 of information here. Account numbers, meter numbers and so
4 forth. Right here.

5 Q. understood. And how long was this meeting?

6 A. Maybe a couple hours.

7 Q. And then there was no other papers beside these
8 four sheets that he brought with the meeting to show you?

9 A. I believe it was these two sheets. I'm not sure
10 what else he brought or didn't bring. But I remember these
11 two sheets, because I remember a copy of these in someplace
12 somewhere. I've got handwritten notes on one of these
13 someplace.

14 Q. Do you remember that other pieces of paper at
15 that meeting supporting these sheets?

16 A. I remember Mr. Lampert pulled out a lot of paper,
17 and pulled out invoices to say that this doesn't make any
18 sense. And they sat there with a whole lot of paper. Well,
19 Eric did, I remember that.

20 Q. If I'm looking at what you just referenced, SBG
21 Fairmount 00094, the bottom of this document says prepared
22 by PGW 7/22/2010. So this couldn't have been a copy of that
23 document at that meeting in 2009. It may have been similar
24 to them?

25 A. It's similar. Similar. I apologize.

1 Q. And at this meeting, in addition to your person
2 Eric, was anyone else from PGW there?

3 A. No.

4 Q. And during those couple of hours, did John Dunn
5 attempt to explain to you what was going on, whether he had
6 other papers with him or not?

7 A. My impression of the meeting -- and you're asking
8 my opinion.

9 Q. Uh-huh.

10 A. John Dunn went back with an array of notes on a
11 lot of the topics, subject matters. And we tried to take
12 small bites of the apple.

13 We didn't try to hit everything. We tried to take
14 small bites with small issues to try and knock these issues
15 down, so then we can move on.

16 Q. But did you receive an explanation at that
17 meeting? It wasn't just an assignment meeting. He did come
18 at you with some explanation as to what was going on with
19 the accounts; correct?

20 A. I don't recollect, I mean, a whole lot. I
21 remember Eric was pulling out invoices saying this doesn't
22 make any sense.

23 I remember the bill on Colonial Garden that showed
24 \$1,200 in past due, \$1,200 incurred charges, and added up to
25 21,000. And he looked at that and was going, I don't know.

1 We were making copies of things, a lot of documents that
2 Eric had to give to him so that he could then go back and
3 research these things.

4 Q. Well, Mr. Dunn didn't bring any information even
5 in an attempt to satisfy your inquiry about what was going
6 on with the accounts? Is that your testimony?

7 A. I don't remember him coming in with a voluminous
8 amount. He came in with a couple pages, and he --

9 Q. Did he try to explain what was going on with the
10 accounts to you?

11 A. No. No. There were more questions coming out of
12 that meeting than there were answers.

13 Q. Well, I can see that, because there were two
14 people from SBG asking questions about material. But did
15 Mr. Dunn explain to you what was going on with the accounts?
16 Or did he just sit there, and you just asked him questions?

17 A. No. It was a good exchange of information.

18 Q. And if it was a good exchange of information, do
19 you believe that Mr. Dunn thought that he satisfied at least
20 your initial inquiry

21 MS. BOONE: Objection. He's asking him to testify as
22 to Mr. Dunn's state of mind.

23 MR. FARINAS: I asked him what he believed about it.

24 MS. BOONE: He can only testify as to what he
25 believes, not what he believes that Mr. Dunn believes.

1 Mr. Dunn has to speak for himself.

2 BY MR. FARINAS:

3 Q. Did Mr. Dunn look satisfied with the information
4 that he did give you?

5 MS. BOONE: Objection. That's a compound question.

6 THE WITNESS: I can't answer that.

7 JUDGE VERO: All right. Can you rephrase it?

8 BY MR. FARINAS:

9 Q. Other than the additional questions that Mr. Dunn
10 was sent away with, did Mr. Dunn provide you with such
11 information that he believed he had fulfilled --

12 MS. BOONE: Objection.

13 JUDGE VERO: He can't testify to what Mr. Dunn
14 believed.

15 Did Mr. Dunn give you any indication that he felt PGW
16 had satisfied its duty in providing you with information?
17 Did he say that we have done what we could, this is what I
18 have for you? Did he give any indication that the
19 investigation had occurred, that he had information for you,
20 and this is the information, this is a lot of work?
21 Something so that Mr. Dunn was under the impression that he
22 was responding to your questions and inquiries?

23 MS. BOONE: You know what? Excuse me, Your Honor.

24 But on redirect I can show you correspondence between
25 Mr. Dunn and Mr. Pulley that may address this issue.

1 JUDGE VERO: And the correspondence follows the
2 meeting date of May --

3 MS. BOONE: Yes, it follows.

4 JUDGE VERO: May of 2009?

5 MS. BOONE: Yes, it does.

6 JUDGE VERO: All right.

7 THE WITNESS: Well --

8 JUDGE VERO: Hold on.

9 THE WITNESS: I was going to try and answer her
10 question.

11 JUDGE VERO: Yes, answer my question. Is my question
12 anything that --

13 MR. FARINAS: Yes, yes.

14 THE WITNESS: I think it was good.

15 JUDGE VERO: It was good, all right.

16 THE WITNESS: There was no finality in regards to any
17 of the accounts. If anything, more questions came out of
18 the meeting in regards to all of the accounts.

19 And even when we came back to issues versus tenant
20 versus non-tenant issues, it was, well, who's the tenant?
21 When was it turned on? What was the circumstances?

22 And I don't believe there's any finality to any of
23 the accounts that came out of that meeting. There was more
24 questions.

25 And as I said, I thought it was a good exchange of

1 dialog. And everybody had to go back and get more
2 information.

3 BY MR. FARINAS:

4 Q. And do you think that the lack of finality was
5 more a function of your not being able to agree to any of
6 the information that Mr. Dunn provided for you?

7 A. No, I don't. There was an account listing put
8 together of what we're going to term disputed accounts, or
9 something accounts, and then trying to go through all those.
10 Okay?

11 I don't believe there was rigidity on either party's
12 part sitting in that meeting. I thought it was a very good
13 meeting. I thought everybody was going to leave there and
14 go back and gain more information, and then regroup again to
15 try and satisfy questions that were raised or issues that
16 were raised during the meeting. Or at the same time, an
17 exchange more of information, like I said, in regards to
18 just the tenant items.

19 Well, who are the tenants? When did they move in?
20 Was there a security deposit place? I mean, and those --
21 and he's like, okay, we'll have to get you that information.

22 Q. Well, so the practice is every time Mr. Dunn came
23 to you with information that he thought would be helpful,
24 you sent him away with more questions?

25 A. That's a horrible characterization, because we

1 met once since my meeting with him with Mary Mandabi in
2 either '04 or '05. So with one meeting in that time frame,
3 and then he proceeded to retire three months later.

4 It's a horrible characterization about how we
5 conducted business or how we got along with Mr. Dunn.

6 Q. After any of your meetings with either Mr. Dunn,
7 or conversations with Mr. Dunn by correspondence or
8 otherwise, did you ever indicate that you would pay the
9 outstanding balance, but you were just waiting for some
10 money from the government in order to make payment on any of
11 the accounts?

12 A. You're asking a very broad question. Because we
13 get an array of different things from different payments
14 from people and so forth.

15 So on one account, yeah, we may have been waiting for
16 money from the government to pay that particular account.
17 And without being more specific, I can't answer.

18 Q. Did you ever give that in response to any
19 explanation about a bill that you were -- that you had an
20 inquiry about --

21 A. To Mr. Dunn?

22 Q. Yes.

23 A. I don't believe so.

24 Q. Okay.

25 JUDGE VERO: And we're still referring to the May

1 2009 meeting?

2 MR. FARINAS: Yes.

3 JUDGE VERO: Okay.

4 MR. FARINAS: Or anything up to that, leading up to
5 that, in that general area.

6 THE WITNESS: No, I don't believe I did. At that
7 point we're all getting along, we're trying to resolve
8 information. And I'm glad we finally had a meeting with
9 John.

10 BY MR. FARINAS:

11 Q. You mentioned that you employed the services of
12 two attorneys. The first one was Mr. Hyman. And if I can
13 ask you, I believe you mentioned he was the president of the
14 Gas Commission? Was that what you said?

15 A. I believe that's what I was told by the person
16 who recommended him, that he was head of the Gas Commission.

17 Q. Well, wasn't he the president of the nonprofit
18 that manages PGW as opposed to the Gas Commission, which is
19 a city agency?

20 A. That could be. I don't know the difference. But
21 he's president of something, and I know it's not the United
22 States.

23 Q. And so did you know that -- so you knew somehow
24 he had some prior professional contact with PGW?

25 A. That's correct.

1 Q. And did you rely upon his employment with you for
2 his connections, or his legal acumen?

3 A. The law firm of Kline, Bard, Bell and Brecker
4 began representing me in -- and I'm trying to pick a year.
5 '95 or '96. So I had a long history with the law firm from
6 that standpoint.

7 When I spoke to a gentleman who's name was
8 John Payonne (phonetic), and John kind of guided him through
9 another gentleman, say, how can I help resolve my problems
10 with PGW? And he recommended David Hyman.

11 And it was just a coincidence that David had
12 represented me from 1996 through the passing of the
13 attorney, Steve Waxman.

14 Q. Was he, in your view, was he a good utility
15 attorney?

16 A. David?

17 Q. Yes.

18 A. Yes and no. I think David relied upon some of
19 the younger-lings in his office and which do draft and stuff
20 like that.

21 But I was desperate and needed help. I wanted to
22 resolve the open issues with PGW, and was kind of using the,
23 well, if I got to go use a center city lawyer to try and get
24 to someone at PGW so we can resolve the differences, then so
25 be it.

1 Q. Do you think he knew enough to advise you that if
2 you were dissatisfied or still not, problems unresolved,
3 that as an alternative --

4 MS. BOONE: Objection.

5 BY MR. FARINAS:

6 Q. -- you could have a, file a complaint with the
7 PUC?

8 JUDGE VERO: On what grounds?

9 MS. BOONE: Once again, he's asking what David Hyman
10 thought.

11 JUDGE VERO: No, he asked him what he thought about
12 David Hyman.

13 MS. BOONE: Well, I thought the question was, did he
14 think that David Hyman thought he knew enough. He's asking
15 about David Hyman.

16 JUDGE VERO: No, I think Mr. Pulley is able to come
17 to a conclusion and reach an opinion with regards to an
18 attorney that he hired, and subsequently, I believe, no
19 longer used his services.

20 Well, obviously today Mr. Hyman is not representing
21 SBG. So I do believe that Mr. Pulley can testify as to the
22 legal knowledge and ability of the attorney that he hired.

23 THE WITNESS: I think he's a very good attorney. I
24 think he had a pretty good knowledge about the working
25 relationships with PGW.

1 You know, our intention here was to go through a
2 resolution with PGW, and to the items in an exchange of
3 information.

4 BY MR. FARINAS:

5 Q. But you were dissatisfied for years and years and
6 years and years and years. Didn't you know, did he tell you
7 that you could have filed a complaint with the PUC?

8 A. No, I don't believe he did.

9 Q. And did you know that there was a method of
10 finding relief when you're dissatisfied with PGW?

11 A. Not until years later.

12 Q. And how long have you been in the business of
13 renting properties for tenants?

14 A. 20 years, 25 years.

15 Q. How long have you, or any of the organizations
16 that you are connected to, been a recipient of utility
17 services?

18 A. I'm not sure I understand the question.

19 Q. As an entrepreneur in the business of renting
20 property, how long have you been a recipient of utility
21 services in that capacity?

22 A. 20, 25 years.

23 Q. Did you know there was such a thing as a Public
24 Utility Commission?

25 A. No, I didn't.

1 Q. In all of your years of being an electric
2 customer and a gas customer and a water customer, you didn't
3 know there was a regulatory scheme that provided you with
4 relief, or an opportunity for relief, if you're
5 dissatisfied?

6 A. Well, maybe this sounds naive, but the utility
7 that we seemed to have the problems with was PGW, not with
8 electric, not with water.

9 Q. I'm asking did you know. Did you know that there
10 was a place you could go to get relief with any utility?

11 A. No.

12 Q. So being dissatisfied, is it safe to say that
13 your dissatisfaction resulted in -- did it manifest itself
14 in other ways?

15 A. What do you mean?

16 Q. Did you withhold payment for utility services?

17 MS. BOONE: Objection.

18 JUDGE VERO: On what grounds?

19 MS. BOONE: Relevancy. The issue here isn't payment,
20 the issue here is the statute of limitations and whether PGW
21 has resolved the billing issue.

22 JUDGE VERO: I understand. But I want to hear the
23 answer. So your objection is overruled.

24 THE WITNESS: In many of these items, we felt that
25 PGW was overpaid. To the tune of in excess of \$1 million.

1 BY MR. FARINAS:

2 Q. So did you believe that you had a right to set
3 off the amount that you believe you were owed versus paying
4 for utility services that you were taking?

5 A. Well, if you believe a bill is wrong, and you
6 reach out to the vendor, and then you say there's a problem
7 here, you expect some rational reasonableness that somebody
8 will get back to you in some amount of reasonable time frame
9 in which to try and address this. Okay?

10 At the same time, where does all this extra money
11 come from if you feel that you've overpaid a utility in
12 excess of \$1 million?

13 Q. But you were represented by David Hyman. Didn't
14 you know that there was a method of getting relief for your
15 dispute?

16 A. Well, I believe based on that December conference
17 call that we all had an agreement that we were going to work
18 together to work through these things.

19 JUDGE VERO: December of what year?

20 THE WITNESS: That would have been 2008.

21 BY MR. FARINAS:

22 Q. Did you ever agree to pay your current bill while
23 you were working out these disputes?

24 A. Yes, we did, on certain accounts.

25 Q. And did you pay them?

1 A. Yes, we did.

2 Q. Did you pay on other accounts?

3 A. On certain disputed accounts, no. But that was
4 based upon the conversation.

5 Q. And when you did pay on disputed accounts, did
6 you withhold payment of the disputed amount, or did you
7 simply stop paying on the account?

8 A. I don't know off the top of my head.

9 MR. FARINAS: Will be getting a witness that will
10 comment, will be able to give testimony about what payments
11 were withheld?

12 MS. BOONE: I'd like to just go on the record
13 objecting to this. This inquiry is about a billing dispute.
14 It's not about a payment dispute, it's about a billing
15 dispute.

16 This customer has again and again and again gone to
17 ask for explanations of how the bills are calculated,
18 whether payments were applied.

19 To try to change the issue to whether he paid is to
20 run away from the issue of whether the bills were calculated
21 properly, whether payments were made properly, or
22 improperly, and whether interest was applied properly.

23 This line of questioning has nothing to do with the
24 case in chief that's been presented, and this is irrelevant.

25 JUDGE VERO: All right. Just a moment. I allowed

1 you to enter testimony into the record to establish pattern
2 of behavior. And your objection is on the record, but it's
3 overruled.

4 You may continue.

5 MR. FARINAS: Thank you.

6 BY MR. FARINAS:

7 Q. I need to visit that a little bit more.

8 A. Sure.

9 Q. Your belief is that if your dispute is that you
10 have over --

11 JUDGE VERO: I'm sorry, Mr. Farinas. I think you
12 were addressing a question to Ms. Boone with regard to a
13 witness.

14 MR. FARINAS: Oh.

15 Will we have another witness that will answer the
16 reason for withholding payment?

17 MS. BOONE: For withholding payment?

18 MR. FARINAS: For not, for payment on the account,
19 withholding payment on the various accounts.

20 MS. BOONE: If you subpoena them, sure. If you
21 submit a subpoena for someone, I'll be happy to provide that
22 witness for you.

23 JUDGE VERO: All right. Let's rephrase the question.
24 Will there be another witness who will testify on SEG's
25 payment history?

1 MS. BOONE: We haven't received a subpoena asking for
2 a witness to testify on that. But as soon as we do, we will
3 certainly provide one.

4 JUDGE VERO: Mr. Farinas?

5 MR. FARINAS: Well, Your Honor, under the witness
6 list, Ms. Kathy Treadwell will be speaking to each and every
7 one of the various disputes on the individual statements of
8 account. And I would imagine it would be her ability to
9 discuss the payments that were made on that account.

10 JUDGE VERO: You can cross-examine her. She'll be
11 available for cross examination.

12 MS. BOONE: I would just say that it was my
13 understanding that we were in a line of questioning about
14 the statute of limitations.

15 JUDGE VERO: Yes.

16 MS. BOONE: Not about the payment history. If
17 there's a witness that you want to talk about payment
18 history, it could be Mr. Pulley, it could be someone else.

19 But he hasn't subpoenaed, sent me a subpoena saying
20 that he wanted someone to provide information on that. And
21 that is not our case in chief, the payment history of this
22 person.

23 JUDGE VERO: Okay.

24 MS. BOONE: So this is new. This is surprise.

25 JUDGE VERO: All right, just a moment. The

1 complaints that we're here for do discuss missing payments,
2 cancelled payments, etcetera. So payments are part of your
3 complaint.

4 MS. BOONE: How the payments were applied is a part
5 of the complaint.

6 JUDGE VERO: How the payments were applied.

7 MS. BOONE: And whether PGW has accounted for those
8 payments properly.

9 JUDGE VERO: All right.

10 MS. BOONE: It's a narrower issue, I believe.

11 JUDGE VERO: Just a moment. I don't think
12 Mr. Farinas was asking for a specific individual to appear
13 as a witness. He only asked you whether there will be a
14 witness that you would present that would have the
15 knowledge, firsthand knowledge, of payments to made to
16 certain accounts.

17 MS. BOONE: And I would say that this is new.

18 I would also say that in terms of this information,
19 this is prejudicial. It doesn't go to the heart of whether
20 PGW has complied with the tariff.

21 Whether a customer has paid or not has nothing to do
22 with PGW's responsibility to investigate a high meter, a bad
23 meter.

24 JUDGE VERO: Ms. Boone, I was interrupting. You are
25 making it a bigger issue than I think it is. You, right

1 now, you're making it a bigger issue. It's not that big of
2 an issue.

3 I think he asked you a question, and you could have
4 responded yes, no, maybe.

5 MS. BOONE: I would have to just confer with my
6 client. And it may be Mr. Pulley, it may be someone else.
7 So I can probably get back to you tomorrow on the person to
8 answer that question, if that's okay.

9 JUDGE VERO: Is that satisfactory?

10 MR. FARINAS: Yes.

11 JUDGE VERO: All right

12 MS. BOONE: Thank you.

13 JUDGE VERO: That's doable.

14 You can proceed, Mr. Farinas, if you have any further
15 questions for Mr. Pulley.

16 MR. FARINAS: Yes, I do.

17 BY MR. FARINAS:

18 Q. Mr. Pulley, did you instruct your staff not to
19 pay on accounts while your dispute was pending?

20 MS. BOONE: Objection. I just said that we would
21 address this issue tomorrow. So I'm not sure why he's
22 asking Mr. Pulley a question when I said I would provide
23 someone tomorrow.

24 JUDGE VERO: I understand. And your objection is
25 overruled.

1 THE WITNESS: No.

2 JUDGE VERO: Move on, Mr. Farinas. Next question.

3 BY MR. FARINAS:

4 Q. If I may ask. Is your relief that you're looking
5 for in this matter, any part of the relief that you're
6 looking for in this matter, requesting the return of late
7 payment charges that were the result of debts under tenant
8 accounts for which you were lienied?

9 (Pause.)

10 MS. BOONE: Objection.

11 JUDGE VERO: On what grounds?

12 MS. BOONE: He said earlier that we shouldn't be
13 addressing the lien issues of tenant accounts.

14 MR. FARINAS: I'm asking about the request he made.

15 MS. BOONE: So I don't understand why he's raising a
16 question by his offering a question to this witness that he
17 said in my place was irrelevant.

18 JUDGE VERO: Sustained.

19 Mr. Farinas, rephrase it.

20 BY MR. FARINAS:

21 Q. Mr. Pulley, the relief that you've requested,
22 does it include the return of, the refund to you of late
23 payment charges, or credit for late payment charges?

24 MS. BOONE: Objection. If he's discussing settlement
25 negotiations, I believe that those are not to be presented

1 in the trial.

2 MR. FARINAS: I'm not discussing --

3 JUDGE VERO: He didn't report a settlement
4 discussion, or the information where it was obtained.

5 MS. BOONE: Okay.

6 JUDGE VERO: Just what type of relief are you
7 requesting from this Commission.

8 MS. BOONE: Okay, I'm sorry.

9 JUDGE VERO: Is that correct?

10 MR. FARINAS: Correct.

11 MS. BOONE: I apologize. I misunderstood your
12 question. Sorry.

13 JUDGE VERO: It's okay.

14 Mr. Pulley?

15 THE WITNESS: I believe some of it, yes. I believe
16 that PGW has charged us for tenant charges from other
17 properties. I believe that PGW has misapplied LIHEAP
18 payments.

19 BY MR. FARINAS:

20 Q. I'm specifically asking --

21 A. Wait, wait. You asked. You opened the door.
22 Okay? So the interest in some instances, yes. In all
23 instances, I can't state.

24 Only on Saturday did we get a list of all the tenant
25 names, tenant accounts, that now we can even go back to see

1 if those people were tenants in our buildings.

2 Prior to that date you didn't provide us any
3 information. So just now, Saturday, we get this information
4 with the tenant names. Now we have to go back and cross-
5 reference were they really tenants.

6 Did PGW put gas in the name of someone who didn't
7 even have a lease there or was a tenant of ours?

8 So the answer is, I don't know until we now do
9 additional research to the information you provided.

10 Q. Fine. Just the fact that if there were a tenant
11 that you verified to be a tenant that left your building
12 with an outstanding bill, with late payment charges, and the
13 property was liened, are you seeking return on those, or any
14 of those amounts?

15 MS. BOONE: Objection. He's once again talking about
16 liens.

17 JUDGE VERO: Well, here's the thing. I don't know if
18 you got an opportunity to read my order on Mr. Farinas
19 preliminary objection back in 2011.

20 MS. BOONE: I did.

21 JUDGE VERO: But my order did say that while the
22 Commission doesn't have jurisdiction over liens, the
23 Commission does have jurisdiction over the billing that led
24 to the lien. Okay?

25 MS. BOONE: Yes, okay.

1 JUDGE VERO: And all the calculations that led to the
2 amount that was deemed, we, as the Commission, have
3 jurisdiction to relieve.

4 MS. BOONE: Okay.

5 JUDGE VERO: So if Mr. Pulley is now disputing
6 portions of those calculations, or the entire calculation,
7 although it went to a lien, the Commission has jurisdiction
8 to review those calculations.

9 MS. BOONE: Oh. Oh, thank you, Your Honor. Thank
10 you.

11 THE WITNESS: So trying to answer your question, we
12 just got the information that included the tenants' names
13 and addresses. And I can't really give you a definitive
14 answer until we look at this to say is it right, is it
15 wrong. Are the bills right; are the bills wrong.

16 I hope I've answered your question.

17 BY MR. FARINAS:

18 Q. In principle, do you believe that you should not
19 be held responsible for the debt? In principle, do you
20 believe that your property should not be liened for the debt
21 of tenants at your property?

22 A. In principle, I don't believe we should be.
23 We're not the ones who decide to turn their gas on. When
24 tenants sit there in our building and run up \$3-, \$4-,
25 \$5,000 gas bills, and then PGW turns it off, and then seven

1 days later reinstates service, and then all of a sudden it
2 goes for another \$3-, \$4,000, why should I be responsible?

3 You made the same financial risk that I did when I
4 rented to that tenant that they're going to pay rent. You
5 made the same risk whether you turn gas service on for them
6 or not.

7 Q. So is this the motivating basis for your filing
8 this complaint?

9 A. No. In all honesty, no. This is just part of
10 it. The way in which PGW has liened properties to the tune
11 of \$2 million on Simon Garden when your final bill was only
12 \$944,000, but meanwhile when I sat with Mr. Savage, he goes,
13 well, you only owe 680. And we asked for a breakdown of
14 principal and interest. And I have still yet to ever
15 receive that.

16 Or the fact in Colonial Garden, PGW put \$450,000 in
17 liens on the property. I sit with Ted Savage on October 4,
18 2009. He goes, Oh, you only have \$185,000 of liens. But
19 the title company tells me there's 450, and he tells me my
20 bill's only 185. And then a month later, miraculously --
21 now, you opened it up. Miraculous, a month later, my bill
22 goes from 185 to 244, and I can't get an explanation of
23 where the bill was.

24 And then Gerald Clark makes the comment that my title
25 report that was from August of 2011 is inaccurate, is

1 unacceptable.

2 That's why we're here. Because I feel that you've
3 been overpaid on all these other properties as well as the
4 tenant issues and so forth. That's why we're here. Because
5 of tyranny.

6 Q. Have you recently paid any amounts for gas bills?

7 A. Yeah. I paid you \$275,000 last week.

8 Q. What did that represent?

9 A. That supposedly represented the current amounts
10 due. And your bill was wrong. And I overpaid you. And I
11 asked her why --

12 Q. So is that why you --

13 A. No, excuse me. I asked her why are we not filing
14 another PUC complaint against him. He overcharges; you
15 double-billed us on that bill alone.

16 But that's my joke. Because I said, I'll write the
17 check, Francine. I'm arguing with her that I should deduct.
18 She goes, Write the check, keep your mouth shut. Okay?

19 So I overpaid you on that 275,000, and your bill was
20 wrong on that also.

21 Q. So you said, arguing with Francine, that you
22 should deduct? Does that mean that you believe that you
23 have some offset right against what you believe you owe --

24 MS. BOONE: Objection.

25

1 BY MR. FARINAS:

2 Q. -- rather than what you should pay as an
3 undisputed amount?

4 JUDGE VERO: Mr. Farinas, where are these questions
5 leading to? Because it is what is it is. The complaints
6 are what they are. The inspiration, or the driving force,
7 or the driving thought behind, it's not something that I'm
8 concerned with.

9 I want to know whether or not PGW violated a
10 Commission statute, regulation or order in its dealing with
11 the complainants. Okay?

12 So why he filed a complaint, you have wasted way too
13 many questions with regard to that. So proceed.

14 BY MR. FARINAS:

15 Q. Mr. Pulley, to what extent is your
16 dissatisfaction with PGW's information regarding your
17 billings over the years simply a way of prolonging payment
18 for services that are rendered to you?

19 A. That has nothing to do with it. And you're
20 trying to cast me out that I'm a deadbeat. And at the same
21 time I'm saying that you guys are organized thieves worse
22 than the mafia.

23 We have no problem paying our bills. If we
24 understand them, if they're accurate, and if they make
25 sense. That goes with every vendor, that goes with every

1 other utility.

2 And do we have utility disputes with other ones?
3 Sure. The water company just billed us \$115,000 on a
4 property, threatened to file a lien.

5 And once we got them on the phone, we're like, it's a
6 little bit off by about \$100,000, they corrected it. Boy,
7 they corrected it in one phone call, and somebody can look
8 and see that.

9 As opposed to PGW, where you can't even get someone
10 on the phone. Or we have to go to this extreme to try and
11 figure out what it is I'm paying for.

12 Explain to me the August meeting with Ted Savage.
13 Colonial Garden. \$185,000 lien, of what he tells me is on
14 the building, but there's \$450,000 --

15 Q. Well, that's not --

16 A. Excuse me, I'm talking. Please don't interrupt
17 me.

18 JUDGE VERO: Mr. Pulley, please, just calm down and
19 try to be less emotional. I understand the amount of money
20 that's involved and the years that you have been dealing
21 with, or the parties have been dealing with each other, have
22 caused some animosity. But, please, let's keep it
23 professional and courteous.

24 MR. FARINAS: I have one more question.

25 JUDGE VERO: All right.

1 BY MR. FARINAS:

2 Q. Mr. Pulley, were you present at the meeting of
3 April at which Mr. Cummings referred to earlier concerning
4 the resolution of some of the issues that were raised?

5 A. Yes, I was there the entire time. And
6 Mr. Cummings was only there part of the time.

7 Q. Thank you. Was there any explanation for any
8 issue raised that SBG accepted?

9 A. I believe there may -- I'm not sure. I'm not
10 sure. I believe that I remember somebody bringing up
11 something about an assay, and there were some things.

12 But the fact that somebody said, Well, you're getting
13 charged \$50 because the tenant called up on an emergency
14 service. But we still didn't agree with the bill, the
15 overall calculation. That was just one part of it.

16 Q. So that was not something that you can accept as
17 a resolution for that \$50 charge?

18 A. That was just part of the overalls.

19 Q. But did you accept that as the \$50 charge?

20 A. No.

21 Q. So there was no issue that SBG felt was resolved
22 by any explanation by PGW on April? There was no
23 explanation that SBG felt that was resolved by any meeting
24 with John Dunn; is that correct?

25 A. John Dunn, there was no finality to any issues.

1 The April meeting, I'm not sure. I'd have to go back and
2 meet with these nice people.

3 Q. And with respect to your familiarity, whether or
4 not you knew there was a relief to file with the PUC, has
5 SBG ever filed a complaint, a high bill complaint, a dispute
6 with the Bureau of Consumer Services or the Public Utility
7 Commission?

8 A. For PGW?

9 Q. Yes.

10 A. Yeah, we just did this after we were directed to
11 do it.

12 Q. No, before this. Before these nine complaints.

13 A. I'm not sure.

14 Q. DO you recall anytime between 2003 and 2005 that
15 you filed a complaint about a bill, disputing a bill, a PGW
16 bill?

17 A. Don't remember.

18 Q. At the time between 2003 and 2005, would you have
19 been the one that ordered or instructed staff to file a
20 dispute, disputing a bill?

21 A. Don't know. It depends on how the accounting was
22 set up way back then.

23 Q. And did you mentioned earlier in your testimony
24 that SBG is on top of everything, and they look at costs,
25 you look at this, would you have known that if there was a

1 dispute filed by SBG concerning -- or any of the buildings
2 of SBG, would you have known that a high bill dispute was
3 filed?

4 A. A high bill dispute with PGW?

5 Q. Or a building dispute, yes.

6 A. With PGW? There's always building disputes with
7 PGW. That's why we're here.

8 Q. Filed with the PUC, a dispute with PGW with the
9 Commission, between 2003 and 2005?

10 A. Don't know the answer to that. It could have
11 been the accountant in the office at that time. Don't know.

12 MR. FARINAS: I have no further questions, Your
13 Honor.

14 JUDGE VERO: Thank you, Mr. Farinas.

15 Any redirect, Ms. Boone?

16 MS. BOONE: Yes. I just wanted to turn Mr. Pulley's
17 attention to the January 23, 2009, letter that
18 Mr. Farinas -- it's in the PGW correspondence binder.

19 THE WITNESS: What number?

20 MS. BOONE: That was page three. That Mr. Farinas
21 mentioned.

22 **REDIRECT EXAMINATION**

23 BY MS. BOONE:

24 Q. Please state the date of the email from you to
25 Mr. Hyman.

1 A. January 23, 2009, from me to David Hyman.

2 Q. And as read, what did it say about Mr. Dunn?

3 A. Said, David, just a heads up. We have heard from
4 John Dunn at PGW. He's on top of everything and is helping
5 greatly. Eric and I should be meeting him within the week.

6 Q. Okay. I'd like you to turn your attention to the
7 binder, SBG correspondence, page 107.

8 A. Yes.

9 Q. There's an email dated February 18, 2009. And
10 it's from Debra Pulley to Phil Pulley and John Dunn. Can
11 you read that?

12 A. 8:02 a.m.

13 Q. Actually, can you start with February 11, the one
14 just below there?

15 A. Okay. February 11.

16 JUDGE VERO: What page? I'm sorry.

17 MS. BOONE: I'm sorry. It's SBG correspondence, page
18 107.

19 JUDGE VERO: Oh, okay.

20 You may proceed, Mr. Pulley.

21 BY MS. BOONE:

22 Q. You testified that you dealt with a lot of
23 different properties with Ms. Guzman and others in January
24 of 2009. So in February of 2009, please read that letter,
25 that email from Phil Pulley to John Dunn, February 11.

1 MR. FARINAS: Your Honor, I object. Again, this
2 matter concerns an issue that involves the Marchwood
3 Apartments, the hearings for which are scheduled in
4 September.

5 MS. BOONE: Except that this is showing how Mr. Dunn
6 responded to all of the properties that were on the list
7 that they had the meeting on in January. Just to show the
8 context of his response.

9 JUDGE VERO: I will allow it. And if we need to, we
10 can refer to it again in September.

11 MS. BOONE: Okay. Thank you.

12 JUDGE VERO: Keeping in mind that this issue's not
13 exhausted. But if you need it as an example to what's
14 already been testified to, you can use it.

15 MS. BOONE: Thank you.

16 BY MS. BOONE:

17 Q. If you would read the email?

18 A. Which one?

19 Q. John. It starts with February 11, 2009. Now,
20 this is about three weeks, roughly, after you had your
21 meeting. Or the email from Ms. Guzman.

22 A. From me to John Dunn, dated February 11, 2009.
23 John, this is our property, the Marchwood Apartments, at
24 5515 Wissahicken Avenue. Please see accounting response re
25 accounting errors by PGW. Our staff has now spent five

1 hours over two days trying to get some help with this, but
2 spends lots of time on hold and gets disconnected, and the
3 process starts all over again. Any help you could add would
4 be greatly appreciated.

5 Q. Okay. Then the next email from Debra Pulley, if
6 you can explain who Ms. Pulley is?

7 A. That's from her to me, dated February 18, 2009.
8 And it was also to John Dunn. It says, The money, or at
9 least \$9,498.04, was applied to the wrong account. I can't
10 seem to get any help by phone. Who can help me get this
11 situation resolved?

12 Q. And your response?

13 A. At 8:08 a.m. on the same date, to Debra and to
14 John Dunn. Debra, please be patient. John will help. Just
15 give him time. Please don't panic. Relax.

16 Q. So basically, within a month of your meeting in
17 January, what did you think was your relationship with PGW
18 in terms of billing questions and billing disputes?

19 A. I thought it was pretty good. I thought we're
20 all working together. I thought we're beginning to move the
21 process along.

22 Q. Now, if you could just turn to page 109 in the
23 SBG correspondence binder, and look at the email dated
24 May 14, 2009. That's the SBG correspondence binder.

25 A. Right. From John Dunn to Phil Pulley, Thursday,

1 May 14, 2009.

2 Q. Actually, excuse me. If you would start with the
3 Wednesday email?

4 A. Okay. So that's May 13. Wednesday, May 13,
5 2009, John Dunn to Philip Pulley and Eric Lampert. Hi,
6 folks. I just want to thank you all for meeting with me
7 yesterday and spending the afternoon to start the review of
8 all of our PGW accounts. We have already started the review
9 process this morning, and I am having the two settlement
10 checks investigated presently to see where PGW post the
11 payments. More of the accounts will be worked on shortly.
12 Please report our meeting time and topics of discussion to
13 David Hyman immediately, as I believe he made inquiries to
14 PGW staff today asking how we're making out.

15 Q. Okay. And then the next email from John Dunn?
16 And if you'll say the date?

17 A. Which is dated May 14, 2009, 11:00 a.m., from
18 John Dunn to Phil Pulley only. Thanks, Phil. I was told
19 yesterday morning in an email that he was inquiring to PGW
20 about where we are progressing. Maybe he didn't get to read
21 the email you sent him the prior evening, Tuesday, after we
22 met. Hopefully he is okay now.

23 Q. Okay. And then the next email. It's above.
24 May 14. This is the next day, just above, on the same page,
25 109.

1 A. Oh. I sent an email Thursday, May 14, 11:00
2 a.m., to John Dunn, carbon copied David Hyman. David,
3 everything is progressing. Please give us time to complete.

4 Q. So what have you pretty much informed your
5 attorney about at this point, within a couple of months
6 after meeting?

7 A. Well, it's a couple months after the phone
8 conference call that we're all getting along, we're working
9 this out. We're exchanging information. We had a great
10 meeting the day before.

11 Q. And why did you need to -- what did you think
12 would result from these conversations and emails?

13 A. The conversations with who?

14 Q. With John Dunn, on the disputes and the questions
15 about the bills.

16 A. I was hoped that we could get clarity and get an
17 idea of the billing process so that we could resolve these
18 things, and know what they're charging us.

19 Q. Now, if you'll turn to page 110 in the SBG
20 correspondence binder. And I would turn your attention to
21 the June 9, 2009, email. It's page 110.

22 A. From Phil Pulley to John Dunn, carbon copy
23 Debra Pulley, Eric Lampert and Phil Pulley. Redundant.
24 Read below. None of these accounts should be in our names.
25 Please terminate all service immediately. It's the tenant's

1 responsibility to have the service in their names and not
2 ours.

3 Q. And then above it, the next email.

4 A. Dated August 31, 2009, email to Phil Pulley,
5 carbon copy Debra Pulley, Eric Lampert, Ralph Savage,
6 Edward Circo (phonetic). Phil, Eric -- or Phil, Debra,
7 Eric, I am retiring as of today from PGW. Please forward
8 Ted Savage a complete list of all of your properties so that
9 they can pick up where we left off. Thanks for all your
10 help and assistance.

11 Q. Now, if you would just turn to page 97 in the
12 Fairmount binder. SBG Fairmount binder.

13 A. I'm there.

14 Q. Okay. At the top of the page, if you'll read the
15 date of that email?

16 A. Monday, July 5, 2010. From Phil Pulley to
17 Ted Savage and Eric Lampert.

18 Q. Excuse me for just one second. How much time has
19 elapsed between this email on July 5, 2010, and the email
20 from Ms. Guzman?

21 A. Almost a year.

22 Q. Well, her email is dated January 23, 2009. So
23 how much time has passed between January 2009 and July 2001?

24 A. Oh, a year and a half. Sorry. New math.

25 Q. If you would just read the statement in your

1 email?

2 A. Ted, got these the other day in the mail. We are
3 still waiting for a breakdown and reconciliation that Dunn
4 promised us a year ago. I think we need to meet. The PGW
5 bills are still wrong in a host of our buildings. Also PGW
6 has placed liens on our properties for tenant issues of
7 which we are not responsible. PGW placed liens on
8 properties that we didn't owe you any money. Give me a call
9 when you're back.

10 Q. So you went from Mr. Dunn, who took the
11 questions. And what resolution came out of his
12 investigation?

13 A. Nothing.

14 Q. Did you receive a written statement from
15 Mr. Dunn?

16 A. No.

17 Q. Okay. It went to Ted Savage. What happened?

18 A. Well, in between Ted Savage and Mr. Dunn, we
19 weren't getting anywhere. We weren't getting responses from
20 Ted Savage. And I even reached out to Gerald Clark on
21 numerous occasions and asked for Gerald Clark for
22 assistance.

23 Matter of fact, I ran into Gerald Clark at an auction
24 of a building where PGW is owed a lot of money on that
25 property.

1 And he and I chatted at that meeting. And I said,
2 Listen, I was trying to work out everything here. I need
3 help.

4 Q. You mentioned some LIHEAP problems. Can you just
5 explain what that is just for the record?

6 A. LIHEAP is a state or Federal Government program
7 where tenants get their heat bills paid. I don't remember
8 what the abbreviation for LIHEAP means.

9 But essentially the tenants can then apply, and they
10 become part of the program. And I'm not exactly sure how it
11 works.

12 But the tenants get their gas bill or heat bill,
13 depending upon what service they have, paid for by the
14 utility through -- or get it paid through the state through
15 the utility.

16 Q. Okay. So why is that a problem that you needed
17 information about from PGW?

18 A. Well, because tenants that we've gone after tell
19 us that they're part of the LIHEAP program, and PGW got,
20 should have gotten paid directly from LIHEAP, and there
21 shouldn't be any outstanding balance for those tenants.

22 Q. So if you don't receive the information, what's
23 the problem for the landlord or the owner of the property?

24 A. Well, Francine, that's the whole premise of why
25 we're here. I mean if they don't give us the information

1 that shows that there's no LIHEAP, or they did get paid
2 LIHEAP, then I can't go back and talk to the tenant to say,
3 excuse me, you didn't get LIHEAP. Now show me your
4 paperwork where you did get LIHEAP, or you didn't get
5 LIHEAP.

6 I'm not going to say the tenants are perfect. But
7 all of a sudden, we're talking to them and they're saying
8 they're in LIHEAP, and they're not in LIHEAP, and they don't
9 check with somebody, and they say, well, as far as we know
10 they got paid.

11 Q. And if there isn't a payment made, what happens
12 to the bill?

13 A. If the payment's not made under LIHEAP, and the
14 tenant doesn't make the payment, then PGW comes looking to
15 us.

16 Q. Who has the source of information to resolve who
17 needs to pay or what's been paid?

18 A. PGW.

19 Q. So when you went to Mr. Savage and Mr. Dunn, what
20 were you looking for?

21 A. Who the tenants were, who opened the accounts,
22 you know, and I'll go back further reconciliation of these.
23 I mean, did PGW force the tenants to put up a security
24 deposit? I mean, are they charging them the whole thing and
25 not even accounting for the security deposit? We've got no

1 way to even go back to say, is it right; is it wrong?

2 Listen, I've got a bill that adds up 1,200 plus 1,200
3 equals 21,000. And Mr. Murray at PGW couldn't explain the
4 bill. Okay?

5 MR. FARINAS: Your Honor, I object to that.

6 MS. BOONE: No further questions.

7 JUDGE VERO: What is it?

8 MR. FARINAS: It's a mean characterization of
9 Mr. Murray's abilities. And he simply said he can't add and
10 subtract. And it was not really addressing the question.
11 It's just another anecdotal insult.

12 JUDGE VERO: That's all right. I can use my own
13 discretion in reading the transcript. I'll figure out which
14 are opinions and which are facts, and I think I can manage.
15 But your objection is duly noted.

16 You, Ms. Boone, noted that you have further
17 questions?

18 MS. BOONE: Yes.

19 JUDGE VERO: No further questions?

20 MR. FARINAS: I do have very slim.

21 JUDGE VERO: You have more? All right.

22 MR. FARINAS: If I may.

23 **REXCROSS EXAMINATION**

24 BY MR. FARINAS:

25 Q. Mr. Pulley, your most recent tirade about PGW and

1 LINEAP and the customers, you don't have any information,
2 and you can't get information from PGW because it's tenant
3 information.

4 You control, you draft the lease which all of the
5 tenants of SBG and related entities move into those
6 apartments; correct?

7 A. That's correct.

8 Q. Did it ever occur to you that you could have such
9 and information by simply making it a requisite of living
10 there in order to share their utility bill, including PGW,
11 information?

12 A. Well, we do have it in the lease that they are
13 required to have their utilities on.

14 Q. Yes, but that's --

15 A. Excuse me.

16 Q. -- not what I asked you.

17 A. Excuse me.

18 Q. Do you realize that you can make it a requirement
19 that they share with you their utility information? Do you
20 realize that?

21 A. Can I finish my response to you?

22 Q. Well, you're responding to some other questions.

23 JUDGE VERO: Well, you'll have to answer his
24 question.

25 THE WITNESS: Right now he's got two questions, one

1 on top of the other.

2 JUDGE VERO: I think it's one. But make your best
3 effort to respond to it.

4 THE WITNESS: Our leases make it a requirement that
5 they have the utilities on. Okay? Which is what we do.
6 Now we go ahead, and you want me to get a copy of the bill
7 from them. Okay?

8 And we've tried this. And the tenants don't want to
9 produce their bills. Whether they're behind, they're not
10 diligent, and --

11 MR. FARINAS: I object, Your Honor. He's not
12 answering my question. It was not the question whether he's
13 asked the tenants, if he said please.

14 BY MR. FARINAS:

15 Q. What I'm asking is, do you realize that you can
16 require the tenants to provide the utility bill information
17 by making it part of their lease? Do you realize that?

18 JUDGE VERO: Were you aware, Mr. Pulley, there is a
19 requirement you can put in the lease?

20 THE WITNESS: Yes, but it's not enforceable under the
21 law. Next?

22 JUDGE VERO: With regard to that question. How does
23 it happen? I've never heard of it. How does it work out?
24 If you put it in the lease, is the landlord served with a
25 copy of the lease automatically?

1 MR. FARINAS: There is a provision that in PGW's
2 tariff that they can designate a third party to receive a
3 copy of the bill.

4 The point in a lease, does not have to actually make
5 PGW have the bill. They can request that with your rent,
6 give me a copy of your utility bills to see that you're
7 paying them to so that you're not violating your lease.

8 I mean, any sorts of innovative ways to have that in
9 the lease, that is a possibility.

10 MS. BOONE: I just have one objection. He has not
11 designated when this provision went into effect. Because
12 the leases that are on the properties may have preceded this
13 provision. And so now, how can a landlord amend his --

14 MR. FARINAS: By giving the usual 30-day notice that
15 I'm going to change the lease.

16 MS. BOONE: But you can't change it unilaterally.
17 You have to have the tenant's agreement to change the lease.

18 MR. FARINAS: Of course.

19 MS. BOONE: And they didn't come into the -- the
20 parties, when you negotiate a lease, you're on equal terms.
21 If there's one party that wants to amend and change the
22 lease, the relationship is no longer equal. So we can't
23 guarantee that every tenant is going to go along with this.

24 MR. FARINAS: To raise the rent, you have to ask for
25 permission?

1 JUDGE VERO: Aren't these leases renewed every year?
2 They usually come with a finite number of years for which
3 they are in effect.

4 MS. BOONE: I'll let him.

5 THE WITNESS: Well, yes and no. In the case of
6 contracts with Philadelphia Housing Authority, they're
7 two-year contracts. With HUD, the HUD contracts can be five
8 or ten years out from that standpoint. So you don't have
9 the ability to do that.

10 Plus, going back to what Mr. Loreda (phonetic) is
11 saying, in the leases, when you have tenants that are in
12 transitional housing, Philadelphia Housing Authority, 1260
13 housing, you're signing their lease.

14 They're putting forth their lease, which is
15 commensurate with CFR, the Federal Government, as to what
16 those leases are.

17 So it becomes almost impossible to do something like
18 this.

19 BY MR. FARINAS:

20 Q. Even with those kind of leases, are you allowed
21 to have addendums that regulate the behavior in the pty
22 property, or time, place and manner type? With those
23 leases, are you able to make simple addendums to the lease?

24 A. The answer is no.

25 Q. I have a question to ask you. You made a

1 reference in your last redirect to checks that you or
2 Mr. Dunn was working on. Can I direct your attention to SBG
3 Fairmount 152? And that's Fairmount binder two of two.

4 A. Yes.

5 Q. And 152 and 153, are these the checks you're
6 talking about?

7 A. Yes. But I believe there's also a third check.
8 But I don't think that's in here.

9 Q. I'm asking you about these two.

10 A. Okay.

11 Q. Do you recall providing these to PGW at the April
12 2013 meeting?

13 A. Yes, I believe so.

14 Q. And do you recall PGW asking you for a copy of
15 the back of the check in order to adequately trace it?

16 A. I don't remember. The accounting people may have
17 better knowledge.

18 Q. Would you agree with me that in order to -- like
19 if I can show you the second shoulder, on page 153, there's
20 a copy of the back of the check, which shows that it was
21 deposited and where the check ended up in the trace.

22 A. Yeah.

23 Q. Okay. And so did you ever provide Mr. Dunn with
24 the back of the check when you first asked him to trace it?

25 A. I don't believe he ever asked.

1 Q. I know. But did you --

2 A. I didn't offer. I don't believe he asked.

3 Q. Okay. And the check numbers are in sequence.

4 The check on page 153 is check no. 4881, and the check on
5 page 152 is 4882. Do you see that?

6 A. Yes.

7 Q. And they're both dated for July 18, 2007?

8 A. That's correct.

9 Q. Do you recall having any change of service done
10 at the Fairmount address in July of 2007?

11 A. Don't remember the exact date, but yeah, in that
12 summer-ish, we sub-metered out the cooking gas and the heat.

13 Q. And so there was a great deal of work being
14 performed to put individual meters for the units?

15 A. Oh, yeah, we did a ton of work in there. Yeah.

16 Q. If these checks went to that effort, would you
17 agree that it would not be attributed to a bill for gas
18 account, would be for covering some other costs if it went
19 toward that effort?

20 A. I don't think if it did or didn't. But at least
21 we have an explanation five years or six years later as
22 to -- I mean if PGW said we took it from here and put it
23 there, hey, I understand that. But somebody account for it.

24 Q. Would that resolve this issue? When PGW tells
25 you where it went, would that resolve this issue?

1 A. I'd have to figure out why PGW would be charging
2 us for putting, doing the gas work.

3 Q. So again, you're telling me this doesn't resolve
4 an issue, the explanation doesn't resolve an issue?

5 A. Exactly. Because you can't tell me where you
6 applied it.

7 Q. Well, not yet. But we'll do --

8 A. Well, that's why we're working together. We're
9 working together.

10 Q. Sure are.

11 MR. FARINAS: No further questions, Your Honor.

12 JUDGE VERO: Good. All right.

13 It is now 1:30. Let us consider a lunch break. How
14 long and when shall we take? Because it looks like we're
15 going to be here all day. Anybody has a preferences? An
16 hour, half an hour? Now; maybe later on?

17 MS. BOONE: Defer to your schedule.

18 JUDGE VERO: All right. I do have some questions for
19 Mr. Pulley. And I understand as I'm done with the
20 questions, Mr. Pulley can step down from the witness stand
21 and he can sit in the audience or he can take the day off.
22 It's up to you.

23 But we can take a 30-minute break and be back with me
24 asking questions to Mr. Pulley, or I press on, and then when
25 I'm done we go for a break.

1 Would you prefer an hour break or a half an hour
2 break?

3 THE WITNESS: Half hour's fine with me.

4 JUDGE VERO: Half an hour?

5 MR. FARINAS: Half an hour's fine.

6 JUDGE VERO: Half an hour's good.

7 Would you prefer me to press on and finish my
8 questions that I have for you, or would you like to come
9 back, and then I can ask you questions?

10 MS. BOONE: Press on.

11 JUDGE VERO: It's up to you. I mean if you're tired,
12 you've been testifying for a while. It's up to you.

13 THE WITNESS: I'm fine either way.

14 JUDGE VERO: All right.

15 Now, I do have some questions for you, Mr. Pulley.
16 My first question is, How many people does SBG employ? How
17 many employees does it have?

18 THE WITNESS: SBG employs probably, let's say 40, 50
19 employees total.

20 JUDGE VERO: 40, 50?

21 THE WITNESS: 40 to 50, somewhere in there.

22 JUDGE VERO: 40 to 50, okay. And how is gas service
23 provided to the tenants? Let's talk about Fairmount. You
24 testified that Fairmount is comprised of 110 units and
25 eleven buildings that are identical.

1 How is gas service provided to Fairmount? Is each
2 unit metered? Was each unit metered? Has it always been
3 the same? How does it work?

4 THE WITNESS: In the case of Fairmount Manor, it was
5 the landlord was responsible for heating, cooking gas. That
6 was up until roughly 2007, when we subdivided it to make the
7 tenants responsible for cooking gas and heat.

8 JUDGE VERO: Okay.

9 THE WITNESS: This was in part of a guideline from
10 HUD, because they found that when the tenant had to pay the
11 utilities themselves, they didn't keep it at 85 degrees. It
12 was more energy efficient.

13 The bills came down, this came down, everything came
14 down. And it was at a point in time in which HUD was
15 encouraging landlords to have additional tenant
16 responsibilities.

17 JUDGE VERO: To give the tenants additional
18 responsibilities, or assume?

19 THE WITNESS: Assume. I'm sorry. Assume additional
20 responsibilities.

21 JUDGE VERO: From the tenants?

22 THE WITNESS: Exactly.

23 JUDGE VERO: Okay.

24 THE WITNESS: So the tenants became responsible for
25 this.

1 JUDGE VERO: So HUD was encouraging the landlords
2 to --

3 THE WITNESS: Reduce the energy dependency of the
4 building.

5 JUDGE VERO: Okay.

6 THE WITNESS: And this is one of the many ways in
7 which they had encouraged to do it.

8 JUDGE VERO: But up until July of 2007, how was
9 Fairmount?

10 THE WITNESS: Each tenant had their own furnace like
11 you'd have in a normal house. It was controlled by an
12 indoor thermostat that had it where it couldn't go above, I
13 think it was 70 degrees. Even though HUD said that the
14 guidelines were 68.

15 And the units were not turned on by management until,
16 I think it was October 15. And then they were subsequently
17 turned off on April 1, April 15, whatever that guideline is
18 from that standpoint.

19 So that's when the tenant would get that, from that
20 standpoint.

21 JUDGE VERO: But the bill was one large bill for
22 Fairmount that went to SBG; correct?

23 THE WITNESS: It was each building.

24 JUDGE VERO: Of course, each building.

25 THE WITNESS: Each building.

1 JUDGE VERO: Okay. So until 2007 it was SBG that was
2 the customer of record; right?

3 THE WITNESS: Exactly.

4 JUDGE VERO: PGW wasn't aware of who the tenant was
5 or what the tenant's past history of payments was, or
6 anything like that?

7 THE WITNESS: Exactly.

8 JUDGE VERO: Okay. Was the same true for the other
9 two properties? We're talking Marshall and Elray.

10 THE WITNESS: In Elray, 4012 through 4028 Bering was
11 always individual gas services on the tenants. They were
12 responsible for the heat and cooking gas.

13 At 3608 and 3610, they were converted in 2007 also
14 for tenant responsibility.

15 JUDGE VERO: Okay.

16 THE WITNESS: 3612 Spring Garden was tenant
17 responsibility. Marshall is on the landlord, because it has
18 central boilers for both -- and so the landlord pays heat,
19 hot water and cooking gas.

20 In Elray the tenants paying cooking, or hot water
21 also.

22 JUDGE VERO: So basically SBG began having this
23 tenant building problems after 2007?

24 THE WITNESS: Right.

25 JUDGE VERO: Before that, whatever bills came in,

1 other than a meter reading dispute, where you're saying,
2 well, this is too high, it shouldn't be this much, you
3 didn't have any issue that required PGW to reveal
4 third-party information to SBG?

5 THE WITNESS: Well, in the case of Fairmount, no.
6 But in the case of parts of Elray, the answer is yes. We've
7 always had problems like at 4012 through 4028 Bering Street.

8 JUDGE VERO: Okay.

9 THE WITNESS: In the case of Marshall, Marshall, as I
10 said, the landlord is still responsible for heat, hot water
11 and cooking gas.

12 JUDGE VERO: All right. So how many units does Elray
13 have?

14 THE WITNESS: Elray is 59 units divided amongst two
15 sites.

16 JUDGE VERO: 59 units. And Marshall?

17 THE WITNESS: The Bering Street has 30 at Elray, and
18 Spring Garden is 29 units. That's your 59. Marshall is 44
19 units.

20 JUDGE VERO: 44, okay. You testified that at one
21 point in time you hired Mr. McCaffery, David McCaffery,
22 Esquire. Was his name David?

23 THE WITNESS: Daniel.

24 JUDGE VERO: Daniel?

25 THE WITNESS: Daniel McCaffery.

1 JUDGE VERO: Daniel, okay.

2 THE WITNESS: That goes back to the original disputes
3 with PGW in 2002, 2003, 2004, 2005, where --

4 JUDGE VERO: 2002 through 2005?

5 THE WITNESS: Exactly. Sorry.

6 JUDGE VERO: All right.

7 THE WITNESS: Again, we were having some high bill
8 issues, we're having -- we can't get breakdowns of bills.
9 We all of a sudden get a bill for, I'm picking a number,
10 \$100,000. And we go, wait a minute, it's wrong. We need a
11 breakdown. We want a breakdown. We're demanding a
12 breakdown of the bill.

13 And we had reached out to Mr. McCaffery because of
14 his intimacy with the City of Philadelphia, the city
15 agencies, and so forth.

16 JUDGE VERO: All right. And would you say that after
17 that, after 2005, you went with Mr. Hyman as your counsel?

18 THE WITNESS: Well, no, I went with David in 2008.

19 JUDGE VERO: 2008. All right.

20 THE WITNESS: And again, that became because of
21 frustrations in trying to get information from PGW, even in
22 the 2005 time frame, because they wouldn't give us those.

23 In 2004 we refinanced Fairmount, Elray and Marshall.
24 And here we are again getting bills and things that make
25 absolutely no sense. And we're trying to get explanation.

1 I mean in all indifference, when a title company
2 calls up Mr. Savage and says, hey, so-and-so, give us a
3 payoff on this date, it's not broken down. I'm picking a
4 number. \$600,000, take it or leave it.

5 JUDGE VERO: I understand.

6 THE WITNESS: There's no breakdown. So we're trying
7 to figure out all these things as we move forward.

8 At the same time, even going back into the early
9 2000, there were errors by PGW to the tune of \$30,000. And
10 that dealt with, we bought the properties from the
11 Philadelphia Housing Development Corporation, and PGW failed
12 in some instances for three years after we bought the
13 properties to take them out of their name to put them in our
14 name, even though their own schedules say that they changed
15 the names.

16 JUDGE VERO: Okay. So while Mr. McCaffery was
17 assisting you with issues with PGW back in 2002 through
18 2005, were those issues resolved ultimately?

19 THE WITNESS: Some of them, yes. Some of them after
20 like 2005 precipitated on the Fairmount, Elray and Marshall.

21 JUDGE VERO: So what happened between 2005 and 2008,
22 when you got Mr. Hyman on board?

23 THE WITNESS: We were basically dialoging and writing
24 to PGW without response. And then in 2008 it was like, this
25 has got to stop. And that's when I met with Mr. McCaffery.

1 And he said, Phil, I'm trying to do everything I can
2 for you. You got to reach out, try something new. And then
3 that's how I got to David.

4 JUDGE VERO: All right. Mr. Farinas asked you
5 whether or not Mr. Hyman advised you to elevate your
6 disputes from dealing directly with PGW to going to the PUC,
7 to the Pennsylvania Public Utility Commission. And you said
8 either that he didn't or you didn't recall.

9 Did Mr. McCaffery suggest such a thing, that you
10 elevate your dispute?

11 MS. BOONE: Mr. McCaffery is prepared to discuss what
12 happened in his representation of SBG. So we can just ask
13 him directly, if you prefer.

14 JUDGE VERO: It's okay.

15 MS. BOONE: We're going to call him, actually, next,
16 after the break.

17 JUDGE VERO: Okay. Well, this is the extent of my
18 questioning. I won't go any further.

19 MS. BOONE: Okay.

20 THE WITNESS: The answer's no.

21 JUDGE VERO: Okay. Now, are you familiar with the
22 Landlord Protection Program that PGW has in place?

23 THE WITNESS: Yes, I am.

24 JUDGE VERO: Are you enrolled with this program?

25 THE WITNESS: Well, we couldn't enroll in the

1 program.

2 JUDGE VERO: Why is that?

3 THE WITNESS: And the reason being is -- and I'm
4 going to try and break this down. When we acquired
5 Fairmount, Elray, Marshall from the Philadelphia Housing
6 Development Corporation, those properties were nonprofits in
7 accordance with the City of Philadelphia.

8 So we acquired those. And we then began to move
9 forward. The City of Philadelphia changed the BRTs, changed
10 the address of those properties. Which resulted in us not
11 getting any real estate tax bills.

12 So when the LCP program came around, meanwhile we're
13 trying to resolve the real estate tax issue with the City of
14 Philadelphia where they never billed us, we could not get
15 tenant licenses. Therefore we could not get into the
16 landlord cooperation program.

17 JUDGE VERO: Okay.

18 THE WITNESS: So that, so other things that happened
19 in the city prevented us from joining the LCP program.

20 JUDGE VERO: But were the BRT and taxing issues that
21 you had with these three properties, were they resolved?

22 THE WITNESS: They were eventually resolved.

23 JUDGE VERO: When were they resolved?

24 THE WITNESS: They were resolved in 2010 or 2011.

25 JUDGE VERO: Could you enroll with the Landlord

1 Protection Program, PGW's Landlord Protection Program, now?

2 THE WITNESS: I don't know the answer to that.

3 JUDGE VERO: All right. But you're not enrolled?

4 THE WITNESS: I think with some properties we are
5 enrolled, other ones I'm not sure.

6 JUDGE VERO: Considering what a big problem liens are
7 for you and how much protection this program offered, I
8 would assume that SBG would have pursued the enrollment more
9 energetically. But it is what it is.

10 THE WITNESS: I believe there's more reasons why.

11 JUDGE VERO: Like what?

12 THE WITNESS: And, you know, and then I'm doing this
13 from memory. I believe that if you have a building
14 violation against the property, you can't be enrolled. If
15 you have a dispute with the city on BPT or PPT, it's those
16 type -- I'm trying to do this from memory, and I don't
17 remember.

18 JUDGE VERO: Okay. But you did pursue enrollment?
19 It's just for whatever reason that you don't qualify?

20 THE WITNESS: We don't qualify.

21 JUDGE VERO: Okay. But you did pursue it? This was
22 my question. You did try to enroll --

23 THE WITNESS: Yes.

24 JUDGE VERO: -- repeatedly, and as these problems or
25 hurdles came up, you did try to overcome them or work around

1 them to achieve enrollment. It just hasn't been able for
2 some of the properties. Am I correct?

3 THE WITNESS: That's correct.

4 JUDGE VERO: All right. So you testified that in
5 December of 2008 you had a meeting, right, with Mr. Dunn?
6 Do I have it correctly?

7 THE WITNESS: No, we did a conference call.

8 JUDGE VERO: A conference call, okay.

9 THE WITNESS: With Ms. Guzman, Mr. McCaffery, I
10 believe. No, Mr. Hyman, I believe was on that call.
11 Myself, and a host of other people from PGW.

12 JUDGE VERO: Okay. And you said that six months
13 later you got a communication from Mr. Dunn saying that he's
14 working on the disputes and issues raised; am I correct?
15 And would fall in May of 2009?

16 THE WITNESS: We finally met with him in May of 2009
17 to go over those issues.

18 JUDGE VERO: You met.

19 THE WITNESS: And Mr. Dunn left PGW's employ in
20 August of 2009.

21 JUDGE VERO: All right. And because of that, because
22 sort of an interruption in communications, although you did
23 have Mr. Savage, or his information, and the promise that he
24 would take over Mr. Dunn's past or position, this is what
25 occurred, sort of like there was an interruption in

1 communication since Mr. Dunn retired, and another PGW
2 employee took over his position or his work load.

3 THE WITNESS: I'm not sure.

4 JUDGE VERO: Because my question was that you met
5 with Mr. Dunn in May of 2009, and then you said that in six
6 months after that you still hadn't gotten the information
7 that Mr. Dunn promised to give you.

8 So after that one would expect SBG to have tried to
9 escalate it further. I mean, one way doesn't work out,
10 dealing with PGW doesn't work out. So what do you do next?

11 THE WITNESS: I was dealing with Gerald Clark, and
12 corresponding with Gerald Clark, because I wasn't getting
13 any responses from Ted Savage.

14 JUDGE VERO: Okay.

15 THE WITNESS: And it wasn't until almost a year later
16 that Ted and us were dialoging. And it wasn't till August
17 of 2010 that we had our first meeting with Ted to go over
18 the accounts.

19 And at that time he handed us a piece of paper and
20 said, Here's all your properties, here's the liens, and
21 here's what you owe. No breakdowns again.

22 JUDGE VERO: Okay. At one point you reach a point if
23 dissatisfaction with PGW. When do you throw in the towel
24 and give up? Obviously you haven't been satisfied with
25 their performance for many years.

1 And usually, residential customers, they get a bill
2 that's \$50 higher than last year's bill, and they will file
3 a formal complaint. They will skip the informal complaint
4 process altogether. They go straight to formal, and find
5 out about the \$100, \$50 bill, and have a resolution.

6 And here you have a multitude of issues, over
7 hundreds of transactions. And, well, now it's been
8 simplified down to, I think 28 accounts overall. Right?
9 For all nine, for all eight properties.

10 But it could have been dealt one at a time when it
11 first started. Why didn't you? Why didn't SBG address each
12 problem as it started rather than address them all together?

13 Because by 2008, I can see how PGW would take months
14 to review a list of disputes and issues, and come back to
15 you, and then you would review what they gave you. So the
16 process of communication would take a long time.

17 But if it's addressed when issues arise one at a
18 time, I would think that it wouldn't take that long, and
19 eventually you would get someone that says if you are not
20 satisfied with our resolution, approach the PUC.

21 THE WITNESS: I think you had several breakdowns in
22 several areas.

23 JUDGE VERO: Okay.

24 THE WITNESS: The first is not trying to be litigious
25 and just sue people and sue people. If you can work through

1 things without suing people, that's always my preference.
2 Let's resolve things, let's move on with life and do with
3 that standpoint.

4 Because I've always found that when you have
5 litigation, nobody wins in these things. It just costs
6 money, and the lawyers do very, very well.

7 So trying to get the help and reach out to the
8 external people to help us resolve this. I thought we were
9 on a great track after the December 2008 conference call,
10 moving everything forward.

11 And yes, we hit a bump in the road when John Dunn
12 retired. You know, at the same time, one of his last emails
13 was, please take it easy on poor Ted. You know?

14 I mean, and I understand that. The guy's going to
15 come into his shoes. He's going to be inundated with how
16 many different things.

17 And this is a monumental task. And it has grown and
18 grown and grown, and continued to grow.

19 In me dealing with Gerald Clark before the time that
20 Ted and I were communicating, you know, listen, I get that.
21 I mean, Ted's busy. He's got things. And this is big.

22 Gerald Clark, you know, was like, listen, I'll follow
23 up. I know he spoke to Mr. McCaffery on a regular basis.
24 And to some extent, it wasn't until we get to the point in
25 2010 when the lien issue, and these liens that are in

1 arrears.

2 And then that's when you know how big the problem is,
3 is when these liens pop up, and all of a sudden you're
4 staring at millions of dollars that they claim that you owe
5 them in liens on one property. And you go, it makes
6 absolutely no sense.

7 And so that's what kind of exacerbated the whole
8 situation. They never give us breakdowns, and they're
9 tacking on late charges, this fee, that fee, and we can't
10 make any correlation to the bill. We can't figure it out.

11 And then here we are in 2010, when, on Colonial
12 Garden, there's \$450,000 of liens. And that caused a
13 non-monetary technical default to the mortgage because of
14 the PGW liens, which turned out to be erroneous based upon
15 Ted's August 4 document, where he says, oh, well, I only
16 have \$185,000 in liens. But Gerald Clark put \$450,000 on
17 liens. He says the title company was wrong.

18 And that's what's happened. And then all of a sudden
19 as you move forward, and now we're becoming cognizant of
20 this with the liens and how all of a sudden we're not going
21 to get breakdowns, we're not going to get bills, and these
22 things are sliding in under the liens. This is where this
23 all kind of blew up.

24 JUDGE VERO: But that's the thing, though. With a
25 lien document itself, you won't get a breakdown. But before

1 the lien, there is billing, there's accounts. And each
2 account has monthly bills that come their way. So that's
3 where you get the breakdown.

4 THE WITNESS: But even the bills that we got, and we
5 can show you, Kathleen will show you. They don't add up.

6 You know, I go back to the 1,200 plus 1,200 equals
7 21,000. You know, and I went to Mr. Murray with that bill
8 and said, just explain this one bill to me. Let's get a
9 starting point. Just explain this bill, just this one bill.

10 And here we are today, and that bill's never been
11 explained.

12 JUDGE VERO: All right. Mr. Farinas did ask you
13 whether SBG has approached the Commission before, and
14 whether SBG knew of the Commission's existence.

15 Because I understand your reluctance to use the
16 services of attorneys and to litigate, because it is
17 expensive. But it doesn't look like it has, proceeding on
18 your own, directly with the company, it doesn't look like it
19 has worked out for SBG.

20 Yes, it might be just this one utility. But
21 obviously these issues have been compounding for years. And
22 I understand, it takes a lot of tenacity to not get the
23 result through years, exactly what you're looking for, and
24 still not take it to a formal legal forum to address it.

25 If you are not satisfied with someone, then you file

1 a lawsuit. And this is the equivalent when it comes to
2 utilities. It's the equivalent of filing a lawsuit. You
3 file a complaint.

4 And this is something that I can't wrap my head
5 around, the fact that SBG -- and I did go and research the
6 Commission's records. And there is almost nothing before
7 2011.

8 And I will get back to that almost. But as far as
9 Commission, this is the first, almost the first time we hear
10 of SBG and its problems that you insist have persisted for
11 years.

12 And you do realize that what you have caused is
13 statute of limitation issues. And that even if you had
14 valid claims, they might very well be kept out of this forum
15 because of the untimeliness of these complaints.

16 Yes? An objection?

17 MS. BOONE: Not an objection. Just a point of
18 information, that Mr. McCaffery is here, and he can
19 certainly talk about this.

20 JUDGE VERC: All right. I will get to Mr. McCaffery.
21 But my understanding is that Mr. Pulley is the one who filed
22 the original complaints, and that he is pretty much in
23 charge of SBG.

24 MS. BOONE: But I think it may be helpful just to get
25 this also historical information on resolving this from

1 their outside counsel.

2 JUDGE VERO: All right.

3 Let's see. Any other questions.

4 (Pause.)

5 JUDGE VERO: There was a lot of going back and forth
6 between the parties in terms of those two checks that came
7 from the settlement of refinancing, I understand. And I
8 think one of the checks has the back portion copied. And I
9 can see that that check was cleared.

10 The other check doesn't. Do you know if that check
11 ever cleared? Was it actually paid to PGW?

12 THE WITNESS: I believe it was paid. I'm trying to
13 research the title company. But they have changed entities,
14 entities, entities over time.

15 JUDGE VERO: So the first check, they were pretty
16 much cut or issued at the same time.

17 THE WITNESS: Right.

18 JUDGE VERO: I think they even bear the same date,
19 and they're in consecutive numbers.

20 THE WITNESS: Right.

21 JUDGE VERO: And the first one was cleared within a
22 matter of months. I think a couple of months. Right?

23 THE WITNESS: Yes, like three, four months.

24 JUDGE VERO: I think from July to October, if I'm not
25 mistaken.

1 THE WITNESS: Yes.

2 JUDGE VERO: It's about two months and a half, or
3 something like that.

4 So you did see that it was cleared, it was posted
5 somewhere. You could see the reflection of it.

6 When it comes to a check for \$80,000, and you don't
7 see it, do you inquire with the title company. The Elkins
8 Park Abstract Company is the one who cut it. Maybe they
9 issued a bad check, for all you know.

10 Or, did you inquire with PGW? Because it wasn't you
11 who issued the check. Although you were charged for it, the
12 check was issued by a third party.

13 THE WITNESS: We did inquire with PGW in 2007 or
14 2008. And then we inquired again with Mr. Dunn. And going
15 back into the conversations we had with them during the fall
16 of '08, that was all part of it. Guys, we're missing
17 payments here. You know, we got to account for these
18 things. It's an accounting function.

19 JUDGE VERO: Okay.

20 THE WITNESS: And going back to exactly, you said,
21 anything's possible. Okay? But like Mr. Farinas said,
22 maybe it was applied over here because you incurred services
23 from PGW that had been paid for. Maybe that's where it
24 went.

25 But as long as we know where it went -- and that's

1 the problem. We don't even know. I mean, now we're mere
2 speculating.

3 JUDGE VERO: But this is a check from 2007. Did you
4 get a confirmation from the title company that that check
5 cleared, that PGW got paid, and whether they applied that
6 payment, whether they applied it to current bills, past
7 bills, service bills.

8 No matter where it was applied, whether or not you
9 could see it where you expected to see it, did you get a
10 confirmation that actually it was cashed?

11 THE WITNESS: No.

12 JUDGE VERO: So you don't know that PGW got it?

13 THE WITNESS: No, I don't know that.

14 JUDGE VERO: All right.

15 THE WITNESS: But they would have both been sent at
16 the same time, I believe.

17 JUDGE VERO: Okay. Also during your testimony, and I
18 think it was during your direct testimony while you were
19 answering questions, while you were answering Ms. Boone's
20 questions, there was a lot of, a list of dates where you had
21 contacted PGW, and a list of emails, and correspondence, I
22 believe.

23 And some of those emails would address specific
24 issues, and some of those emails would refer to this, what
25 I'm going to call a global list of issues.

1 Through your dealings from 2008 forward, has PGW
2 resolved any of the issues?

3 THE WITNESS: I don't know the answer to that.

4 JUDGE VERO: When you come to an account, you had the
5 question how billing was applied, how late payment charges
6 were calculated, etcetera. Whatever the question was. And
7 you got either information from Mr. Savage or Mr. Dunn, or
8 somebody else from PGW. Oh, this is how it, back; and then
9 that particular issue was considered resolved. It's dropped
10 off the global list.

11 THE WITNESS: It's a difficult question to answer.
12 But I'm going to try to do it this way. If we have roughly
13 1,000 PGW meters in our various properties, and we're only
14 dealing with this list, I would tend to say that they're not
15 all problematic.

16 And that if there was something that was an issue,
17 well, it may have gotten taken care of by accounting or
18 somebody else and cleaned up. So it's not on that list.

19 So that's probably the best way to answer that.

20 JUDGE VERO: All right. I have no further questions
21 for you at this time. Thank you very much. Hopefully I
22 will not importune you with further questions in the future.

23 THE WITNESS: Okay.

24 JUDGE VERO: But this is all the questions I have for
25 the moment.

1 Do the parties?

2 MR. FARINAS: Yes.

3 JUDGE VERO: Mr. Farinas.

4 MR. FARINAS: I have one question on recross.

5 **RECROSS EXAMINATION, (Resumed)**

6 BY MR. FARINAS:

7 Q. Mr. Pulley, you talked about trying to enroll in
8 the Landlord Cooperation Program.

9 A. Yes.

10 Q. How many times did you try to enroll in the
11 Landlord Cooperation Program?

12 A. I don't know the answer to that.

13 Q. Do you know, in fact, if you actually did try to
14 enroll in the Landlord Cooperation Program?

15 A. The answer is yes. I do know they absolutely
16 tried to enroll in the cooperation program. I just don't
17 know if they kept trying repeatedly, or what have you.

18 Q. Do you believe that you are now qualified at
19 least for some properties to enroll in the Landlord
20 Cooperation Program?

21 A. I don't know the answer to that. Because I don't
22 know all the requirements of the LCP.

23 Q. If you were qualified to enroll in the Landlord
24 Cooperation Program, would you like to enroll in the
25 Landlord Cooperation Program?

1 A. Yes.

2 MR. FARINAS: No further questions.

3 JUDGE VERO: Ms. Boone?

4 MS. BOONE: No questions.

5 JUDGE VERO: All right. Then since we have come to
6 the conclusion of Mr. Pulley's direct and cross examination,
7 I think this is a good time to take a 30-minute break.

8 Let's reconvene at 2:35, and we'll proceed with SBG's
9 next witness.

10 MS. BOONE: Thank you.

11 THE WITNESS: Thank you, ma'am.

12 JUDGE VERO: You're welcome. You may step down.

13 (Witness excused.)

14 (Whereupon, at 2:00 p.m., the hearing was adjourned,
15 to reconvene at 2:35 p.m. this same day.)

16 ***