

COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION

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SBG Management Services, Inc. /Colonial Garden Realty Co., LP v. Philadelphia Gas Works : Docket No. C-2012-2304183

----- X
SBG Management Services, Inc. /Simon Garden Realty Co., LP v. Philadelphia Gas Works : Docket No. C-2012-2304324

----- X
SBG Management Services, Inc. /Colonial Garden Realty Co., LP v. Philadelphia Gas Works : Docket No. C-2012-2334253

Further Hearing :

----- X
Pages 219 through 459 Hearing Room
801 Market Street
Philadelphia, Pennsylvania

Friday, August 30, 2013

Met pursuant to notice, at 10:15 a.m.

BEFORE:

ERANDO VERO, Administrative Law Judge

APPEARANCES:

FRANCINE THORNTON BOONE, Esquire
702 North Marshall Street
Philadelphia, Pennsylvania 19123
(SBG Management Services)

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

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1 C O N T E N T S

2 WITNESSES DIRECT CROSS REDIRECT RECROSS

3 Kathy Treadwell

4 By Ms. Boone 390,429 -- 289 --

5 By Mr. Farinas -- 247 -- --

6 Eric Lampert

7 By Ms. Boone 310,427 -- -- --

8 By Mr. Farinas -- 322 -- --

9 Phillip Pulley

10 By Ms. Boone 339,398 -- 369,380,417,426 --

11 By Mr. Farinas -- 356,413 -- 382,421

12 E X H I B I T S

13

14 NUMBER FOR IDENTIFICATION IN EVIDENCE

15 (None.)

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P R O C E E D I N G S

ADMINISTRATIVE LAW JUDGE ERANDA VERO:

1 Good morning. This is the time and place for the
2 hearing in the consolidated matters of SBG Management
3 Services, Inc./Simon Garden Realty Company, LP versus
4 Philadelphia Gas Works, Docket number C-2012-2304324
5 and SBG Management Services, Inc./Colonial Garden
6 Realty Company, LP versus Philadelphia Gas Works a
7 Docket number C-2012-2304183 and SBG Management
8 Services, Inc./Colonial Garden Realty Company, LP
9 versus Philadelphia Gas Works at Docket number
10 C-2012-2334253. My name is Eranda Vero and I'm
11 presiding as administrative law judge over these
12 consolidated matters.
13

14 This is the second day of the hearing
15 scheduled in this matter. I'd like to note this is
16 the second and last day of the hearings scheduled in
17 these consolidated matters. I have two housekeeping
18 matters I'd like to address before we start or rather
19 before we continue with the day. First is, that this
20 a Fridays before a national holiday, and because of
21 that, the Commission staff has received permission
22 by, I believe it was the governor's office for two
23 hour early release; so, basically, all the
24 Commission's staff can leave their posts two hours
25

1 ahead of the regular schedule, depending what their
2 schedule is.

3 This will not affect this hearing
4 unless there's a request by the parties for reasons
5 relating to the case in the hearing, but as far as I
6 am concerned, we will proceed until 5 o'clock;
7 however, it will affect the coming and going of
8 witnesses and members of the audience from this
9 hearing room because there will be no one after 1:30
10 to let you in or you'll have to make due with your
11 party's members here in the hearing room. All
12 right. Do you understand?

13 MR. FARINAS: Yes.

14 MS. BOONE: Yes.

15 JUDGE VERO: Dialing the number at the
16 front desk will not help you after 1:30. This will
17 be something we want to keep in mind when we schedule
18 lunch break, because if you're out and if there's no
19 one here from your party that you have their cell
20 phone number, no one will let you in. That is one
21 housekeeping matter.

22 The other matter that I have concerns
23 SBG's case. Ms. Boone, you're still in the middle of
24 your case. How many witnesses do you have?

25 MS. BOONE: I have Eric Lampert because

1 you wanted him to come in.

2 JUDGE VERO: I understand. I know.

3 MS. BOONE: Also, Kathy Treadwell.

4 JUDGE VERO: Kathy Treadwell on what
5 issues, what cases?

6 MS. BOONE: On the new conversion case.

7 JUDGE VERO: The other Colonial?

8 MS. BOONE: Yes, the other Colonial; so,
9 Kathy and Eric on the second Colonial case and the
10 three of them also on the Simon case.

11 JUDGE VERO: So, who goes first?

12 MS. BOONE: Mr. Pulley would go first.

13 JUDGE VERO: No. Who goes first,
14 again? Are you done with Ms. Treadwell?

15 MS. BOONE: I'm done with Ms. Treadwell,
16 but Eric Lampert was to come back and speak on that
17 first Colonial case just to discuss the liens.

18 JUDGE VERO: We'll have Eric Lampert
19 first, then who goes next? Mr. Pulley will go next
20 on the second Colonial?

21 MS. BOONE: Yes, and then Eric Lampert
22 will go on the second Colonial and Kathy Treadwell
23 will go on the second colonial. We expect it to go
24 much faster. It's a single issue.

25 JUDGE VERO: Will you be able to

1 complete all three cases today?

2 MS. BOONE: I will try. I don't know
3 how much cross-examination will be.

4 JUDGE VERO: Because we are having a
5 very hard time, obviously, to stay within the
6 schedule, within the days scheduled for the
7 respective hearings and, apparently, the hearing days
8 were misjudged, the amount of time that was needed
9 for these hearings were judged by half or maybe
10 two-thirds. I am forced to request both parties to
11 submit the direct testimony for the third set of
12 hearings, Oak Lane Realty, Fern Rock Realty and
13 Marchwood Realty and I want the direct testimony in
14 writing. I want to make sure I make that clear.

15 MS. BOONE: I'm not sure I understand.

16 MR. FARINAS: And in the Commission's
17 normal way of having written prefiled direct
18 testimony?

19 JUDGE VERO: Yes, prefile direct
20 testimony.

21 MS. BOONE: Okay.

22 JUDGE VERO: These hearings are
23 scheduled to begin September 11th and today is August
24 30th; so, how much time do you need to complete your
25 direct testimony for re-filing?

1 MS. BOONE: I'll say until September
2 11th.

3 JUDGE VERO: That doesn't work, because
4 if you submit it on September 11th, how would you
5 conduct cross? You would just receive it. I would
6 just receive it, and the whole purpose of submitting
7 prefiled direct testimony is so that we can go
8 straight to cross.

9 MS. BOONE: So, that means no party
10 would be able to submit direct testimony on the day
11 of either September 11 or 12th; would that be part of
12 your order?

13 JUDGE VERO: That's what I'm saying,
14 yes.

15 MS. BOONE: How much time prior to the
16 hearing is normal?

17 JUDGE VERO: Normally, this is something
18 that is discussed in the prehearing conference;
19 however, this is not normal circumstances. It's just
20 because during the course of the hearings, we haven't
21 been able to complete the complainant's case in
22 chief; so, so far I can say that the complainant
23 hasn't been able to complete its case in chief,
24 despite us having spent one entire day on that case
25 or at least this set of hearings. The second set of

1 hearings concerning Simon Garden, Colonial Garden, on
2 the two colonial Garden cases and, apparently, we may
3 or may not be able to complete it today by the
4 statement by Ms. Boone; so, this is an abnormal state
5 of circumstances. That's why I'm asking for the
6 parties' input; otherwise, I would not have asked.

7 MR. FARINAS: Your Honor, at the latest
8 time, either Friday, the 6th, September 8th gives a
9 small margin or a weekend to review direct testimony
10 if direct testimony is submitted on the 9th, which is
11 Monday, two days to review to prepare cross, or if
12 the 6th is a little more comfortable to review, it
13 does squeeze the preparation time.

14 MS. BOONE: With all due respect, what
15 does the rules allow as the time to prepare direct
16 testimony? How many days do the rules allow, if we
17 can just get that on the record do, how many days do
18 the rules usually permit?

19 JUDGE VERO: I'm asking you, as the case
20 stands, how much time do you need to prepare direct
21 testimony? You have the case prepared, I would
22 assume?

23 MS. BOONE: I think I would need two
24 weeks to prepare direct testimony; so, in the
25 prehearing order, I think if I knew that direct

1 testimony would be required, then I would have had at
2 least two weeks.

3 JUDGE VERO: I understand. I didn't
4 know that prefiled direct testimony was required
5 because I didn't know the way you would conduct your
6 direct examination, and despite all my instructions
7 and advice, it has taken this much for you to go over
8 one of the Simon -- I'm sorry. We started with
9 Colonial, to cover only one of the three cases that
10 are set for hearing.

11 MS. BOONE: Yes, Your Honor, because
12 ever day that I've been here, you said it's your job
13 to have a full and complete record and I would be
14 re-missed if I were to rush through these proceedings
15 and not provide you with a full and complete record
16 of activities that have gone on for over five years,
17 over eight years. If I could do it faster and still
18 deliver a complete and full record as you have
19 directed me to provide you with every day, remember
20 at the beginning of every hearing?

21 JUDGE VERO: If you recall, I had stated
22 it is my duty and I can read it from the actual
23 transcript, but it is my duty to collect a complete
24 record in this case is my duty. Okay?

25 MS. BOONE: Yes.

1 JUDGE VERO: I am the one who makes sure
2 that the record is complete. If the record is not
3 complete, I'm the one who is re-missed.

4 MS. BOONE: But, unfortunately, it's my
5 client that suffers if I don't present all the
6 evidence we have at our disposal so that you would
7 have a complete record. I don't want you to be in a
8 position where you don't have all of the information
9 and you don't know all of our strategies, you don't
10 know all of our evidence. You don't know all of what
11 we're doing; so, I apologize that it's taking long,
12 but I feel like I would be re-missed and jeopardizing
13 my client's case to do an abbreviated matter just for
14 time. Justice sometimes takes a little more time.

15 JUDGE VERO: I'm grateful to you for
16 actually being concerned as to whether or not I will
17 be re-missed in my duties to have a full and complete
18 record in this matter; however, if you recall, it's
19 precisely because I'm concerned with regard to the
20 way you strategized this case and I've called this to
21 your attention that I do not believe, and at certain
22 points during this hearing, I let you know I didn't
23 believe you were being efficient with your direct
24 examination or productive with it, but that's beside
25 the point.

1 The reason why I pointed that out to you
2 is exactly because I do not want you to jeopardize
3 your client's case by doing this, and I cannot allow
4 a waste of the Commission's time and money just
5 because of the strategy that one attorney has chosen
6 to present his case. You need to be efficient and
7 effective and productive.

8 So with that in mind, I am forced to
9 present the parties with the option of filing direct
10 testimony before the third set of hearings start. I
11 understand it's short notice, but these are the
12 hearing days that were set aside for these cases.
13 Those were set aside a long time ago with input from
14 both counsel representing both sides, and at the
15 prehearing conference of October 13th, I asked
16 counsel whether or not we were still in agreement
17 with regard to these hearing dates. I did not hear a
18 request for additional hearing dates and so on and so
19 forth; so, I expected by August 13, 2013 the parties
20 would have a clear idea of the number of witnesses
21 and the strategy of presenting the case, et cetera,
22 et cetera, and also a clear idea of how long their
23 presentation of their case in chief would take. I
24 did not hear from you, Ms. Boone, at the second
25 prehearing conference, a request for additional

1 dates.

2 MR. BOONE: If I may speak, Your Honor,
3 that's because at the prehearing conference, you
4 indicated that you were open to ordering additional
5 hearing dates if detail needed to be provided; so,
6 I'm trying to provide detail on these transactions;
7 so, if you had said you were not going to be open to
8 scheduling additional hearing dates in the first days
9 of this proceeding, you have already scheduled
10 additional hearing dates for Fairmount, and if at the
11 prehearing conference, we were told that if we didn't
12 complete within the five days, that you would order
13 direct testimony, then I think that might have had an
14 effect on how things proceeded.

15 I would also say with all due respect,
16 if we are allowed whatever time is permissible under
17 the code to prepare direct testimony, the exact
18 amount of time the code says that you have to prepare
19 direct testimony, that my client is not jeopardized
20 by being forced to supply the direct testimony in
21 less time than what the statute permits.

22 JUDGE VERO: All right. I will take
23 your what I'm assuming is an objection under
24 advisement, and when we return from the lunch break,
25 I will let you know my decision on that regard.

1 With regard to your statement about my
2 remarks of August 13, 2013 concerning additional
3 hearing dates, if it was necessary, first of all,
4 with Fairmount, Marshall and Elrae, I kind of sort of
5 expected we might need additional hearing dates for
6 the sole purpose that Fairmount alone has
7 approximately 12 accounts alone in dispute and all
8 three cases are consolidated all together had 18
9 accounts, and I'm not talking about number of
10 transactions.

11 I was not aware of number of
12 transactions at the time of the second prehearing
13 conference. I wasn't aware of the number of the
14 number of issues, well, I was aware of the number of
15 issues, but in general terms, it had 18 accounts; so,
16 I was prepared for the possibility of additional
17 hearing dates for Fairmount.

18 I'm aware I said we're going to have
19 additional hearing dates for Fairmount in that set of
20 complaints, but what I wasn't prepared to be faced
21 with is the possibility that we're facing today, that
22 complainant will not be able to complete its case in
23 chief for Simon Garden, Colonial Garden, those three
24 cases in view of the fact there are only two
25 accounts. From what I heard from Ms. Treadwell

1 yesterday, also a number of issues is limited to
2 approximately six all together.

3 MS. BOONE: If I may.

4 JUDGE VERO: Just a moment. The number
5 of transactions is also not something that can be
6 handled and I'm faced with the possibility that the
7 entire day today we'll still be doing the
8 complainant's case in chief and this I wasn't
9 prepared of; so, Simon Garden, Colonial Garden, this
10 set of hearings took me by surprise.

11 Because I don't want to be faced with
12 the same surprise for the third set of hearings, I am
13 asking the parties to submit direct testimony in
14 prefiling format in writing. This is where we are
15 and I just gave you the explanation why I am asking
16 the parties for prefiled direct testimony today.

17 Yes, Ms. Boone, you raised your hand.

18 MS. BOONE: Just a point of
19 clarification, I said, I hope we can get through it.
20 I believe we can get through it, but I don't want to
21 prejudice my client's case if there is some
22 information that needs to come out, but my hope and
23 expectation, but I don't want to give you an ironclad
24 promise, because sometimes in testimony you're
25 surprised, but I hope we're done by the end of today.

1 JUDGE VERO: You're surprised by the
2 testimony of your own witnesses?

3 MS. BOONE: Sometimes on
4 cross-examination, there are issues that are brought
5 up.

6 JUDGE VERO: I'm not talking about
7 cross-examination. My take is we won't get to cross-
8 examination today. I spoke about the complainant's
9 case in chief, which is your direct examination,
10 direct testimony of your witnesses, SBG's witnesses;
11 so, I don't know about cross-examination.

12 MS. BOONE: Okay.

13 JUDGE VERO: That part I want concluded
14 today. Your direct testimony of your witness, I want
15 it concluded today. I understand that you want to
16 present the entirety of your case. In an ideal world,
17 you would like to present every minute detail, but at
18 this time, at this point during the hearing process,
19 I'm asking you to decide on relevant facts you want
20 to bring forward with the testimony, the pertinent
21 facts, the ones that go more to the point, the
22 details that bear less evidentiary weight if need
23 be. I'm asking you to start with the relevance and
24 the pertinent testimony, part of the testimony to go
25 straight to the point, okay. This is what I need you

1 to do.

2 MS. BOONE: With all due respect, all
3 the evidence that I've put on, I deem it relevant or
4 I wouldn't waste your time. Trust me, there are
5 hundreds, thousands of pages that I have not
6 presented of information that I have reviewed
7 personally and I have not put on because I don't want
8 to waste the court's time; so, I understand and I
9 appreciate your guidance, and I understand the care
10 and diligence with which you are administering these
11 proceedings and advising counsel and I. I do greatly
12 appreciate it and I am thankful for it, but I must
13 renew my objection for the record, that my client has
14 a right to put on their full case and I understand
15 what you're saying and I appreciate it, but with all
16 due respect, I must renew my objection for the
17 record.

18 JUDGE VERO: And it's your job to
19 present your client's full case within the time
20 allotted.

21 MS. BOONE: Thank you, Your Honor.

22 JUDGE VERO: You're an attorney and I am
23 an attorney, and I understand you can be succinct and
24 you understand that too; so, without jeopardizing
25 your client's case, I would like for you to be

1 efficient, productive, succinct to the point and move
2 along with the testimony for this set of hearings.
3 The next set of hearings, the same instructions
4 apply, and as I said, I will get back to you with my
5 ruling on Ms. Boone's request for the full amount of
6 time or the full amount of days that the regulations
7 allot for the submittal of direct testimony.

8 I have on the table Mr. Farinas'
9 suggestion or proposal to submit direct prefiled
10 testimony by September 6th or 8th. Those were the
11 two dates that you provided?

12 MR. FARINAS: The 8th is a Sunday. I
13 misspoke. What I meant to say was the 9th.

14 JUDGE VERO: So, September 6th or the
15 9th?

16 MR. FARINAS: Yes.

17 JUDGE VERO: With that issue brought to
18 light, I'm not going to say with that issue
19 clarified, I am going to return to SBG. Yes, there's
20 another issue?

21 MR. FARINAS: Yes. Actually, with your
22 instructions about this matter, I'm confused of the
23 order of today. As these are three consolidated
24 matters, will we be doing the cases in chief on all
25 three dockets and then my case in chief on the rest

1 or will we be doing the case in chief on one docket
2 and then PGW's presentation another and then SBG on
3 the second docket and PGW on the another? I was
4 confused as to what we're doing, the order.

5 JUDGE VERO: I did not cover it, because
6 honestly, I'm confused too. I envisioned these cases
7 to be consolidated. I instructed the parties that
8 they can cross over issues on all three complaints.
9 All three complaints that are consolidated, you can
10 cross over the issues, which means if you have a
11 billing issue or a late payment issue that crosses
12 over on all three complaints, you can testify for
13 Colonial Garden, finish Colonial, then move on to
14 Simon Garden where the late payment charge issue lies
15 and the other Colonial Garden does not have such an
16 issue, but you can cross over through the complaints
17 in this matter.

18 Ms. Boone yesterday requested permission
19 to cover one complaint at a time; am I correct?

20 MS. BOONE: I would prefer to refer to
21 the record, Your Honor.

22 JUDGE VERO: This is what I understood
23 Ms. Boone's request to be, that you will start with
24 Colonial Garden first, not the one that concerns the
25 conversion from oil to gas, which is at docket number

1 C-2012-2334253, not that one, but the Colonial Garden
2 at Docket number C-2012-2304183. The understanding
3 was that you wanted to cover that complaint first.

4 The implication would be that we would
5 cover the complaints and the issues one by one
6 without having testimony cross over with the issues
7 from one complaint to the other and I considered it.
8 It wasn't an unreasonable request and I allowed it.
9 This is where we are. Do you understand? Does that
10 answer your question, Mr. Farinas?

11 MR. FARINAS: Yes, I do.

12 JUDGE VERO: So, the way I'm doing
13 today's hearing after asking Ms. Boone earlier is
14 that we're going to have SBG testimony for each
15 complaint at a time. Okay?

16 MR. FARINAS: Yes, I understand. At the
17 end of the day, I was prepared to cross-examine
18 Ms. Treadwell, but from what you said this morning --

19 JUDGE VERO: I would think that we won't
20 be done today. We will be done with direct
21 examination from the complainant, then we'll have
22 further hearings down the road, which means that your
23 cross-examination of these witnesses will be left for
24 way down the road in maybe a month, two months. Is
25 this something you can do or would you be hindered

1 and prejudiced?

2 MR. FARINAS: If there is sufficient
3 time today, I would like to at least start and then
4 we can continue.

5 JUDGE VERO: Do you feel that you can
6 continue?

7 MR. FARINAS: Yes, and, Your Honor, I do
8 have one more issue which was carried over from
9 yesterday. I realize that you asked us to think
10 about it overnight, and with respect to the briefing
11 of the interest issue, there is a jurisdictional
12 problem as you will be asked in this brief to review
13 and decide and render an opinion on statutes that are
14 not within the Commission's purview that are outside
15 of the public utility code. What the Commission has
16 before it is an active account with late charges
17 being assessed; once it achieves a lien status, what
18 interest rate is applied is actually under the
19 purview of the judge of Common Pleas Court, I think,
20 Judge Fox that's hearing the other matters. If we
21 are applying a different interest rate, it would be
22 Common Pleas Court to tell us which is the correct
23 one and to make it consistent with the Lien Act.

24 JUDGE VERO: Yes.

25 MS. BOONE: Except the problem with that

1 is that the City is asking to have it both ways.
2 They're saying they're allowed to apply the LPC;
3 they're allowed to keep the lien property on an
4 active account, which is the purview of the PUC, but
5 then they're asking -- and they're asking to apply
6 the LPC interest rate that only is within the purview
7 of the PUC for something he's now claiming is outside
8 the jurisdiction. Either you have to take these
9 debts off the active account and put them on a
10 separate lien account and say all of this is within
11 the purview of the Court of Common Pleas or not.

12 The problem is when it goes to the Court
13 of Common Pleas, PGW then says you can't look at how
14 the payments are calculated because that's within the
15 purview of the PUC. If you look at the PUC
16 decisions, you'll see that the PUC can't touch liens,
17 but if you look at the Court of Common Pleas,
18 decisions, they say they can't look at payments. So,
19 we really need the PUC to make a decision because
20 these payments the LPC at the rate of 18 percent are
21 being applied subject to PUC law or the utilities law
22 and not subject to post judgment.

23 What we need to do is, there needs to be
24 a declaratory judgment. Either PGW wants to put all
25 the lien issues in the Court of Common Pleas,

1 including changing the interest rate from 18 percent
2 to 6 percent or leave it all with the PUC and allow
3 them to stop sheriff sales, but the way it works now,
4 PGW gets the right to sheriff sale of property for a
5 utility debt that it now doesn't want, that the Court
6 of Common Pleas can't look at the payment history of
7 it and now he's saying the PUC can't look at it.

8 MR. FARINAS: Your Honor, that's the
9 merits of the case when I'm talking about who has the
10 right to hear this. If you asked to brief this, you
11 will be rendering an opinion on the Municipal Lien
12 Act and the terms defined therein, and you do not
13 have the authority to do that.

14 MS. BOONE: But she does --

15 JUDGE VERO: Let him finish.

16 MR. FARINAS: And that is the threshold
17 of this case before we get to whether or not the
18 Commission or the Common Pleas Court gets to look at
19 payments. I believe what Ms. Boone said about what
20 the Common Pleas Court has said we cannot look at
21 payments. We're not looking at payments. We're
22 looking at the application of an interest rate as
23 Ms. Boone has said is illegal to do. That's where
24 the question should be decided at the Common Pleas
25 Court.

1 JUDGE VERO: Just a moment. I
2 understand both side's argument. This particular
3 nuance of SBG's challenge to the late payment charges
4 is the nuance or clarification as to why are they
5 exactly challenging the late payment charges. Since
6 the original complaints were filed in May of 2012,
7 they continuously challenge the late payment charges
8 and the penalty percentages or how they called it or
9 phrased it, and it didn't dawn on me until, honestly,
10 yesterday through Ms. Treadwell's testimony what
11 their issue is with PGW's late payment charges.

12 Yes, I understand there are two facets.
13 One facet is that the late payment charge should be
14 at 1.5 percent per month and fluctuating, and the
15 other facet is late payment charges on the portion of
16 the outstanding balance that has been liened on
17 should receive a late payment charge of a different
18 rate. Am I understanding?

19 MS. BOONE: Yes, Your Honor.

20 JUDGE VERO: This clarification of the
21 issue, I was made aware of it yesterday during
22 Ms. Treadwell's testimony. I understand what you're
23 saying in terms of you, Mr. Farinas, in terms of the
24 Commission might not have jurisdiction to look at it,
25 and that could very well be my ruling, that once I

1 make a determination that the lien is indeed a
2 judgment and that pursuant to statute -- okay. Let
3 me rephrase it.

4 Whether or not the liens themselves and
5 late payment charges that are applied to them, to the
6 liens is something I can look at and something within
7 the Commission's jurisdiction, that determination, I
8 would like to make it after I've heard all the
9 testimony. Your objection is dully noted that the
10 Commission does not have jurisdiction on it, but I
11 need to look into it some more before I make that
12 determination.

13 At this point, I cannot make a
14 determination to say that I cannot look at the late
15 payment charges that were applied on an outstanding
16 balance that had a lien on, that that particular
17 portion is outside the Commission's jurisdiction at
18 this point in time. I will need some time to think
19 it over, do research and read the briefs that the
20 parties are going to provide.

21 The jurisdiction issue, do you want to
22 make it part of your brief?

23 MR. FARINAS: Yes, I believe I must
24 unless you're going to rule today.

25 JUDGE VERO: I do not feel comfortable

1 on ruling on it today. This issue was clarified
2 yesterday for me; so, I'm not certain that whether
3 the Commission has or does not have jurisdiction over
4 this aspect of the lien, this aspect of how the lien
5 continues to appear as an outstanding balance and
6 receives late payment charges, what type of late
7 payment charges.

8 MR. FARINAS: My argument would be only
9 that it may very well be that the interest rate is
10 inapplicable, but it is not for the Commission to
11 tell us. It is for the Court of Common Pleas.

12 JUDGE VERO: If that is the case, that
13 is the ruling I will make. After these issues are
14 briefed and I get to see them and do my own research,
15 that might be very well my ruling and determination
16 that the Commission does not have jurisdiction, but
17 the jurisdictional issue with regard to this aspect,
18 well, the Commission has never had jurisdiction over
19 the liens themselves, but this aspect, because the
20 liens apparently are still in the account, receiving
21 late payment charges, et cetera, this aspect, I have
22 to consider it. I have to make a ruling. It might
23 be that we still don't have jurisdiction or we don't
24 have jurisdiction to make that determination as you
25 said, but I cannot make the determination that we

1 don't have jurisdiction right now. I can't make that
2 determination. That's where I stand. It's a bit
3 confusing, but ...

4 MS. BOONE: Just to let you know, the
5 import, the support for what you're saying that this
6 issue had been looked at. There's a case on point,
7 similar case where an insurance commission, an
8 insurer thought they could continue to apply their 18
9 percent rate even after a judgement and lien was
10 assessed and the Appellate Courts of Pennsylvania
11 said, no. That insurance commission's rate of
12 interest stopped.

13 The other thing too is, if you look at
14 the cases that have been handled in the Court of
15 Common Pleas on the municipal lien issue with respect
16 to gas usage, there really seems to be that their
17 issue is whether the laws that govern liens, did you
18 give notice, did you file, that that's where the
19 court really sees its jurisdiction; so, I think that
20 the Court of Common Pleas, maybe the head of PGW
21 should send a letter to the Court of Common Pleas
22 saying all of the interest on liens should be
23 recalculated to 6 percent because it shouldn't be the
24 12 percent if they believe that that is really their
25 jurisdiction.

1 JUDGE VERO: I don't want to get into
2 the entire Court of Common Pleas, what the Court of
3 Common Pleas should, should not do in terms of liens.
4 I do not want to get into that and what PGW should do
5 once it's brought in front of the Court of Common
6 pleas.

7 This is the Commission, the Public
8 Utility Commission and I want to make sure that the
9 tariffs are applied correctly and what should be
10 included within the billing aspect complies with
11 those tariffs and there's nothing else there, et
12 cetera, et cetera. So, I want to make sure the
13 company is complying with its tariffs. Okay?

14 MS. BOONE: Yes, Your Honor.

15 JUDGE VERO: So, I will allow it, but
16 your statement with regard to the Commission's lack
17 of jurisdiction is duly noted and can be part of the
18 briefs. Those briefs are increasing as we proceed
19 with this hearing. All right?

20 MR. FARINAS: Yes, Your Honor.

21 MS. BOONE: Yes, Your Honor.

22 JUDGE VERO: Can we now continue?

23 MR. FARINAS: Yes. I'm ready, Your
24 Honor.

25 JUDGE VERO: Ms. Boone, please call your

1 next witness.

2 MS. BOONE: Yes. I call Eric Lampert to
3 the stand.

4 MR. FARINAS: Your Honor, this is where
5 I'm confused again. When we left yesterday, I was
6 about to cross Ms. Treadwell; so, if this is a
7 continuation of all of the consolidated cases, the
8 case in chief, I'm still entitled to cross
9 Ms. Treadwell because I was not given that
10 opportunity yesterday.

11 MS. BOONE: Does he want to start with
12 her, because remember Eric wasn't here yesterday and
13 you said can he come back to explain these Emails,
14 but I can have him wait and Kathy can go first?

15 JUDGE VERO: I understand, but I think
16 it will chop up the transcript; so, let's call
17 Ms. Treadwell. Please call Ms. Treadwell first.

18 MS. BOONE: Sure.

19 JUDGE VERO: Good morning,
20 Ms. Treadwell, please remember you're still under
21 oath and, please, take a seat.
22 Whereupon,

23 KATHY TREADWELL
24 having been previously sworn, testified as follows:

25 JUDGE VERO: Mr. Farinas.

1 MR. FARINAS: Thank you, Your Honor.

2 CROSS-EXAMINATION

3 BY MR. FARINAS:

4 Q. Good morning, Ms. Treadwell.

5 A. Good morning.

6 Q. We're going to pick up where you left off in
7 your testimony. I do want to fill in some gaps.

8 Could you, please, give me a summary of your
9 educational background?

10 A. I have an undergraduate degree in accounting
11 and business from Chestnut Hill College.

12 Q. Your work experience?

13 A. I've had five years of public accounting
14 experience. I worked at Price Waterhouse Cooper's.
15 After that, I went into private working for a company
16 called Johnson Matthey, M-A-T-T-H-E-Y.

17 Q. How many years there?

18 A. I was there for a year.

19 Q. Ms. Treadwell, I'm going to, I hope to anyway
20 I don't think I have to go through pages. I'm going
21 to confine your cross to SBG Colonial Garden pages 78
22 through 86, your printout and rendition of PGW's
23 statements of account. First, I want to establish
24 that your designation of those letters from the
25 concept of snapshots that were inherited through

1 Mr. DeBroff, all of the designations of J are
2 disputed bills of the usage or meters of something
3 like that?

4 A. Correct, yes.

5 Q. And your designation of F is late payment
6 charges, correct?

7 A. That's correct.

8 Q. And you have one designation of I in the
9 Colonial Garden book which you called it unexplained
10 payments?

11 A. Unexplained transaction.

12 JUDGE VERO: Where are we looking at?

13 MR. FARINAS: Colonial Garden 78.

14 JUDGE VERO: Please continue.

15 BY MR. FARINAS:

16 Q. I'm looking at, and I'll just be bouncing
17 through these pages for a minute. I'm looking at the
18 SBG Colonial Garden page 80. There are rectangular
19 things that are noted there which go from the left-
20 hand side of page 11 through 24. These are what you
21 designated as interest late payment charge disputes,
22 correct?

23 A. These are an example, yes.

24 Q. So, your problem with the bill issued on those
25 dates is the calculation of the late payment charges?

1 A. Correct.

2 Q. So, with respect to like usage or meter reads,
3 you didn't give them a J designation; so, that these
4 bills are okay. So, all we're talking about is the F
5 designation with late payment charges as you have
6 calculated what PGW rate is and application; is that
7 correct?

8 A. If there is an F next to it, then I would say
9 that I am disputing the late payment charge.

10 However, I dispute actually the payment of any late
11 payment charge listed here that's not 1.5 percent. I
12 stated that yesterday.

13 Q. I'll get to that, but with respect to the rest
14 of the bill, the usage, whether it's in line, you
15 don't have an issue with that, whether it's gas usage
16 or meter read issue, you're not having an issue with
17 that?

18 A. If it doesn't have a designation of a J, then
19 I didn't have a meter read dispute.

20 Q. I do want to focus a little bit on your
21 interest rate analysis. Can you explain to me what
22 number did you divide into what other number that
23 resulted in your calculation of the interest rate
24 that must have been applied to that particular
25 transaction?

1 MS. BOONE: What page?

2 MR. FARINAS: I'm on page -- start
3 anywhere, but I can start at page 78.

4 BY MR. FARINAS:

5 Q. It was a general question I asked, but I can
6 direct your attention to the March 5, 2005 late
7 payment charge transaction, which actually is 1.5 as
8 you calculated?

9 A. Right.

10 Q. So, how did you do that?

11 A. First, I want to state that we requested the
12 calculation from PGW. It was not provided.

13 Q. That's not my question, but how did you do
14 your analysis?

15 A. It shows up in the first box on the right-hand
16 side. It says percentage calculated and it shows the
17 formula. It says take the LPC assessed divided by
18 current balance. For example, if you're looking at
19 the March 3, 2005 transaction, there's an LPC
20 assessed of \$195.28 and the balance prior to the LPC
21 being assessed was \$13,018.95; so, I took \$195.28
22 divided by \$13,018.95 and it gave me a rate of 1.5.

23 Q. Just going down the page, if I can go to the
24 one that's not 1.5 and I'd ask you how you calculated
25 the January 5, 2006?

1 A. January 5, 2006?

2 Q. I apologize, January 6, -- February 6, 2006
3 late payment charge, which according to your
4 calculation resulted in a 1.46?

5 A. It would have taken 288.08 and divided by
6 19,670.86.

7 Q. In doing this, the 19,958.94, was that just
8 the whole previous balance from the previous period?

9 A. I don't understand your question.

10 Q. When you took the amount which you had,
11 \$288.08 and divided that into \$19,958.94, right,
12 that's how you came up with 1.46, correct?

13 A. Yes, that's correct.

14 Q. So, that was the entire balance as of the
15 previous billing period in addition to the current
16 bill, correct?

17 A. Yes, that's what it says.

18 Q. So, when you did that, did that include -- you
19 said it's the entire balance. Did that include the
20 late payment charges that were applied previously?

21 A. I suspect so since it's a concurrent balance
22 of everything.

23 Q. Right. So, your view of how --

24 MS. BOONE: Objection.

25 JUDGE VERO: Grounds.

1 MS. BOONE: One of the things she
2 testified is that she's not sure what goes into the
3 balance; so, she's guessing. So, when he asked that
4 that was the entire prior balance or that entire
5 prior balance included the late payment charges,
6 that's the genesis of this case; we don't know what
7 that prior balance includes, just if you can clarify.

8 JUDGE VERO: I'll allow it.

9 MR. FARINAS: I'm asking for her
10 analysis.

11 MS. BOONE: She said she didn't know the
12 components. That's all. I don't want the record to
13 say she's agreeing that she knows what's in those
14 prior balances. That's all.

15 JUDGE VERO: All right. With that
16 clarification, I will allow it.

17 BY MR. FARINAS:

18 Q. Would you agree, though, that the \$288.08 is
19 late payment charges applied for that period, right?

20 A. I know that's what this statement says.

21 Q. Right. I'm going to the truth of it. I'm
22 going to the actual numbers, and you would agree in
23 the previous period, the 248, this would be late
24 payment charges of January 5, 2006, those late
25 payment charges were the late payment charges applied

1 for the previous period, correct?

2 A. I see a transaction of 248.64 for the record
3 at January 5, 2006.

4 Q. And that 248 is included in the 19,670.86,
5 correct, appearing on the next line; that's the total
6 balance? That balance includes the late payment
7 charges?

8 A. That's what the statement says.

9 Q. So, when you calculate, when you divided that
10 number, the current late payment charge into the
11 total balance and came up with the rate which you
12 maintain that varies --

13 A. Right.

14 Q -- did you consider any other way of
15 calculating it that would explain the variance or
16 explain away the variance?

17 A. I asked PGW for an explanation of these
18 charges.

19 Q. I'm asking you what you did in this analysis?

20 A. So, when I calculated my analysis was based on
21 the late payment charge assessed at a given period
22 divided by the previous balance.

23 Q. In your experience at Price Waterhouse or the
24 other firm, were you familiar with the application of
25 late payment charges in a general commercial sense?

1 A. It varies. This is not a specific question.
2 Late payment charges are applied differently in
3 different industries.

4 Q. Have you considered the fact that including
5 late payment charges in the calculation of late
6 payment charges is the appropriate way to handle
7 that?

8 A. I don't know how PGW determines their late
9 payment charges.

10 Q. I'm asking you how you did it?

11 A. I already explained how I did it.

12 Q. So, when you included late payment charges in
13 the balance of where the late payment charges should
14 be --

15 MS. BOONE: Objection.

16 THE WITNESS: Let me just state, you
17 asked me what my calculation was. I already
18 explained my calculation. I don't know what else you
19 want me to state. If it included the current
20 balance, you tell me, does that balance include late
21 payment charges. If it does, then that's the way I
22 calculated.

23 BY MR. FARINAS:

24 Q. That's what I asked you in the previous
25 transaction, it was 288 --

1 A. And I explained how I calculated.

2 Q. And it is in there?

3 A. I explained, yes.

4 Q. So, you would agree with me it's in there?

5 MS. BOONE: Objection.

6 JUDGE VERO: Grounds?

7 MS. BOONE: She's already said over and
8 over again she doesn't know what's in the prior
9 balance. She's taking the prior balance from the
10 last date it's listed and doing it, and he's asking
11 her to say what's in there; so, it's badgering at
12 this point.

13 JUDGE VERO: It's not badgering at this
14 point; so, your objection is overruled.

15 MS. BOONE: She's asked and answered
16 this.

17 JUDGE VERO: The objection is overruled.
18 I'm listening to his questions and her testimony and
19 from where I sit, I still want to find out how late
20 payment charges are calculated and I believe
21 Mr. Farinas asked you, Ms. Treadwell, did you
22 consider any other type of calculation; did you? I
23 didn't get a clear answer.

24 THE WITNESS: I was able to determine
25 the calculation based on dividing the late payment

1 assessed by the current balance, which was my
2 understanding of how to calculate the late payment
3 charge.

4 JUDGE VERO: The question was, again,
5 did you try any other combination or any other
6 combination of the figures to determine late payment
7 charges, yes or no; did you?

8 THE WITNESS: No.

9 JUDGE VERO: Okay. That's fine.

10 BY MR. FARINAS:

11 Q. Now, you're the number's person; so, if using
12 your analysis in any given transaction, if we removed
13 the late payment charges that are contained in the
14 balance and then you divide through the late payment
15 charges that are assessed, will your rate that you
16 come up with go up or down; if the balance decreases
17 and you divide a number through it, will the rate go
18 up or down?

19 A. I don't have the information you're referring
20 to in front of me. If you're referring to some type
21 of calculation other than the one that's in front of
22 me, I would like to see it.

23 JUDGE VERO: Maybe when you phrase it
24 that generally, it's difficult to envision.

25 BY MR. FARINAS:

1 Q. All right. I'm referring now to the balance
2 of the January 6, 2006 bill.

3 A. Correct.

4 Q. And that balance was?

5 A. I'm sorry. You mean, January 5, 2006?

6 Q. I'm sorry. Actually, what I meant to say was
7 February 6, 2006 and that balance was \$19,958.94 and
8 you've already indicated that as far as you know, the
9 late payment charges of January 5, 2006 of \$248.54 is
10 included in the balance of \$19,958.94?

11 A. I don't see an amount of 248.54.

12 Q. That amount is the late payment charges
13 assessed on January 5, 2006.

14 A. I see 248.64.

15 Q. And so you agree that -- by the way, you
16 calculated that that 248 is in the balance?

17 A. I've explained that's the way I calculated.

18 Q. So, what I'm asking you is, if you did not
19 include that late payment charge of \$248.54 in the
20 balance and then assessed the late payment charge or
21 I'm sorry if you did not include that amount in the
22 balance, you just removed it for sake of analysis and
23 then did your division through, took the late payment
24 charges of \$288.08 and divided them through whatever
25 balance that would be with the previous month's late

1 payment charges removed, would the rate of 1.46
2 percent go up or go down?

3 A. I can't state because I didn't do that
4 analysis.

5 Q. If the number is smaller and you're dividing
6 that \$288 through a smaller number, the resulting
7 rate, right, you're the number's person, should
8 increase?

9 A. Generally speaking, if you divide a number
10 that's smaller and you take a number at any given
11 point and divide it by a larger -- okay. Let me say,
12 if you have a numerator of one and you divide it by
13 2, it would be .5. If you have a numerator of 1 and
14 divide it by 8, the number would be .25, generally
15 speaking.

16 Q. So, generally speaking, if late payment
17 charges were not included in the monthly assessment,
18 the accumulated to date late payment charges were not
19 accumulated in the monthly assessment of late payment
20 charges, just the gas balance was assessed each
21 month, do you think that that would result in a rate
22 of 1.5 according to your analysis?

23 A. I can't say. I did not do that analysis.

24 Q. Would you consider that an equally alternative
25 analysis of PGW's late payment charges?

1 A. I did not since as of to date, I did not
2 receive an explanation from PGW --

3 Q. I'm asking suppose you did it that way?

4 A. I didn't; so, I can't testify.

5 Q. I'm saying suppose you did, was that an
6 equally intellectually sound analysis of the way to
7 apply late payment charges?

8 A. Again, considering that I don't know how it
9 applies, I can't state.

10 Q. You're the number's person?

11 JUDGE VERO: I think she answered you
12 with her example of the numerator as far as she's
13 willing to answer it.

14 MR. FARINAS: Thank you.

15 BY MR. FARINAS:

16 Q. I realize that you maintain that PGW never
17 explained it to you, but would you consider it an
18 appropriate way of calculating late payment charges
19 for any business, not to include the previously
20 accumulated late payment charges?

21 A. Again, if that is the way it's supposed to be
22 calculated, if explained to me, I can consider it,
23 yes.

24 Q. Would that be reasonable?

25 A. Yes, if it was explained.

1 Q. Getting back to a little bit of what we
2 discussed before, the transactions on Colonial Garden
3 page 81, the bills beginning December 2, 2011 --

4 MS. BOONE: What page are you on?

5 MR. FARINAS: Page 81.

6 MS. BOONE: In the SBG book?

7 MR. FARINAS: SBG, yes.

8 BY MR. FARINAS:

9 Q. I'm asking you, by the way, the late payment
10 charge assessed December 2, 1981 got a 1.5 exactly in
11 your analysis?

12 A. Can you refer to that date again? I thought I
13 heard --

14 Q. December 2, 2011.

15 A. Okay.

16 Q. Is it 2010 or 2011 -- I'm sorry if I said
17 2010. I thought I never did. December 2, 2011 on
18 page 81.

19 JUDGE VERO: I'm there.

20 MR. FARINAS: Okay.

21 BY MR. FARINAS:

22 Q. The late payment charges assessed on that date
23 got a 1.5 exactly in your analysis?

24 A. Yes.

25 Q. Those bills for the next period between, I

1 guess, your transaction numbers 42 through 47,
2 according to your designation, you were also
3 disputing the late payment charges on there, right?

4 A. Yes.

5 Q. If I can ask you, the usage information that
6 was contained for those periods, usage and CCFs
7 6/14, 6/21; I'm going down by month down the line,
8 778, 716, 659, 656, you don't have a J designation;
9 so, you're not disputing the metering or the usage
10 for that period, correct?

11 A. That's correct.

12 Q. Now, getting back to the 1.5 interest rate.
13 On November 4, 2011, there is a payment. Did you
14 authorize that payment to PGW?

15 A. I don't authorize payments to PGW.

16 Q. Did you note that was a payment?

17 A. Did I see a payment?

18 Q. Yes, did you see a payment?

19 A. Yes, I see a payment.

20 Q. After that payment, there was a balance
21 remaining of 4,717 and then introducing the late
22 payment charge 12/2 2011 was simply \$70.76. Does the
23 fact that the balance was significantly decreased, do
24 you think that has anything to do with the fact there
25 was only a 1.5 rate or your calculation worked out to

1 1.5 rate?

2 A. The fact that there was a large payment?

3 Q. Yes.

4 A. No. The payment should be -- the portion
5 calculated for late payment charges should be
6 consistent.

7 Q. You think it's just accidental that it was
8 1.5?

9 A. Laureto, I could speculate. I don't know.

10 Q. Speculate.

11 A. I don't want to speculate.

12 Q. I'm going to switch gears a little bit and ask
13 you about a J designation, and that is the high bill
14 that's contained, that you designate on page 83,
15 Simon Garden page 83, and that is the bill that's
16 issued March 5, 2005, and because your columns a
17 little bit askewed, the usage for that period that I
18 believe you're disputing because it's a meter issue,
19 is that; am I right 1797 as you created this table?

20 A. Let me go to the statement of account to
21 verify that.

22 Q. I mean, I'll even accept subject to check
23 later, but if you want to check now, that's okay.

24 A. I believe that's the number.

25 Q. And then another month, shall we say a year

1 later, March 7, 2006, that is a month for which you
2 do not have a dispute about?

3 A. Can you refer to the page number?

4 Q. I'm sorry. Page 83 again. It's 24
5 transactions down or so.

6 A. Are you referring to March of 2006?

7 Q. Right, and the usage amount there is 831,
8 right?

9 A. Correct.

10 Q. I'm going to ask you, just summarize what is
11 your complaint about the March 3, 2005 bill, it's out
12 of line?

13 A. Yes.

14 Q. And you'll notice that it's twice or almost
15 twice as much, a little bit more than twice as much
16 as the bill you received that you're not disputing
17 for a year later, March 2006, correct?

18 A. Yes.

19 Q. I want to direct your attention now to the
20 column directly over all by itself in your chart for
21 the March 3, 2005. Now this next column, the 61
22 number that's out there all alone; do you see that?

23 A. No, I don't.

24 Q. To the left of the usage number 1797, to the
25 left of it, there's a number 61; do you see that?

1 A. Yes, I do.

2 Q. That column, because the columns are askewed,
3 that refers to the number of days in the billing
4 period?

5 A. I see the 61, yes.

6 Q. And so that bill that you're saying was high
7 for the usage of 1797 is actually a bill that for
8 whatever reason is for the period of 61 days of gas
9 service and not just the regular 30; do you see that?

10 A. I do.

11 Q. Now, I direct your attention now to the year
12 later, March 7, 2006, in that column, can you tell me
13 how long that billing period was for?

14 A. 31 days.

15 Q. A regular month. So, in your analysis that
16 you thought the bill was out of line, does the fact
17 that the bill for the March 3, 2005, the fact that
18 it's a little bit higher than double, double-ish
19 because it was 60 months, if you divided that in
20 half, would it then for the two months be in line for
21 the bill you're not disputing which is exactly a year
22 later for 31 days for 831 CCFs?

23 A. I would like to see the bill.

24 Q. Did you notice that?

25 A. You just pointed it out to me, the 61 days?

1 Q. Did you notice that before?

2 A. I have never gotten a full description of the
3 document.

4 Q. Here's a description right here. Did you
5 notice that before?

6 A. I see it says 61.

7 Q. Absent your never ending quest for
8 information, would you agree that the bill you're
9 disputing is actually for the two month period, but
10 you divide the usage in half puts it closer to in
11 line with a month of the same time that you're not
12 disputing, correct?

13 A. That could be a reasonable assumption.

14 Q. While we're just on the page, I see you also
15 disputed usage at a J distinction for the bill issued
16 January 5, 2011?

17 JUDGE VERO: What page?

18 MR. FARINAS: I'm sorry. Page 85.

19 BY MR. FARINAS:

20 Q. The bill issued for 1,572.81 and it's for gas
21 usage for 1,8700 cubic feet CCF and it's for a period
22 of 34 days. What is your basis for that dispute?

23 A. The usage. You need me to go back to my
24 testimony of yesterday?

25 Q. No. I just want you to remind me of that

1 bill, what's specifically wrong with it?

2 A. When we looked at the usage compared to the
3 prior period, it seemed --

4 JUDGE VERO: The prior period being
5 which?

6 THE WITNESS: It would be January of
7 2010, January 6, 2010.

8 JUDGE VERO: Okay.

9 BY MR. FARINAS:

10 Q. And that usage for that, if I'm not mistaken
11 is 874?

12 A. That's correct.

13 Q. So, it's a 319 CCF difference, correct?

14 A. That's correct.

15 Q. Now, I notice different from PGW's statement
16 of account, there's the column to the right.

17 Actually, there's a couple of things going on there,
18 but the column of all zeros down the page which is,
19 if I'm not mistaken, the column you have as a
20 heading, heating DDD days?

21 A. I see there are zeros going down this report
22 and heating DDDs are slightly to the right of that
23 report. I don't know if that goes to that specific
24 column.

25 Q. Would you agree that PGW's statement of

1 account that you took this from, that did have
2 information regarding heating degree days on it, did
3 it not?

4 A. Could we go to one to point it out?

5 Q. Sure, if you want. I'm asking you to tell me
6 the statement of account that you got this
7 information from?

8 A. I see on page 62 --

9 JUDGE VERO: What binder?

10 THE WITNESS: The Colonial Garden SBG
11 binder.

12 JUDGE VERO: What page again?

13 THE WITNESS: Page 62.

14 JUDGE VERO: I'm there.

15 THE WITNESS: I see on this specific
16 statement of account, there's a designation for
17 heating DDDs.

18 BY MR. FARINAS:

19 Q. But your analysis that you provided for us
20 does not include the heating degree days that were
21 contained on the comparable page from the P G W
22 statement of account, right?

23 A. It's possible that it does not. It may.

24 Q. For that whole period, does PGW's exhibit have
25 zero heating degree days?

1 A. For that specific transaction?

2 Q. You can do that?

3 A. You want me to look up the February 3, 2011
4 transaction, if I follow you?

5 Q. Okay.

6 A. Okay. When I look at February 3, 2011 on page
7 SBG Colonial Garden binder 64 --

8 MS. BOONE: Objection.

9 JUDGE VERO: Grounds?

10 MS. BOONE: The document that is looked
11 at as a snapshot that has the late payment charges
12 that's referred to as SBG Colonial 85, this document
13 has never been represented by SBG to include all the
14 data, everything to go over every issue. We never
15 raised an issue about DDDs; so, that's why it has
16 zeros here. We were looking at this document in
17 terms of payments, charges.

18 MR. FARINAS: I accept your
19 explanation.

20 MS. BOONE: I just don't want you to
21 think -- okay. Sorry, Mr. Farinas.

22 JUDGE VERO: Are you requesting to
23 strike your question off?

24 MR. FARINAS: No, I wanted an admission
25 that it does not include heating degree days.

1 MS. BOONE: Yes, absolutely, sure.

2 MR. FARINAS: That's all I was asking.

3 JUDGE VERO: Just for my clarification,
4 SBG Colonial garden at page 85 is prepared by
5 Ms. Treadwell for SBG based?

6 THE WITNESS: Correct.

7 JUDGE VERO: Based on PGW statement of
8 account on page 62?

9 THE WITNESS: Your Honor, what was
10 provided to us in order to do our analysis was these
11 specific statement of accounts when we attempted to
12 create this document electronically; so we could do
13 an analysis on them; so that they were based on the
14 specific statement of accounts that were given at a
15 specific period.

16 JUDGE VERO: Okay. So, basically, the
17 equivalent or the counterpart of these spread sheets
18 and table that you have prepared that's found on SBG
19 Colonial Garden page 85 would be PGW's document
20 presented to SBG and is found at SBG Colonial Garden
21 page 62; they go together?

22 THE WITNESS: They don't go together.
23 They were created completely separate. PGW provided
24 us with a paper copy of the document. We took the
25 document and we tried to recreate it electronically.

1 JUDGE VERO: You took the information
2 from PGW's statement of account and you recreated the
3 table from scratch?

4 THE WITNESS: We attempted to recreate
5 the document. It is not perfect, but we attempted.

6 JUDGE VERO: I understand. Did you use
7 any other outside information?

8 THE WITNESS: There was no other
9 information provided.

10 JUDGE VERO: I understand. Did you use
11 what information you had to create this table, just
12 what SBG had without looking at that document from
13 PGW?

14 THE WITNESS: We only had the
15 information provided by PGW at that time.

16 JUDGE VERO: You didn't have the bills?

17 THE WITNESS: Some.

18 JUDGE VERO: Did you use them?

19 THE WITNESS: We didn't have all of
20 them.

21 JUDGE VERO: That's okay. That's all I
22 wanted to know. Yes, Ms. Boone?

23 MS. BOONE: I just wanted to say, if you
24 would give us a moment of indulgence, the SBG page
25 was prepared in consultation with these two

1 individuals.

2 JUDGE VERO: What individuals?

3 MS. BOONE: Mr. Artem.

4 MR. FARINAS: What are you asking to do?

5 MS. BOONE: I just wanted to confirm. I
6 may have spoken too quickly. He was telling me there
7 may be information on here from the statement of
8 accounts; so, I didn't know if they needed to speak
9 together. I just don't want to give misinformation
10 about it. That's all.

11 JUDGE VERO: You're saying you don't
12 want Ms. Treadwell to give misinformation?

13 MS. BOONE: Right.

14 THE WITNESS: For the record, some of
15 the information may be included here.

16 JUDGE VERO: Some of what information?

17 THE WITNESS: Some of what Mr. Farinas
18 said, the zeros down the line, it did not include
19 heating degree days. I said it's possible the
20 information is listed. It just might be shifted.
21 That's what I was trying to explain.

22 MS. BOONE: I shouldn't have said
23 anything, even objected; so, I take back my --

24 JUDGE VERO: Objection?

25 MS. BOONE: Objection, and I take back

1 my admission because it turns out it might have
2 shifted.

3 JUDGE VERO: I'm satisfied with your
4 answer to my questions. You got your answer to your
5 question?

6 MR. FARINAS: Yes.

7 JUDGE VERO: Ms. Boone is satisfied
8 we're going in the right direction; so, we may
9 proceed. Continue. Next question.

10 BY MR. FARINAS:

11 Q. So, as to the two bills we're comparing, the
12 one you have disputed from January 5, 2011 for the
13 usage of 1,087?

14 A. What page are we on now?

15 Q. Page 85, SBG 85. As to that transaction, has
16 the heating degree day information shifted?

17 A. It appears that it is contained on this
18 document.

19 Q. Is the heating degree day, zero, the figure
20 taken from the PGW document in January?

21 MS. BOONE: Objection. Just as a point
22 of clarification, I believe she just testified that
23 it's not zero, but that the numbers that go under the
24 DDD shifted; so, if you look a little to the left.

25 JUDGE VERO: She said it may have

1 shifted. Ms. Treadwell, is your testimony that maybe
2 SBG or you for SBG did not fill that column for
3 heating degree days at all or that it just shifted in
4 another column that didn't print out?

5 THE WITNESS: When we scanned the
6 document, it's possible that the information went
7 into another column that's not under the appropriate
8 heading.

9 JUDGE VERO: My question was, do you
10 think you entered it in the preparation of this
11 document and it's just hidden or shifted, et cetera?
12 Was it entered?

13 THE WITNESS: We scanned the document
14 electronically; so, it may have went into a separate
15 column.

16 JUDGE VERO: You scanned PGW's
17 document?

18 THE WITNESS: Yes.

19 JUDGE VERO: All right. Yes.

20 MR. FARINAS: I'll help you out.

21 JUDGE VERO: Okay.

22 BY MR. FARINAS:

23 Q. A little bit to the left, you see the usage
24 information 1087.

25 A. Yes.

1 Q. We see another number that's 31.97?

2 A. Yes.

3 Q. Then we see 1087?

4 A. Yes.

5 Q. Is the 1087 the heating degree days?

6 A. When comparing the report on page 85, I see
7 the usage of 1087 and on 1/5 2011, I see the heating
8 days of 1087?

9 Q. So, it's your testimony that the 1087 on the
10 right is the heating degree days for that period?

11 A. Yes.

12 Q. Even though coincidentally, it's the exact
13 number of the usage?

14 A. Yes, that's correct.

15 Q. So, in your analysis of the dispute of that
16 bill, did you consider the heating degree days as any
17 factor in your dispute?

18 A. When I first did this analysis, I had no
19 explanation of what the heating degree days were,
20 okay.

21 Q. Do you understand it now? Did you look it up?

22 A. I got an explanation. I'm still unclear about
23 it.

24 Q. You got the explanation from whom?

25 A. PGW.

1 Q. Can I direct your attention now to the
2 previous year's bill that we're comparing it to, the
3 January 6, 2010 and the usage was 874?

4 A. Yes.

5 Q. Following the shifted columns, the heating
6 degree day should be 985?

7 A. What page?

8 Q. Same page, 85.

9 A. Okay.

10 Q. To your understanding of what heating degree
11 days are, would you agree that during the month of
12 January 2010 or that period, that billing period was
13 not as cold as the period for the bill that was
14 issued January 5, 2011 with the 1,087 degree days;
15 would you agree that's what it means?

16 A. My explanation of the heating degree or DDDs,
17 I don't know what the DDD stands for. I guess
18 someone will clarify at some point, but my
19 understanding is that in the months where the number
20 -- I don't want to confirm because I'm not sure to be
21 honest with the explanation of degrees.

22 Q. In your analysis, you didn't really take into
23 consideration the variation of coldness between the
24 periods to determine the basis for your disputing the
25 bill; you just think it's out of line?

1 A. My analysis was specifically on the CCF usage
2 in looking at the periods.

3 Q. Do you think it would be reasonable to have
4 knowledge of the relative colder nature of one period
5 to the other in order to determine whether or not a
6 bill is correct or not?

7 A. I think that's reasonable.

8 Q. Did you do any independent research on the
9 weather for the periods for the bills that you're
10 disputing?

11 A. Not on this property.

12 Q. But you did it on other properties?

13 A. Correct.

14 Q. You said you have limited information on
15 heating degree days. Did you have information on
16 heating degree days for other properties?

17 A. The information is contained in all the
18 statement of account; so, yes, it would have been
19 there.

20 Q. So, you never consulted an outside source of
21 where heating degree days are kept?

22 A. No.

23 Q. Did you ever consult the web site from the
24 National Agency of NOAA?

25 A. I don't know what that is; so, I suspect the

1 answer is no.

2 Q. I want to move to Colonial Garden page 86, the
3 bill for November 2, 2011, and you gave that bill
4 also a J designation?

5 A. Yes.

6 Q. Seeing it, it looks like the row is now
7 shifted, but your reason for disputing that bill is
8 also usage is out of line?

9 A. That's correct, yes.

10 JUDGE VERO: Mr. Farinas, did you say
11 the rows have shifted?

12 MR. FARINAS: If you look at that row
13 for the bill issued November 2, 2011, there seems to
14 be things have shifted. There's like an upside down
15 question mark and the actual Spanish word, si.

16 JUDGE VERO: Hold on. You mean the rows
17 do not match? I don't understand your statement.

18 MR. FARINAS: Here's the bill and see
19 how there's no column. It seems to shift.

20 JUDGE VERO: I see. All right.

21 BY MR. FARINAS:

22 Q. Do you see what I'm saying?

23 A. I know. The data is shifted. I understand.

24 Q. But, again, your reasoning for disputing the
25 bill, it's just out of line?

1 A. It's the same as I already testified.

2 Q. Did you do any analysis about this bill
3 regarding the weather?

4 A. I already stated that we did not do a weather
5 analysis on any of these.

6 Q. Just making sure. If I can get also your
7 clarification for the bills from December 2, 2011,
8 that has no designation also, you're not disputing
9 that bill; is that correct?

10 A. Yes, I am not.

11 Q. And January 4, 2012, you're not disputing that
12 bill, but for the derivation of the late payment
13 charges, correct?

14 A. The late payment charges assessed on that
15 bill, yes, that's correct.

16 Q. Would that be the same for the bill issued in
17 February?

18 A. Of what year?

19 Q. I'm sorry. Down the line, 2012.

20 A. That's correct.

21 Q. And also the same for March?

22 A. March 2012, yes, that's correct.

23 Q. And for April 5, 2012?

24 A. That is correct.

25 Q. And May 5, 2012?

1 A. That's correct.

2 Q. I think I have one last, SBG Colonial Garden
3 page 82. And this is for this group, I designation;
4 what is that designation?

5 A. It is an unexplained transaction that I have
6 not received an explanation from PGW.

7 Q. I want to harken you back to our meetings over
8 the past year. Do you remember the April 12th
9 meeting at PGW?

10 JUDGE VERO: Of what year?

11 MR. FARINAS: 2012, I'm sorry.

12 BY MR. FARINAS:

13 Q. We had a meeting at PGW, and there were many
14 people in the room and several issues were
15 discussed. Would you agree with me that no issues
16 were resolved during that meeting?

17 A. There was never a written explanation of any
18 of the disputes we had at that time, correct.

19 Q. The purpose of the meeting was to talk about
20 the resolution of issues?

21 A. That's correct. We attempted to.

22 Q. Did you receive an oral or a verbal; did you
23 receive an oral explanation for this bill?

24 A. I don't recall.

25 Q. Do you recall that after the August 13

1 prehearing conference of 2013, we had a conversation
2 about the conversation during the April 12th meeting
3 of 2012; do you remember that?

4 A. We had a discussion about many transactions.

5 Q. And I asked you about a particular
6 transaction. Did you accept PGWs explanation about
7 this particular bill?

8 A. I don't recall. Did you specifically state
9 the account number, the SA that you referred to?

10 Q. In the first discussion about it, yes we did.

11 A. I don't recall and it's possible, because what
12 I do recall from that meeting is we were attempting
13 to have a discussion and Mr. Bernard Cummings
14 interrupted our discussion and said he wanted to have
15 a settlement discussion. That's what I recall.

16 Q. Before we got to that, is it your testimony
17 that you don't recall getting an explanation about
18 this bill?

19 A. We may or may not have. I just know I didn't
20 get a written explanation regarding that transaction.

21 Q. I have just a couple of general questions to
22 ask you. You became an employee of SBG in 2011; am I
23 correct?

24 A. Yes.

25 Q. And you also stated that you spent a lot of

1 time trying to figure out the PGW bills; am I
2 correct?

3 A. Correct.

4 Q. One of the first meetings I know I had with
5 SBG was January of 2012. Do you remember that?

6 A. I think we met before that.

7 Q. Do you remember a meeting where you were
8 explaining to us what information you might want to
9 have?

10 A. Regarding discovery?

11 Q. No, regarding PGW accounts.

12 A. I know discovery requests had already been
13 issued.

14 Q. Do you remember discussing the fact that you
15 didn't have enough information regarding the
16 accounts?

17 A. It's possible we definitely said that.

18 Q. At the time you came on board to SBG, in your
19 office, were you receiving all the PGW bills with all
20 the SBG related accounts?

21 A. Before I came to SBG?

22 Q. No, at the time you came on board, were you
23 receiving the bills?

24 A. I don't know the answer to that question.

25 Q. Did you ever make a request to PGW to have all

1 the bills sent to one location, the Abington
2 location?

3 A. Yes.

4 Q. Do you remember when you made that request?

5 A. That was made at the time we met in, I believe
6 it was December of 2012.

7 Q. How soon after you making that request -- or
8 did PGW make that happen?

9 A. They attempted to do so, but all the bills
10 that have been sent, for example, on Colonial Garden
11 page 82 for account number 6128000245, meter number
12 of 1987516, it's my understanding that there was an
13 issue in June which resulted in no bill being issued
14 by PGW.

15 Q. Did you call PGW about that?

16 A. I subsequently requested that information.
17 So, no, all the bills have not come from PGW.

18 Q. When you came on board at SBG, would you say
19 you had limited information about PGW accounts?

20 A. Yes.

21 Q. Would you say you had limited information
22 about PGW accounts because, number one, the bills
23 were not being all sent to one location?

24 A. It's possible, yes.

25 Q. Would you agree that the designation of bills,

1 the designation of the place the bills are sent was
2 done by somebody other than you prior to your request
3 to have them all sent to one place?

4 A. I wasn't hired. I can't answer that
5 question. I don't know who it would have been.

6 Q. Did anyone ever tell you all the bills are
7 supposed to be sent to one place?

8 A. By who? Who's someone?

9 Q. Anyone at SBG, your predecessor.

10 A. Our mailing address is PO Box 549; so, my
11 assumption is that mail should go to that address.

12 Q. Were all the accounts in the name of SBG or
13 some other name?

14 A. I don't know the answer to that questions.
15 Are you talking about -- what point in time?

16 Q. When you first got to work at SBG.

17 A. When I first got to SBG, it's my understanding
18 some of the bills were going to another address.

19 Q. Just one other address or some?

20 A. Some, several. We all know they weren't all
21 going to PO Box 549.

22 Q. Were they all addressed as SBG, the mail bill?

23 A. They all vary.

24 Q. Can you give me an example what other names
25 were on it?

1 A. It could be the specific entity; for example,
2 if the account statement was set up by PGW for
3 Colonial Garden, it would say Colonial Garden. If it
4 was SBG, it would say SBG Management.

5 Q. When you applied for service, who designates
6 what the account name is or where the bills go?

7 A. I did not apply for service.

8 Q. In your normal experience in obtaining utility
9 services, do you tell the utility service where you
10 want it?

11 A. Yes. When you apply for service, you list a
12 mailing address.

13 Q. So, prior to your coming on board with SBG,
14 the situation had evolved where several different
15 mailing addresses had occurred?

16 A. It's possible, yes.

17 Q. Did this contribute to your lack of
18 information about the conditions of the PGW accounts
19 for SBG and related?

20 A. It could have in some instances where we
21 applied for application for services for a new
22 account; say for example, Creshiem Valley, we
23 specifically designated the address of PO Box 549 and
24 those instructions weren't followed by PGW; so, it
25 just depends.

1 Q. I want to ask you about your duties. You
2 mentioned before that it's not your duty to write
3 checks and authorize payments?

4 A. I do not authorize payments, correct.

5 Q. So, do your duties include as the financial
6 person, the release of checks or to pay bills?

7 A. I don't sign off on checks.

8 Q. Is it your responsibility to create the checks
9 to be signed by somebody else? What do your duties
10 entail with respect to payments made to vendors for
11 all services?

12 A. I would talk to Eric, who is my boss, Eric
13 Lampert. He's the controller and he controls the
14 money. My responsibility is to ensure the bills are
15 entered in the system accurately, to review them for
16 accuracy and reasonableness and to ensure that if
17 there are no disputes, that the bill is paid.

18 Q. To ensure if there's no dispute, the bill is
19 paid?

20 A. That's correct.

21 Q. How does somebody let you know if there's a
22 dispute?

23 A. Who is somebody?

24 Q. How does anyone at SBG let you know there's a
25 dispute and a bill doesn't have to be paid?

1 A. How do you arrive to a dispute?

2 Q. Yes.

3 A. Okay. When a bill comes in and it's
4 unreasonable, and Phil already testified to what we
5 look at. We look at plus 10 percent, minus 10
6 percent. We decide is this bill an accurate bill, is
7 this a bill we should be paying, is it a bill that we
8 actually incurred; so, sometimes I have to contact
9 the property manager and say, hey, did we hire this
10 service. Was there someone out here on this given
11 date. Was there an approval first, and then once
12 we go through that analysis, if the bill is approved
13 or occurred, we go through an approval process and it
14 is paid.

15 Q. Are you aware that recently, SBG did send a
16 payment on all of the accounts that is already
17 disputed under these dockets to PGW of an undisputed
18 amount?

19 A. Yes.

20 Q. Do you know how many months that undisputed
21 amount covered?

22 A. No.

23 Q. Does it sound reasonable to say it's five
24 months or so?

25 A. I don't want to say. I can't.

1 Q. Do you know what induced SBG to make such a
2 payment?

3 MS. BOONE: Objection.

4 JUDGE VERO: Okay.

5 MS. BOONE: This goes beyond the scope
6 of my direct examination in terms of what induced.
7 We're here because we need information from PGW to
8 understand how the bills are calculated. We need
9 information when we think a bill is wrong.

10 JUDGE VERO: Right there, when you say
11 the bills are calculated, do you want to characterize
12 your statement, your testimony like that?

13 MS. BOONE: Yes. He went beyond the
14 scope of my direct examination.

15 JUDGE VERO: Thank you. Mr. Farinas.

16 MR. FARINAS: Your Honor, Ms. Treadwell
17 testified to the specific transactions as to what is
18 disputed, what is not disputed, and I'm simply
19 getting clarification of when payments are made, why
20 are they made and how long does it take to pay an
21 undisputed amount.

22 MS. BOONE: I would renew my objection,
23 because it's irrelevant why is it paid. Why is it
24 paid. You received the money. Now we're asking how
25 did you apply the money.

1 JUDGE VERO: We are here because some
2 bills are disputed. These bills that are being
3 disputed date back to 2005 and 2011; am I right?

4 MS. BOONE: Right.

5 JUDGE VERO: When was the recent payment
6 made?

7 MR. FARINAS: A few weeks ago.

8 JUDGE FARINAS: Okay. When you make a
9 payment, I would understand it's for the undisputed
10 portion of the bill?

11 MS. BOONE: Yes.

12 JUDGE VERO: And he asked her since
13 there are some bills that being disputed whether, if
14 I understand him correctly, he asked her whether or
15 not -- he was trying to figure out whether that
16 payment of bills that were deemed to be undisputed,
17 how far did it go. So, I think it's relevant and I
18 think it's part of the direct testimony. It is
19 relevant and connected to her direct testimony; so, I
20 think I will allow it.

21 MS. BOONE: Yes, Your Honor.

22 THE WITNESS: It's my understanding that
23 the undisputed bills were paid in full.

24 BY MR. FARINAS:

25 Q. It's SBG's policy to pay undisputed bills?

1 A. Right, and they were paid.

2 MR. FARINAS: Thank you. I have no
3 further questions, Your Honor.

4 JUDGE VERO: What was your answer to
5 Mr. Farinas' question? I missed it.

6 THE WITNESS: That the undisputed bills
7 were paid.

8 JUDGE VERO: I thought the question was
9 how far back.

10 THE WITNESS: I don't have the
11 specifics.

12 JUDGE VERO: That is the part that I
13 missed. Thank you. You may proceed, Ms. Boone. I
14 understand you have redirect?

15 MS. BOONE: Yes, thank you.

16 REDIRECT EXAMINATION

17 BY MS. BOONE:

18 Q. Ms. Treadwell, if you could just quickly turn
19 your attention to SBG page 78 of SBG Colonial
20 Gardens. Was your testimony that some of the
21 transactions on this page identified as SBG Colonial
22 Garden page 78, that some of the calculations were
23 less than 1.5 percent; was that correct?

24 A. Yes.

25 Q. And you also testified from your experience at

1 Price Waterhouse and with accounting; is that
2 correct?

3 A. Yes.

4 Q. As an accountant, how many different
5 methodologies are used for applying interest rates
6 within one organization?

7 A. I don't understand the question.

8 Q. I'll repeat. When you're looking at this
9 document, why does a calculation that's not one and a
10 half percent raise your eyebrow or make you question
11 it?

12 A. Because it should be consistently applied.

13 Q. Why?

14 A. If that's the policy, it should be
15 consistently applied 1.5 percent.

16 Q. If it's consistently applied as Mr. Farinas
17 explained, would you end up with these variables that
18 are shown, the variables that are shown in the late
19 payment charge column?

20 A. Once again, it depends on the application of
21 any payments and it depends on what's included in the
22 late payment charges. As of to date, I have not
23 received an explanation of the late payment charge
24 calculation from PGW.

25 Q. But if every time the calculation he described

1 was applied for every transaction, would it end up
2 with a late payment charge?

3 A. It really depends on the application --

4 MR. FARINAS: Objection, Your Honor. I
5 didn't describe anything.

6 JUDGE VERO: I will allow it. Any more
7 questions?

8 MS. BOONE: Yes, thank you, Your Honor.

9 BY MS. BOONE:

10 Q. If you would just turn to page 83, I just want
11 to confirm something. The transaction dated 3/2006,
12 would you just confirm that the numbers on this page
13 are the same as the numbers on page 83?

14 A. I'm on 83.

15 Q. I apologize. I just want you to confirm that
16 the numbers did shift for the CCF usage, what that
17 means?

18 JUDGE VERO: Did shift how? You have to
19 be specific.

20 MS. BOONE: Yes, I apologize.

21 BY MS. BOONE:

22 Q. Will you explain why the number 1889 is not
23 under the column named heating DDDs for transaction
24 number 1, if you go to page 83?

25 A. I'm on page 83.

1 Q. Under tab 7 of the Colonial Garden. It's just
2 a quick point of clarification?

3 JUDGE VERO: What was the question?

4 MS. BOONE: The question is, if you will
5 just confirm that the number 1889 that's listed there
6 was a number that should be under the column heating
7 DDDs.

8 BY MS. BOONE:

9 Q. Do you see the number 1889?

10 A. At March 2006?

11 Q. No, March 3rd, I apologize.

12 JUDGE VERO: 2005.

13 MS. BOONE: 2005.

14 THE WITNESS: Okay.

15 BY MS. BOONE:

16 Q. Do you see number 1889?

17 A. Yes.

18 Q. Would you confirm that this number should be
19 under heating DDDs?

20 A. Yes. That number shifted to the wrong column.

21 Q. How do you know that it shifted?

22 A. When we created this document, we used a
23 software that required us to scan the document in
24 order to do the electronic conversion. Sometimes in
25 that process, documents or numbers are shifted into

1 the wrong column.

2 Q. Thank you. If I could turn your attention to
3 transaction 23 on page 85 of the SBG Colonial
4 binder, the transaction number 23. Actually, just to
5 shorten things up even more, if you'll turn to page
6 85 of SBG. If you would look at the transaction for
7 1/5 2011?

8 A. Yes, I see it.

9 Q. If you look at page 85, you'll see there was a
10 discussion today about the weather in this number; is
11 that correct?

12 A. The heating degree days, that's what I recall
13 a discussion about.

14 Q. Yes, there was a discussion about that. Now,
15 at Colonial Garden, you testified that you really
16 didn't give much attention to the weather; is that
17 correct?

18 A. Yes, that's correct.

19 Q. Can you explain to the court and for the
20 record, what is the main source of heating at
21 Colonial Garden?

22 A. Cooking gas.

23 Q. What is the main source of heating?

24 A. Oil.

25 Q. So, what is the main use of gas at Colonial

1 Garden?

2 A. The gas consumption is for cooking gas.

3 Q. So, again, you're an expert in -- well, not an
4 expert. You're looking at these documents and
5 considering the different variations. Normally, do
6 people eat more food in cold weather than hot
7 weather?

8 A. No.

9 MR. FARINAS: Objection, Your Honor.

10 JUDGE VERO: Grounds?

11 MR. FARINAS: She lacks knowledge about
12 how people -- as an accountant, she would know
13 something about how people eat.

14 MS. BOONE: I mean, in her ordinary
15 experience, do people eat more. I'm just trying to
16 understand why she should look at weather if the main
17 source of the heating is oil, not gas, and the only
18 gas is for cooking. I'm trying to understand the
19 relevancy of your question as to weather and gas for
20 cooking.

21 MR. FARINAS: I object in reference to
22 her being an expert and requesting an answer as to
23 how people eat.

24 MS. BOONE: I struck that as an expert.
25 I just said in looking at these documents.

1 MR. FARINAS: Okay. Knowing that she's
2 not an expert on how people eat.

3 THE WITNESS: I'm not an expert on how
4 people eat for certain.

5 BY MS. BOONE:

6 Q. Does the weather affect how much gas is used
7 for cooking?

8 A. No. It should be consistent at that property.

9 Q. Just to confirm for the unexplained
10 transaction on page 82 in the amount of \$53.50, were
11 your questions about this transaction in writing?

12 A. No. I did not receive a written explanation.

13 JUDGE VERO: She asked you about
14 the questions.

15 THE WITNESS: The question, it's
16 disputed here. It says I, which is an
17 unexplained transaction.

18 BY MS. BOONE:

19 Q. Did you receive an explanation in writing?

20 A. No.

21 MS. BOONE: Thank you. No further
22 questions, Your Honor.

23 JUDGE VERO: Thank you. I'm assuming
24 you don't have any recross?

25 MR. FARINAS: No recross.

1 JUDGE VERO: I have one question for
2 you, Ms. Treadwell. I'm looking at SBG Colonial
3 Garden page 82, and I see that there is a notation
4 with regard to the transaction occurring July 2,
5 2013, and you marked no bills sent?

6 THE WITNESS: That's correct.

7 JUDGE VERO: That was part of your
8 response to Mr. Farinas' questioning during cross,
9 right?

10 THE WITNESS: Correct.

11 JUDGE VERO: Do you know if all the
12 bills for this property, 5425 through 27 Wayne
13 Avenue, Apartment M1, Philadelphia, Pennsylvania, Zip
14 code 19144, the account number that ends with 245; do
15 you know if all of them go to one address?

16 THE WITNESS: At what period?

17 JUDGE VERO: From the period when you
18 were employed with SBG to July of 2013.

19 THE WITNESS: Yes, they should have.

20 JUDGE VERO: Was the issue of this
21 missing bill for July 2, 2013, was it resolved with
22 PGW?

23 THE WITNESS: I requested the
24 information recently and I just recently got it. It
25 wasn't as of that date.

1 JUDGE VERO: So, you got it. Was it
2 sent to the same mailing address?

3 THE WITNESS: I actually got it
4 electronically. There is no actual bill. PGW for
5 some type of error, they just didn't issue a bill for
6 that particular month.

7 JUDGE VERO: Did they tell you what the
8 error was?

9 THE WITNESS: I don't know.

10 JUDGE VERO: But were you told there was
11 an error and we didn't issue a bill?

12 THE WITNESS: Yes. It was explained to
13 me at the PUC hearing, which I requested a copy of
14 the bill, that there was some type of error in their
15 system that resulted in no bill printed for that
16 particular period.

17 JUDGE VERO: Thank you. I have no
18 further questions. You may step down.

19 I have 10 minutes after 12:00. I
20 personally need a personal break. Should we make it
21 a lunch break, and how long of a lunch break?

22 MS. BOONE: Whatever you prefer.

23 JUDGE VERO: Okay. Off the record.

24 (Whereupon, a recess was taken.)

25 JUDGE VERO: Good afternoon. We are

1 back on the record after our lunch break and I
2 promised the parties a 30 minute lunch break. I came
3 in a little after the 12:40 time that I had stated we
4 would be back and I apologize. I was considering
5 Ms. Boone's request to have the full length of time
6 allowed by Commission regulations and statutes for
7 the filing or rather prefiling of direct testimony
8 with regard to the third of hearings in the matter
9 that involves SBG.

10 The Commission statutory regulations do
11 not provide for a specific number of days for the
12 filing or for the prefiling of direct testimony. It
13 is not stated in the regs or statutes that I could
14 find, but it's customary to give 20 days, not to give
15 20 days, but I understand it's customary to allow 20
16 days from the period of time that the direct
17 testimony is prefiled until cross-examination on the
18 direct briefs -- direct testimony, I'm sorry.

19 Do you understand what the issue is? It
20 is customary to allow 20 days unless the presiding
21 officer orders otherwise for good cause shown.

22 In this case, I can go with Mr. Farinas'
23 suggestion for September 6th or 9th and ask that the
24 parties will use direct testimony that's been
25 exchanged and be prepared to cross-examine on it when

1 the hearings start on September 11th, but rather than
2 fight against the schedule, I feel it's
3 counterproductive, and at this point, I am leaning
4 more and more towards continuing the third set of
5 hearings all together, but I still insist that I want
6 prefiled written direct testimony from both parties,
7 and since I'm willing to continue, I would like the
8 parties to consider the possibility of filing
9 rebuttal testimony as well.

10 Yes, Ms. Boone.

11 MS. BOONE: I apologize for this
12 question if it's simple or simplistic, but how can we
13 provide rebuttal testimony if we don't know what the
14 cross will be?

15 JUDGE VERO: You would be responding.
16 In rebuttal, you would be responding to the issues
17 that are raised in the other side's direct testimony.

18 MS. BOONE: So, we would both file our
19 direct?

20 JUDGE VERO: Yes.

21 MS. BOONE: There would be a period to
22 get the cross-examination?

23 JUDGE VERO: No. There would be a
24 period to file rebuttal testimony; so, you are
25 responding to direct. That would be your rebuttal,

1 then we'll have the hearing where you can conduct any
2 cross-examination, sir rebuttal.

3 MS. BOONE: Isn't rebuttal usually in
4 response to what comes up on cross?

5 JUDGE VERO: I'm telling you that's how
6 it's done before the Commission. We allow this in
7 rate cases. In rate cases, the parties file direct
8 testimony followed by rebuttal testimony after a
9 certain number of days, followed by sir rebuttal
10 testimony after a number of days, and then they can
11 go to a hearing either with issues, questions
12 outstanding and they can conduct cross, but their
13 rebuttal testimony is their response to the direct
14 testimony provided by the other side. All right?

15 MS. BOONE: Okay.

16 MR. FARINAS: If I may clarify, the
17 reason why this is done is to allow the parties to
18 express their views in writing and thereby cut down
19 on the amount of hearing time required.

20 JUDGE VERO: For cross-examination.

21 MR. FARINAS: For cross-examination.

22 MS. BOONE: So, there's a period --

23 JUDGE VERO: In between, yes.

24 MS. BOONE: That's what I was concerned
25 about.

1 JUDGE VERO: There is a period allowed
2 in between. Once the direct testimony is exchanged,
3 there is a period of time that's allowed for the
4 parties to review direct testimony of the opposing
5 party and to prepare their rebuttal testimony to
6 that. Okay?

7 MS. BOONE: Thank you, Your Honor.

8 JUDGE VERO: And that would cut down the
9 time necessary for the hearing because it will be
10 focused on cross-examination, but by the time both
11 parties will know where they stand, and as usual,
12 they'll have the other side's reaction to the direct
13 and so on and so forth.

14 So, it's assumed that the need to cross-
15 examine is lessened. Cross-examination, of course,
16 is acceptable and understandable, but the idea is, a
17 lot would have been clarified so the need would have
18 been lessened or the scope.

19 MS. BOONE: Thank you, Your Honor.

20 JUDGE VERO: So, having put that forth
21 to the parties, any preference? Any suggestions? Do
22 you have any objections to continuing the third set
23 of hearings?

24 MR. FARINAS: No objection, Your Honor.

25 MS. BOONE: None, Your Honor.

1 JUDGE VERO: All right. How many days
2 would we continue it for; as in how many days would
3 we need? Is it still two? Yes.

4 MS. BOONE: I spoke with my clients just
5 to confirm, and in looking at the documents that are
6 before us, and I think we would need one day each for
7 two of the matters and we think two days for the
8 third matter; so, that would be four days, but you're
9 cutting it down. With cutting it down, it's probably
10 two days.

11 JUDGE VERO: Are we only going to go for
12 written direct testimony or are we also going to do
13 rebuttal testimony? It's up to you. My aim is to
14 make the hearings more manageable, and I feel better
15 to have the testimony in writing because both parties
16 will have something in front of them when they
17 conduct cross-examination and it will be in writing.

18 MR. FARINAS: Your Honor, we wouldn't be
19 opposed to the inclusion of rebuttal testimony if
20 everyone is really conscious of the fact that the
21 purpose of this is to limit hearing time, not expand
22 it.

23 JUDGE VERO: Ms. Boone, would you go
24 only for direct testimony or direct and rebuttal?

25 MS. BOONE: Again, this is part of the

1 question -- what about the terms of the document that
2 are presented on cross and rebuttal?

3 JUDGE VERO: That's a good question.

4 MS. BOONE: That's what I'm not clear
5 about. Like if you could get a surprise document at
6 the end and then you wouldn't have a chance to rebut
7 it.

8 JUDGE VERO: That's a good question.
9 Usually, direct written testimony, I believe refers
10 to the already pre-submitted documents. Okay?

11 MS. BOONE: Okay.

12 JUDGE VERO: And if you want something
13 else to refer to or to rely on additional
14 documentation, then you attach it to the direct
15 testimony and reference to it.

16 MS. BOONE: So, then, on the cross-
17 examination, no document that hasn't been referred to
18 in the direct or the rebuttal can be brought up?
19 Again, I apologize if everybody knows this
20 information.

21 JUDGE VERO: I understand. This is
22 usually a practice that is more common to the rate
23 cases. Companies are very familiar with rate cases.
24 The attorneys are very skilled and they do it -- they
25 do it very consistently and they know what to expect

1 of each other and how to do it; so, I'm trying to
2 think of how it's done in a rate case and we can
3 adjust to a non rate case. Okay?

4 MS. BOONE: Thank you.

5 JUDGE VERO: So, basically, Ms. Boone,
6 if I understand, your question is, if you refer to in
7 example, SBG binder one, page 82 and that's the only
8 page you refer at that binder, you are concerned
9 whether or not you can use the remainder of the
10 information included in the binder during cross or
11 whether the remainder of the information included in
12 that binder can be used against you in cross; is that
13 your question?

14 MS. BOONE: Right, or to give an
15 example, let's say the issue is transactions.

16 JUDGE VERO: I'm sorry, it would be the
17 same as during your direct testimony. You go to
18 certain documents; am I correct?

19 MS. BOONE: Right.

20 JUDGE VERO: You would refer to certain
21 documents in your direct testimony?

22 MS. BOONE: Yes.

23 JUDGE VERO: And you're expected to make
24 that document part of the record?

25 MS. BOONE: Right.

1 JUDGE VERO: So, it's the same.

2 MS. BOONE: So, let's say there is an
3 issue of, like, a meter reading as an example; so, I
4 refer to document A, B, C and D, and then in the
5 rebuttal, he refers to documents A, B, C, the same
6 four documents, but then when we come on cross-
7 examination, he brings up documents F and G?

8 JUDGE VERO: Would you allow him to
9 bring up another document during cross?

10 MS. BOONE: With all due respect, I'm
11 trying to find out if he's limited under this rubric
12 to only referring to the documents he uses in his
13 rebuttal or can he use something outside of it? I
14 just don't know the rubric; so I have to ask, because
15 then you'll have notice, because in a live direct and
16 cross, if someone brings something up, you can rifle
17 through your pages and say, it's contradicted by
18 this.

19 JUDGE VERO: Yes, and my response to
20 that is, if I deem that particular information
21 necessary in my duty to have a full and complete
22 record in this case, if I deem that information to be
23 necessary in allowing me to achieve a fair and
24 unbiased decision in this matter, then, yes, I will
25 allow it.

1 MS. BOONE: So, you're allowed to use
2 other documents outside of the direct and rebuttal
3 documents?

4 JUDGE VERO: You will be free to make an
5 objection. It will be part of the record at that
6 point, but if I deem that particular piece of
7 information to be necessary to my understanding of
8 the issue to be necessary to the outcome of the case,
9 I will allow it. Just as I have the authority to ask
10 for additional information that's not included in
11 either parties' direct testimony or rebuttal
12 testimony, I have the authority to request more than
13 what the parties have submitted.

14 So, as an extension of that authority, I
15 deem that it is within my right to make a
16 determination whether a piece of information that's
17 not referred either in the direct or rebuttal
18 testimony will become part of the record.

19 Does that answer your question?

20 MS. BOONE: Yes, it does. Thank you
21 very much.

22 JUDGE VERO: Your welcome. Understand,
23 please, that goes for both parties. So, I didn't get
24 a definite response to my question. What is your
25 preference, just direct testimony or direct and

1 rebuttal testimony?

2 MS. BOONE: Direct and rebuttal, Your
3 Honor.

4 JUDGE VERO: So, you prefer direct and
5 rebuttal, okay. Mr. Farinas?

6 MR. FARINAS: As I stated, yes, as long
7 as it's understood that the intention is to limit
8 hearing time and not expand it.

9 JUDGE VERO: All right. With that
10 statement, I will need to go back to my office, run
11 down some calculations in terms of the litigation
12 schedule because it will be continued and it will be
13 continued so the parties will have sufficient time to
14 prepare these documents and to review them. All
15 right?

16 MS. BOONE: Yes, Your Honor.

17 MR. FARINAS: Yes, Your Honor.

18 JUDGE VERO: So, I will let you know
19 through a prehearing order on the third set as to
20 what the litigation schedule will be or what that
21 schedule for prefiling these testimonies will be.
22 All right?

23 MS. BOONE: If I could just make one
24 note. October 10th, I just have another court
25 hearing. That's all.

1 JUDGE VERO: This would be filing.

2 MS. BOONE: I didn't know if you were
3 also issuing an order as to the date for the next set
4 of hearings. I didn't know if the order would cover
5 both.

6 JUDGE VERO: Okay. I understand, and I
7 don't know that either, but if it does cover it, if
8 it does come with a specific hearing date and that
9 conflicts with another obligation that counsel may
10 have, let know; all right?

11 MS. BOONE: Yes, Your Honor. Thank you.

12 JUDGE VERO: And that can be
13 accommodated. Everything can be accommodate in terms
14 of scheduling the hearing before the hearing notices
15 go out, okay, and even after that, there is some
16 flexibility. It's just that it's not the preferred
17 way, and it causes a lot of extra work for a lot of
18 people. It's not something that cannot be done, but
19 it causes a lot of extra effort, wasted resources, et
20 cetera, to reschedule after the hearing dates are
21 set.

22 Before the hearing notices go out to the
23 parties and are posted on the Commission's website,
24 there is some flexibility and, of course, I will not
25 schedule it without first confirming the dates with

1 both counsel. All right?

2 MS. BOONE: Thank you, Your Honor.

3 MR. FARINAS: Yes.

4 JUDGE VERO: I want you to get back to
5 me with your approval or suggestions. I suggest you
6 consider your witness's availability as well when you
7 get back to me so we don't have any surprises,
8 Mr. Farinas, like we did with Ms. Ferrara(ph);
9 although, that did not become an issue, but let's not
10 have any more surprises. That being clarified, let's
11 move on.

12 Incidentally, Ms. Boone, since I've been
13 the source of information with regard to a lot of
14 Commission regulations to you, I suggest that the
15 Commission regulations that cover former proceedings,
16 obviously, before this Commission are found at Title
17 52 Pennsylvania Code, Chapter 5.

18 MS. BOONE: Thank you, Your Honor.

19 JUDGE VERO: We're ready to move on; am
20 I correct?

21 MS. BOONE: Yes.

22 JUDGE VERO: You may call your next
23 witness, Ms. Boone. I understand it's Mr. Lampert?

24 MS. BOONE: Yes, Mr. Lampert.

25 MR. LAMPERT: Good afternoon, Your

1 Honor.

2 JUDGE VERO: Good afternoon,
3 Mr. Lampert. You are not under oath; so, please,
4 take a seat and raise your right hand.

5 Whereupon,

6 ERIC LAMPERT

7 having been duly sworn, testified as follows:

8 JUDGE VERO: Thank you very much.

9 Please state your name and spell your last name for
10 the record.

11 THE WITNESS: My name is Eric Lampert,
12 L-A-M-P-E-R-T.

13 JUDGE VERO: Thank you. You may
14 proceed, Ms. Boone.

15 MS. BOONE: Thank you.

16 DIRECT EXAMINATION

17 BY MS. BOONE:

18 Q. In the interest of brevity, I would just ask
19 that you confirm that the information you gave on
20 your background, job responsibilities and training in
21 the prior hearings, that they would apply in this
22 hearing as well regarding that?

23 A. That's correct.

24 Q. And that the testimony you gave with respect
25 to this matters which cross all of the consolidated

1 complaints to the extent they do apply, that you
2 would confirm that those documents also apply and
3 your comments apply in this proceeding as well?

4 A. That's correct.

5 Q. Thank you. I just want to turn your attention
6 to PGW correspondence binder, page 29. It's the
7 black binder. It's PGW correspondence binder -- it's
8 blue. I'm sorry about that. It's blue.

9 For the record, will you identify this
10 document for the record and say at the top of the
11 document who the Email at the top is from?

12 A. The Email at the top is from Phil Pulley.

13 Q. And the date and time stamp?

14 A. Meaning sent?

15 Q. In the top, August 25th, yes.

16 A. Thursday, August 25, 2011, 12:12 p.m.

17 Q. Who is it to?

18 A. Gerald Clark, Gerald T., Landman, Tammy V.

19 Q. And the two parties carbon copied on this?

20 A. Daniel McCaffrey and Eric Lampert.

21 Q. The subject matter?

22 A. Colonial Garden.

23 Q. If you'd just take a minute and look at this
24 document from page 29 through page 32; you can just
25 scan it quickly?

1 JUDGE VERO: Just give him a moment.

2 MS. BOONE: Okay.

3 THE WITNESS: Okay.

4 BY MS. BOONE:

5 Q. This document was previously identified and
6 its contents testified to by Mr. Phil Pulley. In the
7 document, he refers to and his direct examination, he
8 referred to you doing some calculations that were to
9 accompany this document?

10 A. Okay.

11 Q. On your copy, do you remember doing the
12 calculations?

13 A. I did the calculations where he says we feel
14 we only owe them 116. That's the calculation I did.

15 Q. Who were you referring to when you say we owe
16 them; who are the parties?

17 A. In other words, we had sat down --

18 Q. Who is we for the record?

19 A. We had a discussion. I think it was with
20 Mr. Savage, and then Mr. Pulley and I went back to
21 the office and I calculated out approximately what we
22 thought we owed them versus what they were claiming
23 we owed them.

24 Q. Now, this Email is dated August 25, 2011, that
25 conversation, to the best of your recollection, did

1 it occur around that month of August 2011?

2 A. Yes, somewhere prior to that.

3 Q. So, it was within 30 days of this August 25,
4 2011 letter?

5 A. To the best of my recollection, yes.

6 Q. Okay. If I could turn your attention to SBG
7 correspondence binder. It's a black binder. Turn to
8 page 41.

9 A. Okay.

10 Q. On that page, will you, please, identify the
11 Email there?

12 A. That would be an Email from myself, sent
13 August 19, 2011 to Phil Pulley, subject, Colonial
14 PGW.

15 Q. If you could just quickly read the Email?

16 A. Attached is the following, most current bill
17 for PGW, dated 8/3/2011 reflecting a balance due of
18 \$244,771.81. PGW work sheet reflecting a deduction
19 from the balance due of the disputed amount and
20 adjustments/late charges leaving a calculated balance
21 due of \$115,681.58. The original copies are on your
22 desk.

23 Q. If you would now turn to page 43 in the SBG
24 correspondence binder, would you identify this
25 document for the record?

1 A. That's one of the pages of the document I
2 prepared.

3 Q. Is this the document referred to in the
4 Email?

5 A. Yes.

6 Q. That you sent to Mr. Pulley that's set forth
7 on page 41 of the SBG correspondence binder?

8 A. Yes.

9 Q. What does this Email mean quickly?

10 A. Quickly, we didn't agree with the \$244,000
11 that PGW claimed we owed them. This was an attempt
12 to, I guess, just get this matter done and behind us
13 and, basically, took their bill, added up all the
14 charges without any interest rate calculations,
15 nothing, just took whatever was on their bill and
16 then deducted off our late payment charges and what
17 we were disputing and said, this is what we'll be
18 glad to pay you.

19 Q. Thank you, Mr. Lampert. Moving on to the next
20 issue, if you would turn your attention to SBG
21 Colonial binder, page 89? It's the black binder that
22 says Colonial Garden.

23 A. Okay.

24 Q. Will you identify this document for the
25 record?

1 A. Yes. This was a statement or a Philadelphia
2 Gas Works monthly statement for the period 12/31/04
3 through March 2nd, of '05 for two months, which
4 basically showed a past due balance of \$1300, some
5 adjustments of \$200, current charges of \$6600, but a
6 total due balance of \$21,409.99.

7 JUDGE VERO: What page were you
8 referring to?

9 THE WITNESS: Page 89 of the Colonial
10 Garden SBG binder, I think.

11 JUDGE VERO: Thank you.

12 BY MS. BOONE:

13 Q. Mr. Lampert, what was your problem with that
14 bill, if you could just state for the record?

15 A. From a basic standpoint, the math doesn't add
16 up.

17 Q. Would you turn your attention to PGW Colonial
18 binder page 15 and just take a look at this document
19 quickly?

20 JUDGE VERO: You said PGW Colonial?

21 MS. BOONE: Yes.

22 JUDGE VERO: What page again?

23 MS. BOONE: Page 15. They probably have
24 a copy to give the witness or is it up there?

25 THE WITNESS: Is this it?

1 MS. BOONE: Yes -- no, I'm sorry. May
2 he approach?

3 JUDGE VERO: Yes, he may.

4 (Whereupon, the witness was approached.)

5 BY MS. BOONE:

6 Q. If you would take a look at this document and
7 turn your attention to 6/12 2003, how is the
8 information here germane to this issue; if you would
9 identify this document for the record first?

10 A. This is contacts for premises 5425-7 Wayne
11 Avenue, M1, Philadelphia, PA 19114 premises. It
12 appears to be PGW from the prior, I guess, a document
13 contact sheet, whatever.

14 Q. Okay. If you would turn to the 6/12 2003
15 statement?

16 A. Okay. This would have partially explained, in
17 other words, the bill that we received from March of
18 '05, the fact if you look at the use charges and
19 everything else, the math doesn't add up and we were
20 questioning where the additional readings came from,
21 how do you just have a bill that appears that way
22 unless you go in and just change the bill, because
23 most computer systems automatically generate a bill
24 beginning start, finish and end, and without having
25 any answers to that as to where they came from, it

1 was kind of like, this makes no sense to me. How did
2 you create this, because unless you go in and
3 manually adjust something.

4 Q. Okay, a manual adjustment. If you could just
5 summarize what the issue is with that comment there?

6 A. If I'm looking back at the 6/12/03 thing, it
7 says back then, they adjusted the bill for gas on
8 this account for an estimate -- do you want me to
9 read it verbally?

10 Q. Yes, you can.

11 A. What I'm getting from it, it looked like they
12 billed us for some \$43,000 in estimates for the
13 certain CCF instead of another CCF for 58,000 and
14 then due to a number of units in the complex being
15 less than originally calculated, as well as the
16 number of dryers being five instead of 12 entered a
17 revenue credit adjustment, the difference in the
18 estimated gas billed, received from -- to me, they
19 basically overestimated our usage because they had
20 the wrong number of units and wrong number of dryers.

21 Q. The entry that's just above that that's dated
22 6/12 2003 on PGW Colonial binder, page 15, what does
23 it say?

24 A. Entered a special allowance for 56.63 per
25 money contact issue by Thomas Murphy, contact dated

1 6/12/03.

2 Q. Thank you. If you would turn your attention
3 to PGW Colonial binder page 14?

4 A. Same one, right?

5 Q. Yes. And if you would turn your attention,
6 there were some comments in prior testimony about
7 Mr. Dunn's involvement with Colonial, Fairmount,
8 Elrae, a number of the different SBG managed
9 properties. If you would turn your attention to the
10 item dated 7/5 2005 and just read that quickly?

11 A. Melita, M-E-L-I-T-A called, spoke with
12 Ms. Shore, said a dispute sent in over 60 days ago to
13 Tom Murphy. No info as of yet; so noted. Forward
14 info to J. Dunn, the third also?

15 Q. Then if you would read just entry 10/12 2005?

16 A. The one where, place six month hold and review
17 per J. Dunn?

18 Q. The next one.

19 A. George Bloom called from site and was here on
20 collection notice. I told George to let it go, as
21 the CRC still has work to do regarding a previous
22 billing issue. Only one USA meter was turned on and
23 billed when both should have been, and customer
24 received a make-up bill earlier this year. Will
25 follow up. Hold on account.

1 Q. Then if you go to the top entry at 10/25 2005
2 and just read that into the record?

3 A. Advised Tim Sullivan that PGW would have to
4 restore service, regardless of what this customer
5 owes PGW. Advised Time that property has never been
6 posted. Refer Tim Sullivan to John Dunn CRC.

7 Q. When did you first have access to see these
8 documents?

9 A. A few days ago.

10 Q. Is this the kind of information that SBG was
11 asking for?

12 A. Yes, because it would have actually -- I would
13 have said okay. I now see why you billed me, but now
14 I'm trying to understand how you arrived at the
15 number, because if you go back to, let's say, April
16 of '03, they turn it on. They shut it off. They
17 reinstall. It's supposed to be working, and
18 according to their guys, the meters are okay. So, I
19 would have at least had more information in my dialog
20 other than to tell him my numbers based upon my
21 information don't add up. Can you supply me with how
22 you got there.

23 Q. Instead, if you go back to 89 of the SBG
24 Colonial binder, what do you have there, just as an
25 example of what you get in the mail and what you find

1 later or in the notices?

2 A. Meaning the bill with the difference?

3 Q. Yes.

4 A. Like I said, looking at this bill, if at least
5 the numbers said previous bill 1300, adjustments 200,
6 current usage \$20,000, at least they add up, then I
7 could have disputed the usage, but here, I get this
8 bill; it doesn't add, which then says to me, if you
9 can take and move stuff off of bills at will, where
10 is your double checks, where's your information that
11 everything is correct.

12 Q. Thank you, Mr. Lampert. Now, in terms of
13 looking at the Melita comments, those comments you
14 just read, what does it tell you about the
15 relationship between SBG and Mr. Dunn?

16 A. It just confirms the same thing I've been
17 saying. Once we got a hold of John Dunn, I thought
18 we had established dialogue and were able to exchange
19 information back and forth so that when I called him
20 with this question, I should have at least --

21 JUDGE VERO: When you called him with
22 this question; when?

23 THE WITNESS: When we contacted him, it
24 would have been when I first got this bill in March
25 of '05.

1 JUDGE VERO: You were in contact with
2 Mr. Dunn in March of '05?

3 THE WITNESS: I think so, yes.
4 Somewhere within give or take a couple days within
5 that period, yes. We had first met Mr. Dunn at a
6 meeting, Mr. Pulley, myself, Tom Murphy, Mr. Dunn, he
7 referred to that on Tuesday, I guess, and Ms. Mahdoui
8 regarding a couple of other properties. That's when
9 we first met him.

10 JUDGE VERO: All right.

11 BY MS. BOONE:

12 Q. Just to finish with this one point, if you
13 would just turn to page 90 in the SBG Colonial Garden
14 binder?

15 A. I think I got it.

16 Q. With respect to this bill, does this represent
17 some of the things you were questioning about the
18 bill?

19 JUDGE VERO: What's this?

20 MS. BOONE: The document identified as
21 SBG Colonial Garden page 90.

22 THE WITNESS: Yes. It would reference
23 it, because if my current charges and that's all
24 that's reflected on there are the current charges,
25 the usage charges, they don't add up to the twenty.

1 MS. BOONE: Thank you very much. No
2 further questions.

3 JUDGE VERO: Thank you. Any
4 cross-examination, Mr. Farinas?

5 MR. FARINAS: Yes, Your Honor.

6 CROSS-EXAMINATION

7 BY MR. FARINAS:

8 Q. Mr. Lampert, you speak with certainty about
9 the recollection of these transactions that occurred
10 in 2005?

11 A. Yes.

12 Q. Is this your rendition of what happened or?

13 A. No, I'm certain of it, because I can't
14 understand how an entity of your size cannot give me
15 the information I request having gone through
16 numerous companies, public companies that deal with
17 auditors, deal with supervision, companies that deal
18 with everything else that, theoretically, you should
19 be able to, if I say how is a bill calculated or
20 where do you get it, Mr. Dunn himself said your
21 interest formula is an algorithm. If I'm asking you
22 how the interest is calculated, can't you print me
23 out the algorithm.

24 JUDGE VERO: We're not talking interest.

25 THE WITNESS: No, but I'm saying --

1 MR. FARINAS: Mr. Lampert, I'm going to
2 my next question.

3 THE WITNESS: I didn't finish mine.

4 JUDGE VERO: Hold on a second.
5 Everybody hold on. I believe Mr. Farinas' question
6 went to --

7 THE WITNESS: I was getting to that
8 point.

9 JUDGE VERO: Hold on a second, went to
10 PGW Colonial page 14 and understanding was 15; am I
11 correct, Mr. Farinas?

12 MR. FARINAS: Yes.

13 JUDGE VERO: These were the
14 communications that you referenced during your
15 testimony, right, page 14 to 15, PGW Colonial binder,
16 the blue with the blue ribbon?

17 THE WITNESS: Okay.

18 JUDGE VERO: These were the
19 communications you referenced in your testimony.

20 THE WITNESS: These?

21 JUDGE VERO: Yes.

22 THE WITNESS: This is the first I've
23 seen of these.

24 JUDGE VERO: Yes, but that's what you
25 stated.

1 THE WITNESS: Yes.

2 JUDGE VERO: Are these the ones; is this
3 the question?

4 MR. FARINAS: Yes.

5 BY MR. FARINAS:

6 Q. These communications, does this represent your
7 recollection; you're speaking so clearly as if now
8 you remember from these recollections?

9 A. No. You misinterpret what I said, and that's
10 the question you didn't ask: How do I remember this
11 instance so clearly? These documents here that have
12 been provided were never provided.

13 Q. I'm asking you --

14 A. Can I finish please?

15 Q. No. I'm asking you though --

16 A. That's not what you're asking me.

17 Q. I'm asking does this jog your memory?

18 A. No. I didn't need this to jog my memory.

19 Q. Thank you. I'm going to ask you another
20 question. Can I refer you to PGW Colonial page 33,
21 which is also a set of contacts for premise?

22 A. Set of contacts, okay.

23 Q. Yes, for premise, and it's referencing the M2
24 account, basically, from the same address.

25 A. Okay.

1 Q. I direct your attention also to an entry made
2 March 21, 2005. Can you read that for me?

3 A. Where?

4 Q. March 21, 2005.

5 A. Maybe I'm on the wrong page.

6 Q. Page 33.

7 A. Colonial 33?

8 Q. Yes.

9 A. March 25th?

10 Q. No, March 21, 2005.

11 A. Okay, in the middle of the page.

12 Q. Can you read that for me please?

13 A. Yes. Bill transaction and meter reading
14 history generated for the customer, faxed and mailed.

15 Q. I realize you're seeing this information for
16 the first time, but to you, does that communicate
17 that information was provided to you and faxed and
18 mailed, not to you, but for the customer?

19 A. If I remember correctly, the information, if I
20 received any, would have just been a duplicate of the
21 bills, which I received prior, and that's why I still
22 had questions.

23 Q. And you remember all the way back to 2005?

24 A. In this particular instance, yes, because if
25 you would like me to tell you I remember, I will.

1 Q. That's okay. The information that the history
2 and billing history was not sufficient, but you
3 received it?

4 A. It did not give an explanation, no.

5 Q. But you did received it?

6 A. I received a duplicate printout of the bills,
7 but based in a different format.

8 Q. I direct your attention to several entries
9 below that, June 12, 2003; do you recall this period?

10 A. June 12, 2003, some of that issue. Mr. Pulley
11 dealt with most of that. I was dealing with more or
12 less the bill.

13 MR. FARINAS: I have no further
14 questions.

15 JUDGE VERO: Redirect?

16 MS. BOONE: None, Your Honor.

17 JUDGE VERO: I have some questions for
18 you, Mr. Lampert, and I was the one who asked for
19 your appearance here today.

20 THE WITNESS: I'm here.

21 JUDGE VERO: I appreciate it, and you
22 were very patient, and I know I asked for you to
23 appear in the morning and it dragged on and now it's
24 afternoon, but thank you.

25 Real quickly, you said that you do

1 recall this particular bill; although, it goes as far
2 back as March 2005 because of the aggravation it
3 caused you, you do remember this transaction?

4 THE WITNESS: That is correct. There
5 are several of them, and that's the reason why
6 because certain instances, as you go back in time
7 wills leave an indelible mark on you because you go
8 through a certain structure and you're trained to get
9 a certain response or look for certain information,
10 and in certain organizations when you look at it and
11 you say how is that possible that you can't give me
12 that. You're going to remember that stuff.

13 JUDGE VERO: Okay. Mr. Farinas just
14 asked you whether or not you received this particular
15 transaction meter reading history that it appears on
16 PGW Colonial binder, page 33, and it's now dated here
17 that it was sent to SBG March 21, 2005 via fax and by
18 regular mail?

19 THE WITNESS: Right.

20 JUDGE VERO: You did testify that the
21 information of the bill was in a different layout?

22 THE WITNESS: Whatever information I had
23 received, because I was all excited, it was basically
24 the same information that I derived from the bill,
25 just in a different computer printout format, but the

1 same information I got. It still didn't give me any
2 explanation as to where it came from. I don't
3 remember the details, but it was, you know, it
4 didn't, you know, the questions, how did you arrive
5 at; where did it come from; what's the period of
6 time. It's just all duplicates based on the bill.

7 JUDGE VERO: So, this document, it had
8 just a different layout than the bill?

9 THE WITNESS: Correct.

10 JUDGE VERO: But the same information?

11 THE WITNESS: Correct.

12 JUDGE VERO: It did not provide you with
13 the number of days for service it covered or the
14 number of CCF usage that you're being charged for?

15 THE WITNESS: It provided some of that,
16 but the information that it provided did not give me,
17 and I don't want to say satisfactory. I did not give
18 me a justifiable number to back into the calculation
19 to be able to say, based on the CCFs, based on the
20 number of days, based on what you're reporting,
21 you're billing me \$20,000. So, we went back and I
22 said, still, where does it come from.

23 I don't know if you want me to explain
24 further, but my first understanding of any was about
25 three or four days ago when I got their printouts,

1 and my question would have been had I gotten these
2 then.

3 JUDGE VERO: What specifically would you
4 have needed?

5 THE WITNESS: They're telling me exactly
6 where it came from in '03 and the issue with the
7 bypass and the issue with the other stuff. I could
8 have at least approached them and said, how are you
9 arriving at this now that you're telling me this
10 information. Then they -- well, the bypass is
11 open. You're going to get a certain amount, okay,
12 but also you're telling me I've got 12 dryers, but
13 we've only got 5, but we use oil heat; so, why is it
14 generating -- I would have been able to ask all those
15 questions, and then if after all those questions were
16 answered, I still owed \$21,000, all right, tough
17 crap. Tough, I've got to pay it now.

18 JUDGE VERO: Yesterday, there were a lot
19 of questions posed to Mr. Pulley with regards to the
20 bill that seems to be in in SBG Colonial Garden page
21 89, and Mr. Pulley expressed the questions, the
22 issues that were raised about this particular bill,
23 and this is the same bill you just referred in March
24 of 2005; am I correct?

25 THE WITNESS: Yes.

1 JUDGE VERO: And it's for Colonial
2 Garden at 5425 through 7 Wayne Avenue; am I correct?

3 THE WITNESS: That's correct.

4 JUDGE VERO: So, the bill that everybody
5 was working from is this one that's included in SBG
6 Colonial Garden page 89, which goes on to 90, 91?

7 THE WITNESS: I think they're prior
8 bills.

9 JUDGE VERO: Okay. And if you look at
10 this bill, it appears this is not the entirety of the
11 bill and I'll tell you why. Do you see where it says
12 page 1 of 4?

13 THE WITNESS: Yes.

14 JUDGE VERO: Turn the page and it says 2
15 of 4?

16 THE WITNESS: Yes.

17 JUDGE VERO: Turn to the next page, page
18 91, it's 3 of 4 -- I'm sorry, 4 of 4, and you're
19 missing the 3 of 4?

20 THE WITNESS: Correct.

21 JUDGE VERO: I'm assuming that you had
22 that page?

23 THE WITNESS: Most probably, but if the
24 explanation was on that page, I would have had my
25 answer and, you know, they could have at any given

1 time given me that page if I didn't have it. You
2 know, nowhere in the time did they tell me this is
3 what it's for.

4 JUDGE VERO: Could that information be
5 included in that missing page? Not saying it's a
6 missing page. It's just that it's not in this
7 binder. I'm not saying they didn't send it with the
8 originals bills.

9 THE WITNESS: In other words, if the
10 information was in there as to where they got that or
11 how they arrived or if the missing information would
12 traditionally have had usage, beginning meter, ending
13 meter, time frame, number of days, all that stuff,
14 that would have given me enough to be able to say you
15 may not have included it in the total, but I would
16 have at least got to understand or maybe raised other
17 questions.

18 JUDGE VERO: Okay. Also, some of the
19 questions that were posed to Mr. Pulley yesterday and
20 Mr. Pulley testified that he wasn't the person
21 directly involved with the minute details of this,
22 but that you might be able to provide more answers
23 for us. Some of the questions went to the date of
24 this bill on page 89.

25 THE WITNESS: Okay.

1 JUDGE VERO: The fax date that it bears,
2 and it bears a 2007 date.

3 THE WITNESS: Yes.

4 JUDGE VERO: Mr. Pulley testified that
5 this fax number here, the 215-68469, do you see it on
6 top of the page?

7 THE WITNESS: Yes.

8 JUDGE VERO: It's not an SBG fax
9 number?

10 THE WITNESS: That's correct.

11 JUDGE VERO: Also, before the number,
12 you have PGW com.rec.ccr., and I understood it to be
13 PGW Commercial Resource Center; so, the implication
14 is that this particular document was faxed to SBG May
15 17, 2007, which is the exact date that it bears from
16 PGW to SBG, okay?

17 THE WITNESS: Yes.

18 JUDGE VERO: Do you know why it was sent
19 back to you in 2007?

20 THE WITNESS: I don't know specifically
21 why, but if we had ongoing correspondence, that may
22 have been part of it and part of a fax coming back to
23 us; in other words, they may have faxed back the
24 front page of the bill stating, here's what you've
25 been asking for or here's what the information is or

1 here's what you're questioning. I don't know.

2 JUDGE VERO: You don't know?

3 THE WITNESS: No.

4 JUDGE VERO: The other question that I
5 had for you that also came from Mr. Pulley's
6 testimony yesterday, because it sort of helped me
7 recollect a lot of information you provided at your
8 testimony for the Fairmount, Marshall Elrae
9 hearings. It's kind of simplistic, but it refers to
10 that Email that's on PGW correspondence page 29, the
11 blue binder -- I'm sorry, the blue ribbon binder.

12 THE WITNESS: This one?

13 JUDGE VERO: That one. It's on page 29
14 of that binder, and Ms. Boone also asked you about
15 the content of these Emails and she also asked you
16 about the first Email that's from Mr. Pulley to
17 Gerald Clark and other individuals, and it has a
18 statement that says, we feel we owe them; meaning,
19 PGW \$116,000, right?

20 THE WITNESS: Right.

21 JUDGE VERO: Was that \$116,000 including
22 liens? Was it talking only about liens or overall
23 outstanding as in outstanding balance?

24 THE WITNESS: Basically, what that is,
25 and by this point, I had been pulling out because it

1 just became -- we had gotten to a point where we just
2 wanted to resolve it; so, he had asked me to come up
3 with a calculation that at least we could approach
4 them and say here's what we feel we owe.

5 I took their bill and tied into their
6 March, their last statement that I had of \$244,000.
7 So, I started and I said, here's what we're
8 disputing; here's all your balances; here's all your
9 readings; here's all your adjustments and charges. I
10 wasn't disputing anything in there except that one
11 factor we were disputing, and I said, okay, I've now
12 tied your 244. What we're saying is, okay, if you
13 take your 244 on the bill, take off what we're
14 disputing; take off the late charges. I owe you
15 \$115,000.

16 What we were kind of hoping, and with
17 most negotiations, they would come back and say,
18 listen, I'm not doing that. I'll accept half of this
19 and half of that. You pay us this and we'll be
20 settled.

21 JUDGE VERO: So, it was presented as
22 part of settlement discussions?

23 THE WITNESS: I don't want to call it
24 settlement. It was called, we want to settle this;
25 here's what we think we owe you. Most companies will

1 come back and say to you, you owe this because. I
2 mean, we didn't receive any documentation to the fact
3 of, well, here's why we're not going to agree to
4 that. They didn't come back and say, here's the
5 information we provided you regarding your disputed
6 charges. Here's what we settled. You owe us the
7 money. It didn't go anywhere.

8 JUDGE VERO: All right. You said that
9 when you came up with that calculation that produced
10 a figure of \$116,000 SBG still owed PGW, you said
11 that you reached that figure by discounting or not
12 calculating disputed amounts and late payment
13 charges?

14 THE WITNESS: Correct.

15 JUDGE VERO: Every single late payment
16 charge?

17 THE WITNESS: To be honest with you, I'm
18 throwing it in there. Why not go for it.

19 JUDGE VERO: I'm asking how you reached
20 that number. I need to look at the numbers, round
21 them down myself.

22 THE WITNESS: At that time, it was just,
23 you know what, I'll give it a shot.

24 JUDGE VERO: Okay. I need to know how
25 you came up with it. Just as I need to know how they

1 came up with the 244, I need to know how you came up
2 with it.

3 THE WITNESS: By the way, the reason I
4 threw most of them in there is, I figured instead of
5 going through the calculations to figure out how much
6 is attributable in the back, I figured let me throw
7 it out. I figured either they're going to give me a
8 number they'll accept or they wont accept with the
9 late charges because some of it was based on the
10 disputed amount. So, you know, my intent was, let's
11 get this thing paid so we can move on.

12 JUDGE VERO: But wouldn't the fact they
13 were not budging from their 244 or they didn't come
14 back to you with a different offer mean they are
15 sticking to the 244,000, and that they believed that
16 that calculation is correct; wouldn't you take it as
17 that?

18 THE WITNESS: At that point, I think it
19 was shortly after that we were told, tough, go to the
20 PUC.

21 JUDGE VERO: I have no further questions
22 for you. Thank you -- hold on.

23 THE WITNESS: You said no more.

24 JUDGE VERO: I know, but hold on. Okay.
25 I will honor my statement. No further questions.

1 THE WITNESS: Thank you, and on the
2 record, have a good holiday.

3 JUDGE VERO: You do the same.

4 (Whereupon, the witness was excused.)

5 JUDGE VERO: Next witness, Ms. Boone.

6 MS. BOONE: I have no further witnesses
7 for this case. I can move on to the oil conversion
8 unless he wants to.

9 JUDGE VERO: All right. Let's move on
10 to the oil conversion case.

11 MR. FARINAS: So, that mine, both cases
12 will be presented after theirs? That was my
13 confusion.

14 MS. BOONE: It's my confusion too. I'm
15 totally flexible. I can go forward. I can wait,
16 whatever is best.

17 JUDGE VERO: Again, if we do that,
18 wouldn't the transcript be chopped?

19 MR. FARINAS: No, because these three
20 are consolidated.

21 JUDGE VERO: I understand they are
22 consolidated. That's why we are proceeding with the
23 presentation of SBG's case, consolidated case.

24 MR. FARINAS: Earlier, I heard we were
25 going to chop it up.

1 JUDGE VERO: No, we're not chopping it
2 up. There's one witness, cross-examination, one
3 witness cross-examination, but they are proceeding
4 one complaint at a time. Does it make sense?

5 MR. FARINAS: Yes, it does. My
6 confusion was, I thought we were one complaint at a
7 time; meaning, theirs and mine, theirs and mine.

8 JUDGE VERO: It's one complaint at a
9 time as they present their case in chief in the
10 consolidated cases. Again, since we are not clear,
11 communicating right with each other.

12 MS. BOONE: If he feels that would be
13 better and he wants to do his direct, I would totally
14 defer to him doing it.

15 JUDGE VERO: That's what I was going to
16 offer him. Again, let's see, would it cause undue
17 prejudice or burden to PGW?

18 MR. FARINAS: Other than the confusion
19 that you just cleared up, there's nothing else
20 caused.

21 JUDGE VERO: And you can do it?

22 MR. FARINAS: Yes.

23 JUDGE VERO: Good. Let's proceed so I
24 have one record and it's organized business cases I
25 can work with. All right?

1 MR. FARINAS: Yes.

2 JUDGE VERO: Next witness, Ms. Boone.

3 MS. BOONE: I will start with the
4 Colonial gas conversion case.

5 JUDGE VERO: My preference is that you
6 go ahead with Colonial conversion from oil to gas.

7 MS. BOONE: Okay. It doesn't matter to
8 me. I defer to you too.

9 JUDGE VERO: He doesn't have a
10 preference at all. He can do both ways; so, we'll go
11 with Colonial Realty Company at Docket number
12 C-2012-2334253, which is the single issue of
13 conversion from oil to gas.

14 Your witness.

15 MS. BOONE: I would like to call Phil
16 Pulley to the stand.

17 JUDGE VERO: Mr. Pulley, please take a
18 seat and, please, remember you're still under oath
19 for these consolidated matters.

20 Whereupon,

21 Phillip Pulley
22 having been duly sworn, testified as follows:

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

24 DIRECT EXAMINATION

25 BY MS. BOONE:

1 Q. Good morning, Mr. Pulley.

2 A. Good morning.

3 Q. I'd like to turn your attention. We've just
4 finished the first consolidated hearing on the
5 Colonial Garden lien part or the debt part. We're
6 now moving to the gas conversion case. Will you,
7 please, describe this issue or excuse me, prior to
8 describing the issue, I just want to confirm that the
9 testimony you have given in the prior proceedings, to
10 the extent they would relate to this particular
11 matter, you would like that testimony to be given the
12 same, you affirm that it has the same import and
13 effect here?

14 A. Yes.

15 JUDGE VERO: And when you're saying the
16 prior proceeding, Ms. Boone, you're referring to the
17 consolidated complaints of Fairmount Manor Realty,
18 Marshall Square Realty, Elrae Garden Realty, all
19 three against PGW at docket numbers C-2012-2304303,
20 C-2012-2304215, C-2012-2304167 respectively?

21 MS. BOONE: Yes, as well as the case
22 that was just heard today.

23 JUDGE VERO: Colonial Garden Realty at
24 Docket number C-2012-2304183?

25 MS. BOONE: Yes, Your Honor. Thank you.

1 JUDGE VERO: You may proceed.

2 BY MS. BOONE:

3 Q. Mr. Pulley, if you would just describe this
4 single issue briefly?

5 A. Colonial Garden is approximately a 72 unit
6 apartment building. It currently utilizes oil heat
7 for the heat in the building. The boiler converts
8 the heat generated from the oil into steam. Steam
9 then passes through the building, which then heats
10 the tenants. It is controlled by the landlord. The
11 tenants do not have control of the heat. It is run
12 by a computerized system in the building, which is
13 monitored remotely via computer.

14 In connection with this, I have attended
15 various conferences given by the National Apartment
16 Association, the Philadelphia Apartment Association,
17 and I think it's the Central Pennsylvania Apartment
18 Association where they all talked about converting
19 and becoming more green in your buildings and
20 building automation. At these conferences, they went
21 over changing light bulbs from incandescent to
22 florescent. They went over to if you installed
23 windows ten years ago, re-caulk them up today.

24 One of the big issues they talked about was
25 the conversion from oil fossil-based fuel to natural

1 gas.

2 Q. Who benefits from this kind of conversion?

3 A. Everybody.

4 Q. Such as? If you could just quickly give the
5 parties?

6 A. It would be us, the tenants, mankind. We
7 would be reducing our carbon footprint, because gas
8 is burning hotter than oil, it takes the equivalent
9 less of gas to create the steam in the boiler.

10 Q. If I could turn your attention to Colonial gas
11 conversion, the document.

12 MS. BOONE: May he approach?

13 JUDGE VERO: Yes, of course.

14 (Whereupon the witness was approached.)

15 BY MS. BOONE:

16 Q. This document is identified as SBG CGAGA,
17 which is Colonial Garden gas, page 29. It's a small
18 set of documents.

19 JUDGE VERO: Do I have it?

20 MR. FARINAS: It's not in the tab.

21 MS. BOONE: I think this was delivered
22 Saturday. They were included in the first set of
23 binders that were delivered, the second set of
24 binders and they're on the CDs too.

25 JUDGE VERO: Just a moment. Did they

1 come in a binder format?

2 MS. BOONE: They were delivered
3 together, but they were in the second set of
4 documents. It was a rubber band around it. They
5 were bound in a rubber band with the second set of
6 documents delivered from SBG Management to the PUC.

7 JUDGE VERO: Did they come in a legal-
8 sized format?

9 MS. BOONE: They were on eight and a
10 half by 11 paper.

11 MR. FARINAS: Not a tablet, just in a
12 box.

13 MS. BOONE: They were in the box and
14 they were also listed on the CD.

15 MR. FARINAS: Actually, when I received
16 PGWs, I had everything that was in a binder copied
17 for everybody at PGW; so, I probably overlooked them.
18 I appreciate another copy, an extra copy if you have
19 it.

20 JUDGE VERO: Let's take a five minute
21 break. I don't have it with me. I need to go and
22 grab what I think you're referring to that came with
23 the second set of binders.

24 MS. BOONE: Do you want Mr. Farinas to
25 go ahead. Time is clicking by. It's 2:01.

1 JUDGE VERO: I understandable. I'll go
2 grab it. Let's take a brief recess until I return.

3 (Whereupon, a recess was taken.)

4 JUDGE VERO: We're back on the record.

5 BY MS. BOONE:

6 Q. Mr. Pulley, in terms of what you were required
7 to do for gas conversion, do you remember what the
8 requirements were?

9 A. Contacted PGW and a very nice lady at PGW sent
10 me an Email and told me what I had to do.

11 Q. If I could direct your attention to SBG
12 Colonial gas conversion document, set of documents,
13 page 29. At the bottom, will you identify this
14 document for the record, the Email?

15 A. It's an Email from Cynthia Overby at PGW,
16 dated January 4, 2012 and it was sent from her to me.

17 Q. The time stamp of that Email?

18 A. 11:26 a.m. It's the boiler conversion
19 checklist for PGW Colonial Garden Apartments, 5427
20 Wayne Avenue, Philadelphia, Pennsylvania 19144.

21 Q. Essentially, identify the contents of this
22 document?

23 A. She needed to know the make and model and type
24 of the boiler we had, the pipe sizes and she needed
25 the last two year's oil bills. That's it.

1 Q. So, how many subparagraphs are there that are
2 bolded in terms of what the requirements are?

3 A. Three.

4 Q. What's the first?

5 A. Existing equipment, new equipment to be added
6 to gas service and last two year's oil bills.

7 Q. What are the number of requirements or
8 categories are there in this letter?

9 A. There's three categories.

10 Q. What does this mean?

11 A. What do you mean?

12 Q. I mean, you asked for information. How does
13 this information help get your conversion completed?

14 A. Well, this was the information she asked for
15 that she has to comply with.

16 Q. What was your response?

17 A. I responded back to her as part of this Email.
18 I kind of filled in the blanks.

19 Q. Will you identify the Email that you're
20 referring to as your response?

21 A. It was also of January 4, 2012.

22 Q. The time stamp?

23 A. I don't see it.

24 Q. Can I direct your attention --

25 A. I got it. Excuse me.

1 Q. Could you kindly identify --

2 JUDGE VERO: I think he's in the process
3 of answering your question.

4 THE WITNESS: We had responded August
5 24, 2012 1:00 a.m. So, it was sometime between when
6 she originally requested the information and we had
7 followed back up.

8 Q. What happened after that?

9 A. After that, we had gone through the process.
10 They had various people come out to the site. We
11 furnished them copies of our gas bills also. We met
12 their engineers at the site. Their engineers went
13 through what they could do, what they couldn't do.
14 They met Peter Dwyer at the site on a couple
15 different occasions. They double checked our
16 calculations.

17 They went over our bills so that they knew
18 what meters ran what and the correlation of that. We
19 went back over entire load calculations. They
20 evaluated already what we were drawing based on the
21 bills, which was for cooking gas and hot water and
22 then we calculated what the up would be based on the
23 burner specifications.

24 Q. If I could turn your attention to SBG Colonial
25 gas conversion document, page 32?

1 A. I'm there, yes.

2 Q. Can you identify this document for the record?

3 A. It's a quotation from Brody Precision for the
4 new power flame burner which was for gas usage not,
5 for oil.

6 Q. And what's the date of that?

7 A. That's dated August 27, '12.

8 Q. Who is it addressed to?

9 A. It's addressed to me, Phil, SBG manager.

10 Q. On the project line, what's the subject or
11 project?

12 A. Gas burner Weil Mclain 888.

13 Q. Why did you need to get this estimate?

14 A. Because there's was information that PGW's
15 engineers in the field were asking for and they
16 wanted to see it and confirm it; so, they wanted to
17 see the burner specs.

18 Q. Who requested this information of you?

19 A. I forget who it was, one of the engineers in
20 the field.

21 Q. What company did that engineer work for you?

22 A. PGW.

23 Q. If you would turn to SBG Colonial Garden gas
24 conversion document page 33, if you would start with
25 the first Email on the bottom and identify it for the

1 record by date, time stamp, parties?

2 A. It was from Cynthia Overby, PGW, dated
3 September 5, 2012, 1:08 p.m. to Phil Pulley; re: Oil
4 CGA, which means Colonial Garden Apartments. Hi,
5 Phil. I need to have a total for both 2009 and 2010.
6 These bills are difficult to decipher. Please give
7 me a total gallon usage, and oil costs for both years
8 2011 is not a good model given the warm weather.
9 Thanks, Cynthia.

10 Also, Phil, if you have an existing gas
11 account there, could you please provide me a copy of
12 one of your bills showing the account and meter
13 number. I am more than willing to schedule a
14 pre-inspection of this building and discuss the
15 process moving forward?

16 Q. If you would just refer to the Email at the
17 top of page 33 of your SBG Colonial Garden gas
18 conversion document set forth again at page 33, if
19 you would identify the Email at the top?

20 A. That was the Email I had sent to Cynthia,
21 dated September 6, 2012, 10:28 a.m., which is what
22 she was responding to in the Email below.

23 Q. What information is contained in your Email
24 you just identified?

25 A. The years, the gallons of oil used. That was

1 really it.

2 Q. What additional information did she request
3 from you?

4 A. She asked for totals for 2009, 2010, total
5 gallon usage. She asked for copies of our gas bills
6 with account numbers and meter numbers, and that was
7 it, I think.

8 Q. Okay. And what happened after that?

9 A. Again, there were meetings out at the site
10 with people from PGW. There were like engineer type
11 and service type people, and they came out and we
12 were walking through various aspects of the boiler.

13 Q. In the documents identified as SBG Colonial
14 Garden gas, beginning with pages 32, is this an
15 example of the kind of dialogue occurring between SBG
16 and PGW about this matter, just to summarize?

17 A. Yes, and it was a lot more too.

18 Q. What was the gist of this correspondence?

19 A. It dealt with timing, when they were going to
20 get things done, when they were going to schedule
21 their work. It dealt with setting of the meters and
22 the like.

23 Q. Again, why were you doing all of this work?

24 A. One was to make the building more green,
25 reduce the cost expenditures, utilize the

1 Pennsylvania natural resource, reduce our carbon
2 footprint. It was the right thing to do.

3 Q. Thanks. So, this is September of 2012.
4 You've now supplied documents. What happened after
5 that?

6 A. PGW came out and did their work. With the gas
7 piping, we ran new gas piping from where they had
8 completed their work over to the boiler. We had
9 purchased a new burner assembly. We did a ton of
10 work down there, gas piping-wise, flue-wise because
11 gas burns hotter than oil; so, we had to line the
12 chimneys. So we had to do a lot of those things. We
13 had to buy some additional modules for the
14 computerized energy management system so it would all
15 integrate.

16 Q. Now, all this work you were doing, what costs
17 or expenses were associated with it?

18 A. We had the burner. We had the heat timer, the
19 control module stuff. We had Steve Beards, the
20 plumber, running new gas pipe and we bought materials
21 from Able Plumbing.

22 Q. After furnishing Cynthia Overby with the
23 requested documents, what was your interaction John
24 Molyneux, M-O-L-Y-N-E-U-X.

25 A. He was kind of the guy out in the field.

1 Maybe not out in the field, but he was more the
2 service guy being responsible for getting the
3 connection.

4 Q. By connection, what do you mean?

5 A. To up the service to accommodate the boiler.

6 Q. So, he approved the work. What was his
7 conclusion on your request for the installation of
8 the work?

9 A. He approved it. They came out. They did the
10 work. Our plumber's work had to be approved by them.
11 They came out. I think they did a gas test or an air
12 test. Everything was approved. Everything was
13 acceptable to everybody; so, we're ready to go.

14 Q. Approximately, what expenses were associated
15 with obtaining approval of PGW to get this work done?

16 A. PGW didn't charge us.

17 Q. Did you have out-of-pocket expenses?

18 A. Yes.

19 Q. What were they? What kinds of expenses did
20 you have?

21 A. We had about \$25,000 in total expenses between
22 plumber, heat timer, burner and the other ancillary
23 stuff. Able Plumbing supply, we had to get a bunch
24 of stuff from.

25 Q. Why did you do that?

1 A. Because we thought we were converting into
2 gas, and the sleeve and the flue, F-L-U-E, too.

3 Q. You said that he approved it and you were
4 trying to obtain his approval; so, then what happened
5 with Mr. Molyneux?

6 A. Everybody did their work. Everybody did what
7 they were supposed to do. Everything was tested.
8 The only thing we were waiting for was PGW to set the
9 meters because that's what we were told the next
10 thing that had to happen.

11 Q. What was the problem; what happened?

12 A. After several attempts to reach him, we were
13 advised that they weren't going to do it because we
14 had an outstanding balance.

15 Q. Was that balance mentioned by the two prior
16 PGW employees as an issue in obtaining the gas
17 conversion?

18 A. No.

19 Q. What list was that on of what you needed to do
20 by Mr. Molyneux or Ms. Overby?

21 A. It wasn't on a list. It kind of came up at
22 the very, very end.

23 Q. So, what happened then?

24 A. We shared some conversations. We thought we
25 were connecting the thing. We felt we were in good

1 shape and surprise.

2 Q. What was the surprise?

3 A. That they wouldn't set it until the bills were
4 paid, even though we had filed a dispute with --

5 Q. The PUC?

6 A. PUC. Thank you.

7 Q. When you say the dispute, what filing are you
8 talking about?

9 A. Well, we filed claims against PGW on this
10 particular property; so, we had disputed amounts
11 right there.

12 Q. And did you explain that to the
13 representatives or the employees of PGW?

14 A. Yes.

15 Q. What was the response?

16 A. He was very nice, but it was outside of his
17 control. He was very, very nice about it.

18 Q. What happened after that?

19 A. Filed another PUC complaint.

20 Q. Was that property eventually converted to gas?

21 A. No.

22 Q. Why not?

23 A. Because PGW won't set the meters that are
24 required so we can convert the boiler.

25 Q. Now, you heard testimony that a payment was

1 made, a large payment was made for undisputed
2 amounts; is that correct?

3 A. That's correct. All undisputed amounts have
4 been paid. As a matter of, fact I'll say again,
5 we've overpaid.

6 Q. So, you filed a complaint on disputed
7 amounts. There's a complaint filed for disputed
8 amounts of the bill; is that correct?

9 A. That's correct.

10 Q. And you paid the undisputed amounts as of what
11 date, approximately?

12 A. August 21st, I believe, 22nd.

13 JUDGE VERO: Of which year?

14 THE WITNESS: This year.

15 BY MS. BOONE:

16 Q. So, what else did you need to do?

17 A. As far as I knew, that's all we had to do.
18 They said you had to pay your current charges.

19 Q. What happened; has the property been
20 converted?

21 A. No.

22 Q. Why not?

23 A. PGW won't convert it.

24 Q. What's the reason?

25 A. I'm now told that it's because the disputed

1 amounts that if we don't pay the disputed amounts,
2 they're not going to do it.

3 Q. What actions are you seeking from the PUC
4 today?

5 A. To have PGW follow through with what they said
6 they would do and set the meters; that's all.

7 Q. Were there other problems that came as a
8 result of this, other expenses?

9 A. Yes. We had to scramble. We didn't have an
10 oil contract at the last minute. We paid retail
11 prices for oil instead of buying it as part of a
12 pre-season, which you would typically do up until
13 like the end of September; so, we paid the premium.
14 We paid retail price for oil.

15 Q. Thank you. Is there any other information
16 about this matter you think the PUC should be aware
17 of?

18 A. I don't think so.

19 MS. BOONE: Thank you.

20 JUDGE VERO: Have you completed your
21 direct examination?

22 MS. BOONE: Yes.

23 JUDGE VERO: Mr. Farinas, any cross?

24 MR. FARINAS: Yes.

25 CROSS-EXAMINATION

1 BY MR. FARINAS:

2 Q. Good afternoon again, Mr. Pulley.

3 A. How are you doing, Laureto?

4 Q. Ms. Boone just asked you questions about the
5 payment of the undisputed amount which was made
6 August 21st?

7 A. 21st or 22nd.

8 Q. 22nd of August, 2013. Are you familiar enough
9 with that payment in order to distinguish disputed
10 from undisputed amount?

11 A. No, I'm not. I took what you wrote to me in a
12 letter and paid what you directed us to in the
13 letter.

14 Q. And do you remember that letter stated that
15 the undisputed amount represented all the bills that
16 were incurred after you filed this formal complaint,
17 the large nine docket complaints?

18 A. I don't remember exactly, but it's something
19 along those lines. I'd have to see the letter.

20 Q. Did you or your office respond with a
21 statement of the rest that is owed remains a disputed
22 amount?

23 A. Excuse me?

24 Q. Did you respond with a payment to my letter,
25 stating what was remaining has a disputed amount?

1 A. I believe so.

2 Q. To your knowledge, are there outstanding liens
3 elsewhere on your properties as a customer of PGW?

4 MS. BOONE: Objection.

5 JUDGE VERO: I don't see it's relevant.

6 MR. FARINAS: The relevance is, Your
7 Honor, is there is a part of the Public Utility Code
8 which provides for the denial of service,
9 particularly with respect to PGW if there are
10 outstanding liens on your property.

11 MS. BOONE: I renew my objection,
12 because this particular owner only owns one asset,
13 which is Colonial Garden. So, this particular owner
14 doesn't own any other assets. So, if this particular
15 owner paid its undisputed amounts or was told this is
16 the amount you need to pay and they did it, that's
17 what's relevant.

18 MR. FARINAS: Well, when we do put on
19 our case in chief, we'll present evidence with
20 respect to our following the policies of the goals
21 for denial of service.

22 MS. BOONE: You're saying that Fairmount
23 owns Fairmount Manor and Colonial Garden owns
24 Colonial Garden Apartments; so, I might owe for my
25 Honda. He might owe for his Toyota. Just because we

1 work for the same employer doesn't mean our debts are
2 mingled.

3 MR. FARINAS: But representation of this
4 case by Mr. Pulley as being the principle --

5 MS. BOONE: But he's not -- again, what
6 I owe for my Honda and what he owes for his Toyota,
7 just because we work for the same employer or the
8 same mechanic manages the maintenance of our project
9 doesn't mean that all of our debts are co-mingled.
10 You can't co-mingle one owner's debt with another.

11 JUDGE VERO: I understand. Let me see.
12 So, the property is owned by Colonial Garden?

13 MS. BOONE: And managed by SBG, yes.

14 JUDGE VERO: The account is in whose
15 name?

16 MS. BOONE: The account number is the
17 agent. It's either in the name of the property owner
18 or the agent who is acting on behalf of the property
19 owner. The agent does not take on all the
20 responsibilities of the principle.

21 The agent only takes on those
22 responsibilities that are assigned, and in this case,
23 the agent is only responsible for paying bills or for
24 doing this, but the principle has never had the
25 responsibility to pay any bills of another property;

1 so, to assume the agent is responsible for taking the
2 money that belongs to one property owner and to pay
3 for another property owner's property, that authority
4 has never been given. You're mixing apples and
5 oranges.

6 And this is in the name of Colonial
7 Garden too, this bill. Do you want to see the bill?
8 You don't have to rely on me. I can hands up the
9 bill.

10 JUDGE VERO: Just hand it to Mr. Farinas
11 first.

12 MS. BOONE: Okay.

13 MR. FARINAS: This is a bill from
14 September 2012, okay.

15 JUDGE VERO: Thank you.

16 (Whereupon, document was reviewed and
17 handed to judge.)

18 JUDGE VERO: Mr. Farinas, after that
19 brief argument from both attorneys, I would caution
20 you that any questions that you pose to Mr. Pulley
21 during cross-examination do not cross over to the
22 other properties. Okay?

23 MR. FARINAS: I agree.

24 JUDGE VERO: However, I will allow if
25 you have any question that cross over to other

1 Colonial Garden accounts, I understand the Colonial
2 Garden has how many accounts, one account two SAs,
3 right?

4 MS. BOONE: Two SAs, yes.

5 JUDGE VERO: Then one account it is.
6 You cannot cross over any further than that in regard
7 to Colonial Garden.

8 MR. FARINAS: Thank you, Your Honor.

9 BY MR. FARINAS:

10 Q. Mr. Pulley, I'm going to ask you a question
11 about the one account for Colonial Garden for 5425
12 through 7 Wayne Avenue, and it refers to the
13 designation apartment, but it refers to meter M1 and
14 M2, which are the two SAs.

15 Were you with us this morning during the
16 testimony given by Ms. Treadwell; were you in the
17 room this morning?

18 A. Yes, but I didn't pay attention.

19 Q. Can I refresh your recollection as to her
20 testimony. She was good enough to distinguish for me
21 the types of bills that are in dispute by the
22 designation, the alphabet code designation. F means
23 a bill that is disputed for its late payment
24 charges. J is a bill that is disputed for being a
25 usage or a meter problem or something as to the

1 actual gas portion of the bill.

2 Can I refresh your recollection about her
3 telling me what she did and did not dispute? Are you
4 with me?

5 A. Okay.

6 Q. I direct your attention now to SBG Colonial
7 Garden 81. Do you have that?

8 A. This one?

9 Q. Yes. As we stated before, PGW acknowledges
10 that it was paid for undisputed use that occurred
11 after you filed your complaint, and that would be May
12 of 2012. Can I direct your attention to May of 2012
13 on that?

14 JUDGE VERO: You're on page 81 of SBG?

15 MR. FARINAS: Yes.

16 THE WITNESS: May 5th?

17 MR. FARINAS: May 5, 2012.

18 BY MR. FARINAS:

19 Q. So, as receipt of that payment, PGW
20 acknowledged that as this was the undisputed amount,
21 that these bills were covered, were paid.

22 A. So you're telling me everything from --

23 Q. Forward.

24 A. From May 5th forward has been paid?

25 Q. Well, we believe it's covered. You covered

1 the undisputed account for that.

2 A. Okay, just curious.

3 Q. Now, if I can have you go backward in time and
4 that is to the transactions, 47, 46, 45, 43 and 42,
5 subject to checking the record, if you like, it was
6 Ms. Treadwell's testimony this morning, that these
7 cases, these bills for these periods were only in
8 dispute as to the late payment charges, and I
9 specifically asked her each date, whether or not she
10 disputed the usage on each bill and she said no.

11 So, I ask you, would you agree with me now
12 that this amount, the amount that represents just the
13 gas usage for this period between December 2, 2011
14 and April 5, 2012, those months are no longer in
15 dispute per Ms. Treadwell's testimony.

16 MS. BOONE: Objection.

17 JUDGE VERO: Ms. Boone, please provide
18 the grounds.

19 MS. BOONE: Yes. The grounds for it is
20 you're asking him to -- Mr. Farinas, I believe this
21 was not covered on his direct. This wasn't part of
22 his direct and, also, this is the conversion case.
23 We're talking about the conversion case and you're
24 asking him about payment.

25 JUDGE VERO: I will allow it because it

1 was part of his direct. In his direct testimony,
2 Mr. Pulley said that he received a letter from
3 Mr. Farinas quoting, if I understood him correctly,
4 quoting him an undisputed amount. He said he paid it
5 August 21st or 22nd of 2013, and the response he got
6 back from PGW is that they're still not willing to
7 complete the oil to gas conversion because another
8 amount that's apparently undisputed; am I correct?
9 Is that the summary of your testimony?

10 THE WITNESS: I'm not sure. It's all
11 flying by real fast.

12 JUDGE VERO: Was it your testimony that
13 at one point in time, you received a letter from
14 Mr. Farinas saying this is the undisputed amount for
15 Colonial Garden and if you pay this, we will proceed
16 with the oil to gas conversion; did you say this?

17 THE WITNESS: No.

18 JUDGE VERO: What did you say with
19 regard to the letter that Mr. Farinas said sent to
20 you that had the amount that you said you paid in
21 August 22, 2013?

22 THE WITNESS: He said, and I'm surmising
23 from the letters, if you pay this amount of money,
24 you're paying all the undisputed charges and then,
25 basically, you're a customer in good standing.

1 You're good with the exception of the disputed
2 amounts which is something different.

3 JUDGE VERO: And was your testimony that
4 in August 22, 2013, you paid that undisputed amount
5 per Mr. Farinas' letter?

6 THE WITNESS: Yes.

7 JUDGE VERO: Then I understood you
8 correctly, at least I think I understood you
9 correctly. So, Mr. Farinas' cross-examination, I
10 understand it to go to clarifying the disputed versus
11 undisputed amount; am I correct?

12 MR. FARINAS: That's correct.

13 JUDGE VERO: You understand what I'm
14 saying, you testified with regard to disputed,
15 undisputed amount; he's cross-examining and
16 clarifying which is disputed and which is undisputed.

17 MS. BOONE: Objection. Asked and
18 answered. We've already identified and had testimony
19 that specific transactions are being identified as
20 disputed and given the specific disputed codes, and
21 we've also already said we were disputing all of the
22 LPCs, but our LPC dispute is a general dispute. I
23 just don't want to muddy the waters and have him be
24 confused.

25 JUDGE VERO: I understand. What do you

1 mean by a general dispute? You said our LPC is a
2 general dispute. I want to be clear on what you
3 mean.

4 MS. BOONE: We're disputing the LPCs in
5 each of these transactions going back to the
6 beginning on the principle that PGW is charging an
7 interest rate on LPCs for lien properties. That's
8 not appropriate. I want to clarify that we're not
9 giving up the LPC argument just because we didn't put
10 a block around it.

11 JUDGE VERO: All of the LPCs have a
12 block around it.

13 MS. BOONE: Okay.

14 JUDGE VERO: What you're saying is,
15 because Mr. Pulley has paid an amount, you're still
16 disputing the LPCs, including that amount? What are
17 you saying?

18 MS. BOONE: You know what, actually, I
19 will call one other witness I think can provide that.

20 JUDGE VERO: Let's finish this cross-
21 examination. What is your objection again?

22 MS. BOONE: I'll withdraw it.

23 JUDGE VERO: Thank you. You can
24 continue, Mr. Farinas.

25 MR. FARINAS: Thank you, Your Honor.

1 BY MR. FARINAS:

2 Q. So, I believe before there was an objection
3 that was subsequently withdrawn, I was confirming for
4 you Ms. Treadwell's testimony this morning that there
5 was a series of bills that were issued that PGW
6 previously considered giving you the benefit of the
7 doubt as disputed because they occurred prior to the
8 filing of the complaint, but from Ms. Treadwell's
9 testimony this morning, she was not disputing the gas
10 usage.

11 We acknowledge she was disputing the late
12 payment charges, but she specifically stated she did
13 not have a problem with the usage. She was not
14 disputing the usage for those bills; is that correct,
15 was that my question of you earlier?

16 A. I thought you were kind of making a statement
17 there.

18 MS. BOONE: Objection. You're asking
19 him to confirm what she testified to this morning.
20 We have the record for that. He already testified he
21 wasn't paying attention. I think maybe that's the
22 source of the confusion.

23 JUDGE VERO: Okay. I'm with Ms. Boone
24 on this one. You already have Ms. Treadwell's
25 testimony on the issue, and if you can clarify it in

1 a less worded question, then clarify it.

2 MR. FARINAS: Okay.

3 BY MR. FARINAS:

4 Q. May I ask you, then, and I don't mean to be
5 sarcastic, Your Honor, but were you also not paying
6 attention when Ms. Treadwell also stated specific
7 bills in M2 were for the period from January 4, 2012
8 through April 5, 2013, these amounts were also not
9 disputed due to gas usage, but disputed, some of them
10 disputed for late payment charges?

11 A. No, I wasn't paying attention.

12 Q. You don't remember that?

13 A. No.

14 Q. Switching gears. When you learned that PGW
15 had refused to establish service or do the
16 conversion, with whom did you speak about it?

17 A. I spoke to Mr. Lampert. I spoke to Kathy
18 Treadwell about it.

19 Q. I'm sorry, at PGW?

20 A. At PGW, I remember I spoke to -- I'd have to
21 go back to my Emails. I think it was John-something,
22 and I also sent Emails. I think I sent an Email to
23 Ted. I think I sent one to Gerald Clark also, with a
24 carbon to Dan McCaffrey. I believe that you guys
25 weren't connecting it as your retaliation because we

1 filed the PUC complaint.

2 Q. You believe it was a retaliation?

3 A. Yes.

4 Q. If it's established that there is, in fact,
5 now undisputed usage, would you be willing to pay in
6 effort to have the conversion completed?

7 A. I thought I already wrote you a check for
8 \$275,000 which was supposed to get us on a kind of
9 even playing field here. I don't what those charges
10 are right now.

11 Q. If it's confirmed from Ms. Treadwell's
12 testimony that these are, in fact, new undisputed
13 amounts, that we cleared that from the disputed
14 record and now these are now the undisputed, would
15 you be willing to pay?

16 A. I don't know the answer to that because,
17 honestly, I feel like I overpaid you with the 275
18 because you doubled down those bills there; so,
19 somewhere you owe me a credit right now.

20 Q. You believe that --

21 A. You've been overpaid again.

22 Q. Do you believe you have a set-off right
23 against PGW for bills owed from the past?

24 MS. BOONE: Objection.

25 JUDGE VERO: Grounds?

1 MS. BOONE: Beyond the scope of direct.
2 We were talking about changing from oil to gas and
3 now he's talking about set-off rights. Mr. Pulley
4 was not asked anything about do you believe you have
5 set-off rights. That was not part of it.

6 JUDGE VERO: Sustained. You may
7 proceed.

8 BY MR. FARINAS:

9 Q. If this record establishes that there is newly
10 identified undisputed amounts, would you be willing
11 to pay?

12 A. If I owed the money, yes.

13 MR. FARINAS: No further questions, Your
14 Honor.

15 JUDGE VERO: Redirect?

16 MS. BOONE: Yes.

17 REDIRECT EXAMINATION

18 BY MS. BOONE:

19 Q. Mr. Pulley, in terms of looking at the
20 documents we received from PGW and deciding what
21 matters would be disputed and how they would be
22 disputed, who are the people in your office that you
23 conferred with and who might have additional
24 information that would be helpful?

25 A. Kathy Treadwell, Eric Lampert.

1 MS. BOONE: Thank you. No further
2 questions. I'd like to call Kathy Treadwell to the
3 stand please.

4 JUDGE VERO: May I proceed with my
5 questions?

6 MS. BOONE: I'm sorry. I have to be
7 given credit for moving fast this afternoon.

8 JUDGE VERO: Yes, all the credit you
9 deserve for going much better today.

10 MS. BOONE: Thank you. I appreciate it.

11 JUDGE VERO: All right. Just give me
12 five minutes with Mr. Pulley.

13 Mr. Pulley, what relief are you asking
14 for from the Commission concerning the Colonial
15 Garden complaint regarding the conversion from oil to
16 gas?

17 THE WITNESS: I just want them to set
18 the meters so we can then move forward and we can put
19 the burner in and finalize the conversion.

20 JUDGE VERO: Thank you. Now, you stated
21 that you paid a large amount to PGW recently, August
22 22, 2013. I think you quoted an amount that was over
23 250?

24 THE WITNESS: 275,000.

25 JUDGE VERO: \$275,000. That was not

1 just for this account. What was it for? What was it
2 supposed to cover?

3 THE WITNESS: It was to cover an array
4 of issues that Mr. Farinas wrote to me in a letter
5 that said if you pay this, you're current. Pay all
6 the nondisputed items, and there's a representation
7 in that letter by him that we relied upon when we
8 wrote the check.

9 JUDGE VERO: What date does the letter
10 from Mr. Farinas bear?

11 THE WITNESS: I want to say July 19th,
12 21st, something like that, and I was out of the
13 country until August 2nd.

14 JUDGE VERO: Of what year?

15 THE WITNESS: This year. It was all
16 this year.

17 JUDGE VERO: So, that letter, I'm
18 assuming, was -- you said the check you sent was to
19 cover an array of issues and was your response to the
20 letter you got from Mr. Farinas, an array of issues
21 or all the issues that this complaint as in all nine
22 complaints raised?

23 MS. BOONE: If I could?

24 JUDGE VERO: Yes.

25 MS. BOONE: The complaints actually set

1 forth disputed matters. The check was to cover
2 undisputed matters. So, we were told that undisputed
3 matters meant we hadn't filed a PUC complaint.

4 JUDGE VERO: You're right. Let me
5 rephrase it. With that check, pursuant to
6 Mr. Farinas' representation to you, would that check
7 cover the undisputed portion of the Colonial Garden
8 outstanding balance?

9 THE WITNESS: Yes, I believe it did.

10 JUDGE VERO: Was the undisputed portion
11 of the Colonial Garden outstanding balance part of
12 Mr. Farinas' representation in his letter?

13 THE WITNESS: Yes.

14 JUDGE VERO: Did he say in his letter,
15 did he mention that this would cover Colonial Garden
16 account?

17 THE WITNESS: Yes.

18 JUDGE VERO: You stated that the oil to
19 gas conversion was the right thing to do. You felt
20 it was the right thing to do; that's why you were
21 doing it. Was it a requirement by law, by an agency,
22 local agency, State agency, Federal agency you were
23 complying with or was it just you were being
24 proactive and were concerned about your footprint and
25 environment, you wanted to go greener? What was the

1 dynamics that led you to make this decision?

2 THE WITNESS: It's the right thing to
3 do. It's the right thing to do for the environment.
4 It's the same reason we have recycling bins in the
5 office, and I yell at everybody about putting the
6 plastic bottles in the right bin in the room, the
7 same reason when we moved from our first office to
8 the new office, we used about 90 percent all recycled
9 materials and desks, counters. It's just the right
10 thing to do, and if it's something simple that you
11 can do, you do it. That's all.

12 JUDGE VERO: Thank you. Did you contact
13 or anyone from your company, SBG Management Services,
14 Inc., contact PGW beforehand and say, we're thinking
15 of doing this oil to gas conversion; do we qualify,
16 and we're doing this at Colonial Garden; can we do
17 it? Do we qualify to do it? Are there any problems
18 for us to do it? Did you ask them that question
19 beforehand?

20 THE WITNESS: I did, because one of the
21 questions was, do we do interruptible service. Do we
22 not do interruptible service, and we went through
23 with them about what is the right thing to do and how
24 we go about doing it, and I dealt with Ms. Overby. I
25 dealt with another person there; I don't remember her

1 name.

2 JUDGE VERO: The question you just
3 stated, how do we do it, do we do it with
4 interruptible service, et cetera. That goes toward
5 how, what type of service do we select, et cetera.

6 Did you ask them whether or not it was
7 something that Colonial Garden would qualify for or
8 whether there would be any problems for Colonial
9 Garden to have this switched over?

10 THE WITNESS: Let me try and break it
11 down. The answer is, yes, we did that because if we
12 do certain things and if we don't expend enough gas,
13 then PGW has a right to come back and charge us for
14 upgrading the service and so forth unless we burn
15 enough gas. We went through all those
16 conversations.

17 I provided them with copies of my bills.
18 I spoke to them on the phone several times about the
19 account, the account numbers, because there was a
20 question about one thing on one of the meters; so, we
21 went through that. So, they had all of our bills
22 that showed outstanding balances. Nobody ever raised
23 an issue and said, hey, by the way, you've got a big
24 balance here. We can't connect you with a balance.
25 Nobody ever brought that up.

1 We talked about interruptible service.
2 We talked about that we didn't qualify for that
3 because we don't burn enough. We talked about
4 setting separate meters for the tenants.

5 JUDGE VERO: Again, I'm not interested
6 in what type, what kind, how, but whether you could.
7 So, you said that you presented them with copies of
8 your bills?

9 THE WITNESS: Yes.

10 JUDGE VERO: That showed the balance,
11 the outstanding balance?

12 THE WITNESS: Yes.

13 JUDGE VERO: And you presented them with
14 your account numbers?

15 THE WITNESS: Yes. One of the Emails
16 confirms that.

17 JUDGE VERO: All right. And when did
18 this occur that you sent them copies of your bills or
19 exchanged account numbers?

20 THE WITNESS: Give me one second.
21 September 5, 2012. Ms. Overby, she asked me, also,
22 Phil, if you have an existing gas account there,
23 could you please provide me a copy of one of your
24 bills showing the account and meter number. I'm more
25 than willing to reschedule the inspection. We sent

1 that to her. I'm looking for the one we transmitted,
2 where we sent that to her because she asked for it.
3 That was on September 5.

4 September 6th, we talked about the
5 interruptible rate. The account would fall under a
6 general service rate. This is on the 6th: Do you
7 have an existing gas account. I do not see anything
8 in the system under address 5427 Wayne Avenue.

9 JUDGE VERO: What date is that
10 particular Email?

11 THE WITNESS: That is the 6th.

12 JUDGE VERO: September 6, 2012?

13 THE WITNESS: 2012. She didn't have a
14 record of the gas service, and here are the bills we
15 sent to her.

16 JUDGE VERO: When did you send those
17 bills again?

18 THE WITNESS: They were scanned. I sent
19 them September 5th as requested for Colonial Garden,
20 5427 Wayne Avenue. Thank you again, and these were
21 the enclosures to that, and that's SBG Colonial
22 Garden 36, 37, 38, and 39.

23 JUDGE VERO: All right.

24 THE WITNESS: And that was the most
25 current bill we sent.

1 JUDGE VERO: So, before September 2005,
2 2006, it looks like from that Email in September 2006
3 -- September 6, 2012, this PGW employee, she couldn't
4 even find the account that Colonial Garden had by
5 address; so, there is a good possibility she wasn't
6 aware of the balance. Was she at any point of your
7 conversation with PGW from January of 2012 when you
8 stated you contacted PGW regarding the conversion to
9 September of 2012; it's nine months. Was it imparted
10 to PGW, to this employee that you were talk to, PGW
11 employee that you did, in fact, have gas from PGW to
12 the account? Were they aware that Colonial Garden
13 already had accounts with them, that they were
14 receiving gas?

15 THE WITNESS: I told them we were. I
16 provided them copies of our bills with the account
17 number on it.

18 JUDGE VERO: Okay. Copies of the bills,
19 you said, were provided in September of 2012?

20 THE WITNESS: That's correct.

21 JUDGE VERO: I'm asking you before
22 September of 2012; meaning January 2012 when you
23 first contacted them with a request for conversion to
24 September 2012?

25 THE WITNESS: Nobody ever asked for gas

1 bills, and during that time frame, that was on our
2 side, the delay, that we didn't re-pursue this until
3 August. So, even though our initial contact was in
4 January, PGW didn't try to defeat or anything. That
5 was us trying to figure it out and how to go about it
6 with engineers and this and that with our own
7 equipment until we into August.

8 JUDGE VERO: I'm sorry if I cannot let
9 this go, but I have to have it clear in my mind. In
10 January of 2012, you contact PGW requesting
11 conversion. You were sent to the PGW employees that
12 you have communication with. Did you at any point
13 impart on them that Colonial Garden did have gas
14 service from PGW for cooking purposes, I understand,
15 and that you're requesting it now for heating
16 purposes?

17 THE WITNESS: The answer is yes.

18 JUDGE VERO: It was an upgrade so to
19 speak of service?

20 THE WITNESS: It is an upgrade of
21 service.

22 JUDGE VERO: Did they understand it was
23 an upgrade of service as opposed to brand new
24 service?

25 THE WITNESS: Yes. I told them we had

1 service and we wanted to convert the boiler.

2 JUDGE VERO: When did you tell them
3 that?

4 THE WITNESS: That would have been back,
5 and I'm just trying to do this quickly here; that's
6 January 4th. It would actually have been before
7 then, because if she's writing to me on January 4,
8 2012 with here boiler conversion checklist and the
9 address and she's answering my questions, it was
10 sometime before that when I originally reached out to
11 them from that standpoint.

12 I mean, I don't see the Emails here.
13 Maybe it wasn't relevant, but if they're responding
14 to me on January 4, 2012, it was sometime previous to
15 that that I asked them the question and then she got
16 back to me. The exact date I don't know. And as I
17 said, from January 4, 2012 until we re-contacted them
18 again in August, that delay was on our side. That
19 wasn't on PGW's side. That was just us trying to
20 figure out the boiler, can we really get a new gun on
21 the boiler, burner and all that type stuff.

22 JUDGE VERO: I have no further
23 questions.

24 MR. FARINAS: Your Honor, one on
25 recross.

1 JUDGE VERO; Let's go with direct
2 first.

3 FURTHER REDIRECT EXAMINATION

4 BY MS. BOONE:

5 Q. I can clarify if Mr. Pulley can turn to SBG
6 gas conversion page 31, the letter that's been
7 identified as the letter of Cynthia Overby, dated
8 January 4, 2012, the Email, if you'll look at the
9 paragraph that begins with: Once she provided me.
10 It's the 15th line down under your name, Phil. It
11 starts with once. This is Ms. Overby's letter to
12 you, if you would read that?

13 A. Once you provide me with the information
14 above, I will determine if you can qualify for
15 interruptible transportation rate or if you will be
16 on a general service rate. I will then arrange a
17 site visit to preinspect our current service -- Okay.
18 That answered the question -- and where your boiler
19 is located.

20 Q. And then the next sentence after that?

21 A. PGW will need to determine if your existing
22 service from the street is adequate to handle this
23 added appliance or if it needs to be enlarged.

24 Q. Just as a point of clarification, you received
25 this letter in January. At some point, you provided

1 the information that was requested in this letter.

2 Did she ever come out for the preinspection service?

3 A. No. She was never there.

4 Q. Was that ever done by PGW?

5 A. Yes.

6 Q. If I could just direct your attention to the
7 Email, it's September 6th?

8 A. On page 41, there's an Email from John
9 Molyneux, M-O-L-Y-N-E-U-X, September 18, 2012,
10 8:19 a.m., and it was from John to me: Phil, we will
11 need a breakdown of BTUs for the appliances being
12 installed, as well as the ones that are existing.
13 Thank you.

14 Q. And then the final Email I will direct your
15 attention to is SBG gas conversion document at page
16 35, an Email at the top from Kathy Treadwell. If you
17 could identify that for the record, the date and the
18 parties on page 35?

19 A. From Kathy Treadwell to Cynthia Overby, dated
20 September 7, 2012, 10:39 a.m. It states, Cynthia, we
21 have gas account that services 5425 through 7 Wayne
22 Avenue.

23 Q. So, in that Email, what are you conveying to
24 Ms. Overby and to PGW?

25 A. Kathy was telling her we have an existing

1 account and here's the address.

2 MS. BOONE: Okay. Thank you.

3 JUDGE VERO: Recross.

4 RECROSS EXAMINATION

5 BY MR. FARINAS:

6 Q. The period from January 2012 and September
7 when you re-established contact with PGW, during that
8 period you stated you were trying to figure out how
9 to do it; is that correct?

10 A. That's correct, and it was also hockey season.

11 Q. Were you paying the bills that were
12 accumulating on that account during that period?

13 A. No idea.

14 Q. Who in your office would know?

15 A. Kathy Treadwell.

16 MR. FARINAS: Thank you. No further
17 questions.

18 JUDGE VERO: Mr. Pulley, what, if
19 anything, occurred between January and August? You
20 received this E mail from Cynthia Overby dated
21 January 4, 2012 listing the information that she
22 needed from you and I understand you responded to
23 her, then what happened?

24 THE WITNESS: We had to contact the
25 boiler manufacturer to make sure burner could be

1 converted to gas. We employed the service of an
2 engineer. It's either John or Jack Klein.

3 JUDGE VERO: I need to stop you. I
4 understand in January 4, 2012, Cynthia Overby sent
5 you an Email with a list of information that she
6 needed. You responded back providing that
7 information to her, correct?

8 THE WITNESS: Yes.

9 JUDGE VERO: I understand your response
10 was also in January of 2012?

11 THE WITNESS: Yes.

12 JUDGE VERO: After you responded to
13 Cynthia Overby's Email in January of 2012, were there
14 any other kinds of communications or meetings or any
15 other kind of interaction between PGW and SBG with
16 regard to the Colonial Garden oil to gas conversion
17 between January and September of 2012? I understand
18 that you picked up the process of conversion in
19 August, but between January and September of 2012,
20 what was going on between SBG and PGW, not SBG and
21 its plumbers, engineers, et cetera, but SBG and PGW?

22 THE WITNESS: Regarding the gas
23 conversion?

24 JUDGE VERO: Yes.

25 THE WITNESS: Nothing. Our engineer was

1 the only one who had contact with PGW between that
2 time.

3 JUDGE VERO: What do you mean your
4 engineer had contact with PGW during that time; what
5 do you mean by that?

6 THE WITNESS: Our engineer contacted
7 them, gave them the account number, told them we were
8 looking to do a conversion. He had to ask for
9 various pressure water columns, all sorts of
10 technical stuff.

11 JUDGE VERO: When did that contact occur
12 between your engineer and PGW?

13 THE WITNESS: June or July. I'm not
14 sure what month it was. I could ask John, but it was
15 June or July when he was asking them because he had
16 to go back to the burner manufacturer to say, here's
17 what they're going to supply us. This is what this
18 is, and I believe he spoke to Cynthia Overby and
19 another gentleman. I don't know if it was John
20 Molyneux or not.

21 JUDGE VERO: Can you substantiate that
22 statement with documents or maybe the testimony of
23 your engineer?

24 THE WITNESS: I can get a hold of him.

25 JUDGE VERO: Okay. Ms. Boone, how can

1 we do that?

2 MS. BOONE: I'm trying to speed through,
3 but sounds like I would have to bring another witness
4 in and they aren't available today.

5 JUDGE VERO: When I ask for another
6 witness, I'm all for another witness, and it doesn't
7 matter how long it takes. That's what I said, I need
8 a full record to make the correct decision.

9 MS. BOONE: The engineer, he's covering
10 everything that you want; so, that's perfect.

11 JUDGE VERO: Mr. Pulley just informed me
12 there was an engineer that may be still working for
13 SBG or was contracted by SBG to do this conversion
14 and that engineer, whoever he is, was the person who
15 was having contact with PGW in June or July of 2012,
16 before September of 2012.

17 MS. BOONE: Okay. Now sometimes there
18 may have been people working on this who are not
19 employed by SBG.

20 JUDGE VERO: I would accept
21 contractors.

22 THE WITNESS: Yes, he didn't work for
23 us.

24 MS. BOONE: I would have to ask him to
25 come. He's not our employee. We can't order him. I

1 can ask if he has correspondence if he couldn't come,
2 but if he had Emails that went back and forth, would
3 that help?

4 JUDGE VERO: It would help. I asked
5 Mr. Pulley if he had any kind of documentation that
6 would substantiate without asking for additional
7 witnesses, if we could bring in Email, letter,
8 something that I can see that SBG was keeping in
9 touch with PGW, and while they were keeping in touch,
10 they were never being told you have an outstanding
11 balance, we can't go on with this, but what you've
12 told me so far, and PGW has not put on its case yet,
13 I'm just saying what you told me, it looks like you
14 contacted them in January.

15 They told you what you needed to provide
16 for them. You gave them the information and then you
17 continued. You didn't do anything, then in August,
18 you did some things on your own. This is what I took
19 from your first testimony. You did some things on
20 your own with the engineer, the plumber, et cetera to
21 the property, then went back to PGW. PGW said, too
22 bad, you can't convert because you have an
23 outstanding balance.

24 This is what I understood for your first
25 round of testimony; do you understand?

1 THE WITNESS: Yes.

2 JUDGE VERO: Yet in September of 2012,
3 you sent Ms. Overby your account information and your
4 bills so she could look at them, but it seems by
5 November, when they said, sorry, we cannot do it
6 because you have an outstanding balance, it's just
7 maybe a month and a half later that they told you we
8 cannot do it; am I correct?

9 THE WITNESS: Yes. Sounds about the
10 right time.

11 JUDGE VERO: How much work was
12 completed? In August, you stated you started working
13 on the conversion, right, on Colonial Garden and then
14 in September, you informed Ms. Overby, you sent her
15 the bills so she had a clear idea what the
16 outstanding balance was. Where was the work at that
17 stage in September? What work had you completed in
18 September of 2012 when you sent Ms. Overby the
19 account, the bills; how much work was completed by
20 September?

21 THE WITNESS: Well, by the end of
22 September, the lining on the chimney is done. I
23 think the gas piping from boiler vac was done, but it
24 still had to be tied into their stuff. We bought the
25 control modules for the EMS system and the burner had

1 been ordered and paid for. Where we're at as of now
2 is they set their meters and we pull the old burner
3 out and put the new burner in and in one day, we're
4 up and running.

5 JUDGE VERO: How about early September;
6 you said by the end of September, this is what was
7 accomplished. I think the bills were sent early
8 September, maybe September 5, 2012; so, from August
9 you said you started to early September 2012, how
10 much work had you completed?

11 THE WITNESS: I think the chimney lining
12 was done by maybe like the 5th, 6th, something like
13 that.

14 MR. FARINAS: I'm sorry, Your Honor,
15 just for clarification, did you mention something
16 about meters two questions ago?

17 THE WITNESS: In order to facilitate
18 completion of work, we've got to pull the burner out.
19 We put the new burner in. We tie it into the gas
20 line. You have to set new meters and we're all set
21 to go. That's what I was referencing.

22 MR. FARINAS: That's what we need to do
23 rather than what we did?

24 THE WITNESS: I'm saying that's what you
25 need to do. That's where we're at as far as the

1 current work situation.

2 MR. FARINAS: Thank you.

3 JUDGE VERO: I have no further
4 questions. Thank you. With regard to the
5 information I asked, additional information, I will
6 accept it as a late file exhibit by SBG. How much
7 time do you need?

8 MS. BOONE: Mr. Pulley, we'd have to
9 contact the party and talk to them.

10 THE WITNESS: I figure I'm not going to
11 get him until Tuesday.

12 JUDGE VERO: There's no rush; so, if you
13 need a month, you can get a month.

14 THE WITNESS: It should be maybe just a
15 couple weeks.

16 JUDGE VERO: I said if you need a month,
17 you can get a month. Just give me a date so I expect
18 it.

19 MS. BOONE: No later than October 1st,
20 because it's August 30th now.

21 JUDGE VERO: Okay. Mr. Farinas, is that
22 acceptable to you?

23 MR. FARINAS: Yes.

24 JUDGE VERO: Mr. Farinas, PGW will be
25 allowed ten days to review that document and if by

1 October 1st, we have completed this set of cases,
2 then any written objections will be in writing. If
3 not, you'll have an opportunity to make an oral
4 objection if you have any to the admission of that
5 document into the record. Are we clear?

6 MS. BOONE: Yes.

7 JUDGE VERO: I have no further questions
8 for you, Mr. pulley. Anything for Mr. Pulley?

9 MS. BOONE: No.

10 MR. FARINAS: No.

11 JUDGE VERO: You may step down.

12 (Whereupon, the witness was excused.)

13 MS. BOONE: I just have one last witness
14 to call in the Colonial conversion matter. It is
15 Ms. Treadwell. We won't be calling Mr. Lampert.

16 JUDGE VERO: Ms. Treadwell, please
17 remember you're still under oath with regard to the
18 set of consolidated matters. Take a seat.

19 Whereupon,

20 KATHY TREADWELL

21 having been previously sworn, testified as follows:

22 DIRECT EXAMINATION

23 BY MS. BOONE:

24 Q. Ms. Treadwell, just a few questions.

25 Mr. Farinas mentioned at various occasions the

1 statement of account and the fact that SBG
2 highlighted certain transactions, particularly at
3 page 81 of the SBG Colonial Garden binder.

4 Actually, can you read back or if Mr. Farinas
5 will say what was the transaction that he asked
6 Mr. Pulley about. He asked why it wasn't highlighted
7 if it was disputed.

8 MR. FARINAS: I asked no such thing.

9 MS. BOONE: I'm sorry. You asked a
10 question about accounts that were not labeled, that
11 were not labeled as disputed matters.

12 MR. FARINAS: I asked about the bills
13 between December 2, 2011 and May 5, 2012.

14 MS. BOONE: Thank you. I apologize for
15 not writing it down.

16 BY MS. BOONE:

17 Q. If you could turn to page 81 in SBG Colonial
18 Garden binder and if you look at transaction numbers
19 42 through 47, did Mr. Pulley -- how were these
20 documents identified or why were these particular
21 transactions identified in this binder?

22 A. This particular, on this page, the amounts
23 highlighted are the ones that represent examples of
24 late payment charges that were due to dispute.

25 Q. How do we decide which bills, which

1 transactions to highlight?

2 A. We at this point are uncertain as to how much
3 late payment charges or the interest of late payment
4 charges that PGW is applying on our account.

5 Q. Who were the employees at SBG that were
6 responsible for identifying this information and then
7 for turning that information over to the senior
8 management at SBG management?

9 A. What information, this particular page?

10 Q. Yes, in terms of looking at these statements
11 of accounts and identifying those matters?

12 A. Me.

13 Q. Thank you. Who did you deliver this
14 information to at SBG as to which transactions should
15 be highlighted; who is the individual you gave this
16 information to?

17 A. At SBG?

18 Q. Yes, at SBG.

19 A. I gave it to Eric Lampert.

20 Q. Anyone else that you shared it with?

21 A. I don't believe I gave a copy to Phil. I'm
22 not sure. He's seen it since then, but I didn't give
23 a copy directly to him.

24 Q. That's my question. Has Mr. Pulley seen it
25 since then?

1 A. He's probably seen it now as part of this
2 complaint?

3 Q. What information did you need from PGW to
4 decide whether you were going to highlight something
5 or not?

6 A. Well, at the time I highlighted these
7 transactions, the late payment charges, once again, I
8 was concerned as to the application of our payments.
9 So, when I highlighted these amounts, these amounts
10 didn't calculate to the 1.5 percent interest rate;
11 so, I disputed --

12 MR. FARINAS: Objection. Relevance.

13 JUDGE VERO: We have covered it to a
14 large extent. I understand why they are highlighted.
15 Anything else?

16 MS. BOONE: Thank you. I just didn't
17 know if the PUC or if Mr. Farinas needed the
18 methodology behind what was highlighted and what
19 wasn't. I just wanted to confirm that Mr. Pulley
20 relied on other people in the organization and that
21 Kathy was one of them, just for clarification.

22 JUDGE VERO: Did Mr. Pulley rely on
23 other individuals?

24 THE WITNESS: Yes, myself.

25 MS. BOONE: Thank you. No further

1 questions.

2 JUDGE VERO: Are we done with this
3 complaint?

4 MS. BOONE: Yes.

5 JUDGE VERO: I have no further
6 questions. Mr. Farinas.

7 MR. FARINAS: No further questions.

8 JUDGE VERO: Ms. Boone.

9 MS. BOONE: No. We're done.

10 JUDGE VERO: Do we need a break?

11 MS. BOONE: Yes, just a five minute
12 break.

13 JUDGE VERO: Let's go for a break. If
14 you need to use the restroom, you need to make
15 arrangements with people inside this hearing room to
16 be let in; otherwise, until 3:30 will be enough time?

17 MS. BOONE: Yes, thank you.

18 (Whereupon, a recess was taken.)

19 JUDGE VERO: We are back on the record
20 after a brief recess in the nature of a personal
21 break so that we could all recharge our batteries and
22 we can press on and try to accomplish as much as we
23 can today.

24 Before we go on with Simon Garden Realty
25 company complaint at Docket number C-2012-2304324, I

1 would like to briefly address Ms. Treadwell. You
2 don't have to come to the witness stand. You can
3 stay where you are.

4 During your testimony, Ms. Treadwell, I
5 understood you to say that the document that you
6 prepared, that spread sheet, do you remember the
7 spread sheet that you prepared and you prepared a PGW
8 account statement for Colonial Garden, you said that
9 you scanned it, right?

10 THE WITNESS: Yes.

11 JUDGE VERO: You scanned PGW's account
12 statement and you used that information; am I
13 correct?

14 THE WITNESS: Yes, that's correct.

15 JUDGE VERO: Did you go in manually to
16 the document after you scanned it?

17 THE WITNESS: Yes.

18 JUDGE VERO: Did you change anything?

19 THE WITNESS: No.

20 JUDGE VERO: I would ask for you to go
21 and take a look and make sure that those two
22 documents match.

23 THE WITNESS: You mean an exact match,
24 the dollar amount, because when we scanned it,
25 certain characters changed into an S.

1 JUDGE VERO: Yes. There are certain
2 characters that change and I would like for you to
3 make sure the transactions, amounts, the numbers that
4 go across match PGWs. Okay?

5 THE WITNESS: Yes.

6 JUDGE VERO: I think they don't match in
7 your version and I want to know whether that's
8 something you did purposely or was done
9 inadvertently. Okay?

10 THE WITNESS: Okay. I'll take a look at
11 it.

12 JUDGE VERO: I have PGW's account
13 statement on the record for Colonial Garden, but
14 these two documents are related in your testimony.
15 I'd like for them to match and I don't think they do
16 right now, but I can go on with just PGW's account
17 statement; it's technically the same.

18 THE WITNESS: That's correct.

19 JUDGE VERO: It should be the same.

20 THE WITNESS: It should be the same.

21 JUDGE VERO: All right. Back to Simon
22 Garden.

23 THE WITNESS: Your Honor, can I just
24 clarify one thing?

25 JUDGE VERO: Yes.

1 THE WITNESS: The PGW account statements
2 that were provided to us at that time only went to a
3 certain date. So, after we had converted the
4 document electronically, we start to manually add on.

5 JUDGE VERO: What date were they
6 provided to you?

7 THE WITNESS: I think they went through
8 May of 2012.

9 JUDGE VERO: Okay. Can you double
10 check; make sure that all of the figures from May
11 2012, the ones that were scanned match PGW's figures,
12 what you entered manually, but when you said you
13 scanned them, I want them to match. Okay?

14 THE WITNESS: Yes.

15 JUDGE VERO: I do understand columns can
16 be shifted. I do understand rows can be shifted when
17 you scan, but I want the numbers to match. When the
18 columns have shifted, I understand that. It's not a
19 problem for me. When the rows have shifted and
20 Mr. Farinas identified that row has shifted, again, I
21 can work with it. I still want the numbers to
22 match.

23 THE WITNESS: Okay.

24 JUDGE VERO: Or if you find that they
25 do, do not worry. I'm afraid they don't. If you

1 find that they do, you don't have to do anything.

2 Okay?

3 THE WITNESS: Okay.

4 JUDGE VERO: Okay. Ready, Ms. Boone.

5 MS. BOONE: Thank you, Your Honor.

6 JUDGE VERO: Mr. Pulley, please remember
7 that you're still under oath with regard to these
8 consolidated cases.

9 Whereupon,

10 PHILLIP PULLEY

11 having been previously duly sworn, testified as
12 follows:

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

14 DIRECT EXAMINATION

15 BY MS. BOONE:

16 Q. Mr. Pulley, we are now here for the sixth of
17 the nine consolidated cases. This one is identified
18 as a Simon Garden case. The docket number and the
19 parties have been read into the record already.

20 I just want to ask you, you have testified in
21 the prior cases, will you please confirm that your
22 testimony in the first five cases will apply to this
23 sixth case as well to the full extent that it's in
24 those cases?

25 A. Yes, I do.

1 Q. Thank you. And that they will apply to the
2 remaining three cases?

3 A. Yes.

4 Q. Thank you. Mr. Pulley, are you familiar with
5 the property known as Simon Garden?

6 A. Yes, I am.

7 Q. How are you familiar with the property?

8 A. We're the managers of the property. It's a 72
9 unit complex. Three buildings are located at 6731
10 Musgrave Street. Another building with units is
11 located at 6732 Chew Avenue. The property is
12 primarily low income and moderate income. It is not
13 project based. The tenants aren't receiving any sort
14 of subsidy. It's on an individual basis. Other than
15 that, they're paying less than market rent for that
16 property.

17 Q. You just said we. Will you please identify we
18 for the record?

19 A. Simon Garden Realty Co., L.P. They're the
20 owners of the property.

21 Q. The other party that's involved?

22 A. SBG Management. We're the management agents.

23 Q. Thank you. What is your position at SBG?

24 A. I'm the director of operations.

25 Q. I'd like to turn your attention to SBG Simon

1 binder, page 136 please. There's an Email on this
2 page. It starts at the very beginning, dated
3 September 23rd. Will you identify this Email that's
4 at the bottom of SBG Simon binder, page 136 for the
5 record?

6 A. It's an E-mail from Gwen Osby. She's an
7 assistant with David Hyman to Gerald Clark, PGW. The
8 date of the Email is September 23, 2008, 9:30 a.m.

9 Q. On the next page which is listed as SBG Simon
10 binder, page 135 -- I'm sorry, page 137, will you
11 please identify the property that this Email refers
12 to and what the contents of the Email are on page 137
13 of SBG Simon binder?

14 A. PGW had requested our addresses of various
15 properties we had issues and concerns with. David
16 Hyman with Klienbard, K-L-I-E-N-B-A-R-D, Bell and
17 Brecker, we had provided him the information upon his
18 request. That was then forwarded to Gerald Clark
19 with PGW.

20 Q. Who is Gerald Clark at PGW?

21 A. I think he's senior attorney with PGW.

22 Q. Thank you. if I could turn your attention
23 back to 136 of the SBG Simon binder, the Email just
24 above the one you read, if you would identify that
25 for the record on that page?

1 A. The Email starts on page 135 from Phil Pulley
2 to Gwen Osby.

3 Q. Actually, it starts on page 136, the one dated
4 November 1, 2008, from?

5 A. From Gwen Osby to Phil Pulley, carbon copy
6 David Hyman, dated November 17, 2008, 12:22 p.m.:
7 Good afternoon, Mr. Pulley. Please let me know your
8 availability for two proposed meeting dates, Friday,
9 November 21st at 3:30 and Tuesday November 25th at
10 2:00 p.m. These are the dates that Mr. Guzman can
11 meet. I am told this meeting will probably last
12 about two hours. Also, PGW is under the impression
13 that the property listed below is incomplete. They
14 want to discuss your accounts in their entirety at
15 the meeting. Please confirm.

16 Q. Now, if you'll turn your attention to page 135
17 at the bottom of SBG Simon page 135, it's a beginning
18 of an Email, dated November 17, 2008 at 2:04 p.m., if
19 you could identify the document?

20 A. Email from Phil Pulley, dated November 17,
21 2008, 2:04 p.m. to Gwen Osby regarding scheduling a
22 meeting with PGW and David Hyman.

23 Q. If you could just sum it up?

24 A. I was giving her the times I was available and
25 was asking for a breakdown.

1 Q. A breakdown of what; if you would explain,
2 clarify for the record please?

3 A. We were told we were going to be getting a
4 breakdown, I believe, it was in October that same
5 year. We had never gotten the breakdown. We were
6 again asking for the breakdown and felt it was
7 premature to meet without having a breakdown to
8 review.

9 Q. The Emails on page 135 that are identified as
10 November 17, 2008, 2:42 and November 18, 2008 at
11 2:09, can you please summarize these two Emails for
12 the record?

13 A. They dealt with scheduling of the meeting and
14 that we were basically looking forward to working to
15 have a meeting the end of that week.

16 Q. What's the date?

17 A. The dates are November 17, 2008 and subsequent
18 Email of November 18, 2008.

19 Q. In the November 17, 2008 Email, what date is
20 proposed for the meeting date?

21 A. Friday.

22 Q. And the date?

23 A. November 21st at 3:00 p.m.

24 Q. Just to sum this up, between the date that's
25 listed on the Email 136, the first date listed there

1 and the time you were finally able to schedule a
2 meeting, how much time had passed?

3 A. The day?

4 Q. The first Email that's at the bottom of 136,
5 the date of that Email?

6 A. November 17th.

7 Q. Well --

8 A. No, September 23rd, approximately two months.

9 Q. If you could turn your attention to page 134
10 of the SBG Simon, if you can take a look at these two
11 Emails and summarize them for us? First, identify
12 them for the record?

13 A. The first Email is an Email from Gwen Osby,
14 O-S-B-Y, dated November 18, 2008, 2:43 p.m. to
15 Racquel Guzman, G-U-Z-M-A-N. Ms. Osby was writing to
16 Racquel Guzman advising her we still do not have the
17 breakdown that we requested. To be premature would
18 be allowing us time to review a breakdown.

19 Q. And the response?

20 A. November 18, 2008, 2:49 p.m., Racquel Guzman
21 to Gwen Osby and Phil Pulley: I would add that we
22 also need Mr. Pulley to provide a full listing of his
23 properties for this meeting.

24 Q. Thank you. If you'll turn to page 133 of the
25 SBG Simon binder, if you would start with Email on

1 the bottom of the page, if you would identify that
2 for the record?

3 A. From Phillip Pulley to Racquel Guzman and Gwen
4 Osby, dated Wednesday, November 19th, 7:34 a.m. I
5 was advising when I was available and, again,
6 requesting a breakdown.

7 Q. Will you identify the breakdown?

8 A. It was a breakdown between principle interest
9 and penalty interest.

10 Q. Read the last sentence.

11 A. What we were provided was just a lump; so, it
12 should be lump sum by property.

13 Q. What was the response to that, if you could
14 identify it for the record?

15 A. It was dated November 19, 2008, 4:32 p.m. From
16 Racquel Guzman, PGW to Gwen Osby, carbon copy David
17 Hyman and Randal Gyory, G-Y-O-R-Y. Gwen, we would
18 like to be able to include John Dunn on the
19 preliminary conference call as well, and he is
20 unavailable until next week. We are trying to reach
21 him to find out the times that work, and we'll let
22 you know as soon as we do. Just wanted to keep you
23 updated.

24 Q. Fine. If you'll just identify the Email above
25 that, the one, dated November 19th, date stamped

1 4:48, if you would identify this document that
2 appears on SBG Simon page 133?

3 A. Email from Gwen Osby to Racquel Guzman, dated
4 November 19, 2008, 4:48 p.m. With the inclusion of
5 Mr. Dunn who is not available until next week means
6 the face-to-face meeting tentatively scheduled for
7 Friday, November 21st at 3 o'clock is not going to
8 happen. Please advise.

9 Q. Then finally, if you would turn to SBG Simon
10 page 132, there's a series of Emails on this page.
11 If you would identify the dates and the Emails and
12 just summarize the content?

13 A. The first Email at the bottom is from Racquel
14 Guzman, dated Thursday, November 20, 2008, 9:21 a.m.
15 to Gwen Osby. The Email states, yes, the most
16 efficient path will be a phone conference, first, to
17 discuss missing information with Mr. Dunn, and then
18 an in-person meeting once all materials have been
19 shared and reviewed.

20 Q. From the text you just read, can you say what
21 page that text is on in the SBG Simon binder?

22 A. Between 132 and 133.

23 Q. Thank you. Then if you'll return to the SBG
24 Simon binder at page 132 and identify the Email just
25 above that?

1 A. An Email from Gwen Osby, dated November 20,
2 2008, 9:32 a.m. to Racquel Guzman. Good morning and
3 thank you for your response. I will cancel on
4 David's calendar and I'm copying Mr. Pulley to let
5 him know that the conference call tentatively
6 scheduled for today is postponed as well as the
7 tentatively scheduled meeting of Friday November 21st
8 at PGW. Both will be rescheduled when I hear from
9 you regarding the availability of all parties on your
10 end.

11 Q. With respect to the two Emails that are just
12 above, if you can state the dates of these Emails,
13 the timestamps and summarize the content?

14 A. From Gwen Osby to Racquel Guzman, dated
15 December 2, 2008, 12:47 a.m. Good afternoon,
16 Ms. Guzman. We last communicated on November 20th.
17 You are going to secure dates that PGW could
18 participate in. One, pre-meeting conference with
19 David Hyman and Mr. Pulley and, two, a meeting at
20 PGW. Any progress, please advise. Gwen Osby.

21 Q. The next Email above, if you can identify that
22 for the record?

23 A. It's an Email from Phil Pulley to Gwen Osby
24 and Racquel Guzman, dated December 2, 2008, 1:19 p.m,
25 and I state, I will make myself available, Phil.

1 Q. So, just to recap, between the period of the
2 Email on page 136 of September 23rd through the Email
3 that's listed on page 132, both of the SBG Simon
4 binder, dated December 2, 2008, how many times did
5 SBG and PGW meet to resolve these problems?

6 A. None.

7 Q. Why not?

8 A. Couldn't get a meeting scheduled with PGW.

9 Q. During this time, were there disputes between
10 SBG as to how the bills were calculated, including
11 the kinds of disputes, late payment charges,
12 interest, penalties, a breakdown of the principle
13 amount, whether it was that full principle amount
14 prior to the issues?

15 A. Yes.

16 Q. I'd just turn your attention to page 130 of
17 SBG Simon binder, if you could read this Email into
18 the record?

19 A. From Phil Pulley to John Dunn, III, dated
20 February 16, 2009 regarding Simon Garden PGW. I
21 state, I just got notification -- it should be --
22 from our bank that there are liens totaling \$270,000
23 on this property. Any idea why there and how they
24 got recorded. They were recorded in June of 2007,
25 Phil.

1 Q. Why was this Email directed to Mr. Dunn?

2 A. We were told to correspond with Mr. Dunn
3 during the December 2008 conference call we had with
4 PGW in that month.

5 Q. Was that conference call on a number -- what
6 are some of the properties that were included in that
7 conference call as the subject of that call?

8 A. Fairmount, Elrae, Marshall, Colonial, Simon.

9 Q. Thank you. So, it includes this property as
10 well; is that correct?

11 A. That's correct.

12 Q. What was the impact? Why were you sending
13 this Email to Mr. Dunn? What was your concern from
14 this Email, page 130?

15 A. Because we were told to contact him when we
16 had disputes.

17 Q. What was the impact of this dispute on your
18 business, on the business of the owner?

19 A. In caused a monetary default of our mortgage
20 having a lien filed against us and not curing it
21 within thirty days. We didn't even have knowledge
22 of the June 2007.

23 Q. What do you mean by that?

24 A. We didn't have knowledge of the filing.

25 Q. Why not?

1 A. Don't know.

2 Q. What notices did you receive from PGW about
3 this filing?

4 A. I don't believe any.

5 Q. Why did you go to Mr. --

6 MR. FARINAS: Your Honor, I object.

7 JUDGE VERO: Sustained.

8 MR. FARINAS: The filing we're talking
9 about is the filing of liens?

10 JUDGE VERO: Right and notices of liens,
11 it's beyond the Commission's scope and jurisdiction.

12 MS. BOONE: I apologize. Thank you. I
13 have no further questions for this witness at this
14 time. I'd like to briefly call Ms. Kathy Treadwell
15 and Eric Lampert for short direct.

16 JUDGE VERO: Let Mr. Farinas conduct his
17 cross-examination of Mr. Pulley, if he has any.

18 MR. FARINAS: At this time, no, Your
19 Honor, because I believe we've all seen these Emails
20 before, most of them, and testimony of my cross
21 regarding his Emails are elsewhere that I believe is
22 going to be included in the record.

23 JUDGE VERO: Your call.

24 MR. FARINAS: Thank you.

25 JUDGE VERO: I do have a couple

1 questions for you, Mr. Pulley. First of all, you
2 went over a lot of Emails that dated from September
3 23, 2008 and went all the way up to December, I
4 believe of 2008; am I correct?

5 THE WITNESS: No, February of 2009.

6 JUDGE VERO: I am concerned about the
7 Emails. There seems to be one single chain of Emails
8 that went from September 2008 and it begins on SBG
9 Simon binder 136.

10 THE WITNESS: Yes.

11 JUDGE VERO: That particular Email goes
12 on to page 137, but working, I guess, chronological
13 order, I think the chain begins on September 23, 2008
14 and I understand it to go on until December 2, 2008
15 and it concerns SBG's attempt to sit down in a
16 conference or conference call with PGW; am I
17 correct?

18 THE WITNESS: That's correct.

19 JUDGE VERO: Okay. This request for a
20 conference call, did it concern just Simon Garden or
21 was it concerning all the properties.

22 THE WITNESS: All the properties.
23 That's why PGW kept demanding a total listing of all
24 our buildings. We were like, what do you want that
25 for. Here are the only ones we have disputes on.

1 JUDGE VERO: If you look at SBG Simon
2 binder, page 132, you have an Email from Gwen Osby,
3 legal assistant of the law firm hired by SBG, I
4 understand, Klienbard, Bell and Brecker?

5 THE WITNESS: That's correct.

6 JUDGE VERO: She is counseling the
7 conference call that was tentatively scheduled by SBG
8 and PGW for November 20, 2008?

9 THE WITNESS: Yes.

10 JUDGE VERO: Any reason why this
11 conference call was cancelled and the call
12 postponed?

13 THE WITNESS: According to the Emails
14 here, because Mr. Dunn was not available and they
15 wanted Mr. Dunn to attend the conference call. It's
16 on 133, the Email at the bottom, Gwen, we would like
17 to be able to include John Dunn on the preliminary
18 conference call as well, and he's unavailable until
19 next week.

20 JUDGE VERO: Thank you. Ms. Boone might
21 have asked you this question already, but did this
22 conference ever take place?

23 THE WITNESS: There was a conference
24 call the beginning of December 2008, which included
25 myself from SBG, Racquel Guzman, John Dunn. There

1 was a host of people from PGW on the call, David
2 Hyman. I believe Gwen was on the call, maybe even
3 somebody else from David's office.

4 JUDGE VERO: And if you turn to page 134
5 of the SBG Simon binder, the first Email on the top,
6 I'm just going to read the text. It's from Racquel
7 Guzman, who I understand from the Email accounts
8 works for PGW, addressed to Gwen Osby and Phil
9 Pulley, and the text is, I would add that we will
10 also need Mr. Pulley to provide a full listing of his
11 properties for this meeting.

12 Now, I turn your attention to SBG Simon,
13 page 136, the very last Email at the bottom from Gwen
14 Osby to Gerald Clark, dated September 23, 2008, and
15 on page 137, which is the continuation of that Email,
16 it's a list of properties and addresses; am I
17 correct?

18 THE WITNESS: That's correct.

19 JUDGE VERO: It is for Aria, Fairmount,
20 Marshall, Colonial Garden and Simon Garden. Is this
21 a full list of your properties as of September and
22 November 2008?

23 THE WITNESS: No.

24 JUDGE VERO: There are more properties?

25 THE WITNESS: Yes, but these are the

1 ones we had the issues with.

2 JUDGE VERO: I have no further questions
3 for Mr. Pulley.

4 MR. FARINAS: Your Honor, your questions
5 excited some questions in me.

6 JUDGE VERO: You may proceed,
7 Mr. Farinas.

8 MR. FARINAS: Thank you, Your Honor.

9 CROSS-EXAMINATION

10 BY MR. FARINAS:

11 Q. As we're tracing, I guess, the highs and lows
12 of the relationship between PGW and SBG, were you
13 aware of any -- you just testified that when asked
14 for a list of properties as prompted by Ms. Guzman's
15 Email request of you to provide a full list of
16 properties; do you recall discussing that with Her
17 Honor?

18 A. In the Email exchange?

19 Q. Yes, in the Email exchange.

20 A. Okay.

21 Q. Her Honor asked you was this a full list of
22 properties and your response was no?

23 A. No.

24 Q. And you did say, however, these were all the
25 properties we had issues with; is that correct?

1 A. At that time.

2 Q. Were you aware of any other reason that PGW
3 might want to have a full list of your properties?

4 A. I could only assert my own thoughts, that you
5 guys want to harass us and abuse us and pick on us.

6 Q. Were these accounts on these other properties
7 paid in full?

8 A. Absolutely, and during the December conference
9 call with Racquel Guzman, we went through every --

10 MS. BOONE: Objection.

11 THE WITNESS: -- single property, every
12 shopping center, every medical building property and
13 somebody from PGW sat there going what's the address
14 on that, what's the address on that, and then all of
15 a sudden, that's when they were like, oh, these are
16 the only ones we have a problem on, yes.

17 MS. BOONE: I withdraw my objection. He
18 already answered it.

19 BY MR. FARINAS:

20 Q. If all of your properties were paid, why would
21 someone harass you? What was the reason for your
22 saying someone at PWG wanted to harass you if you're
23 saying all your properties were paid?

24 A. Why would they ask us for a list.

25 JUDGE VERO: First of all, Mr. Farinas,

1 you are mischaracterizing his statement. He said, he
2 believes that he was current on all the other
3 properties he didn't have an issue with, and they are
4 not listed on Ms. Osby's September 23, 2008 Email; am
5 I correct?

6 THE WITNESS: That's correct. Thank
7 you.

8 JUDGE VERO: So, that list contains all
9 the properties he had an issue with, but it's not the
10 full list of all his properties; so, he said they're
11 not part of it because he believed he was current,
12 correct?

13 THE WITNESS: Correct.

14 JUDGE VERO: Or didn't have an issue.

15 BY MR. FARINAS:

16 Q. But in preparation for this meeting, did you
17 provide a full list of the properties?

18 A. No. We provided it at the meeting or on the
19 phone call. It wasn't a meeting. It was a
20 conference call.

21 Q. After you provided the full list of your
22 properties, do you still feel that you were being
23 harassed?

24 A. No. Well, nothing else happened to the rest
25 of the properties. We went through all the shopping

1 centers, went through everything else; so, that
2 paranoia in my mind went away. I couldn't figure out
3 why they were asking for things that seemed to be
4 unrelated from our dispute. It just seemed a little
5 odd to me.

6 Q. Then I want to leave it there. This is
7 getting into the winter of 2008, November, December.
8 The conference call, telephone conference call took
9 place in December of 2008, correct?

10 A. Correct.

11 Q. So, if I can direct everyone's attention to
12 just PGW correspondence plastic binder, page 3.

13 A. Laureto, this one?

14 Q. Yes. And while we have discussed this before,
15 what was happening with respect to the progress of
16 the discussion, particularly with Simon Garden, that
17 you believe your response in the Email, dated January
18 23, 2009 was necessary?

19 A. Why did I feel it was necessary?

20 Q. I mean, what was going on with respect to the
21 relationship, and if you could speak specifically to
22 Simon Garden, because that's what we're on, that made
23 you write this Email?

24 A. Basically, that we had heard from John Dunn
25 after the first of the year. I mean, it was almost

1 the 23rd. We talked the beginning of December; so,
2 it was almost 45 days later, but we had heard from
3 him, which was a positive thing. That's really all
4 I'm stating here. We were continuing dialogue.
5 Dialogue is good. We're communicating.

6 MR. FARINAS: I have no further
7 questions.

8 MS. BOONE: I just have a small amount
9 of redirect.

10 REDIRECT EXAMINATION

11 BY MS. BOONE:

12 Q. If you would turn to SBG correspondence
13 binder, page 132, I think there's some questions
14 about the relationship with John Dunn, the impact.

15 Mr. Pulley, would you just identify this
16 letter at page 132 of the SBG correspondence binder?

17 A. Which Email?

18 Q. It's a letter. It's under pre 2008. It's SBG
19 correspondence binder?

20 A. What's the number?

21 Q. It's under pre 2008 tab and it's SBG
22 correspondence page 132.

23 A. It's an Email -- excuse me. It's a letter
24 dated September 2, 2005 to John Dunn, III,
25 characterizing it, I need your help again. It

1 appears as though PGW continues to bill us for late
2 charges, interest and fees in connection with the
3 dispute that we had resolved previously. I have
4 attached a copy of the memoranda, dated August 23,
5 2005 from Eric Lampert whereby outlining the concerns
6 and issues.

7 I would appreciate you getting in touch with
8 whomever at PGW and having the bills corrected.
9 We're fielding phone calls from arrogant obnoxious
10 collection people from PGW who treat everybody as if
11 they're the lying scum of the earth. Can you please
12 correct this matter. And that was carbon copied to
13 Maryam Mahdoui and Daniel McCaffrey.

14 Q. Mr. Pulley, when you wrote that letter, when
15 you wrote the Email in 2009 --

16 JUDGE VERO: Is it a letter?

17 MS. BOONE: I mean the Email.

18 BY MS. BOONE:

19 Q. Mr. Pulley, what did you mean in this letter
20 about the relationship between PGW and SBG.

21 A. We found them to be less than forthright.

22 Q. How did you see Mr. Dunn's role in this at the
23 time in 2005?

24 A. Somebody trying to work with us. Somebody who
25 is trying to help us to a point; although, he wasn't

1 the most responsive person, but that was the name we
2 were given by Maryam Mahdoui and he said it and John
3 said it in the meetings with us and Tom Murphy to
4 resolve the issues in 2004.

5 Q. If you could turn to SBG correspondence binder
6 page 137, if you could just identify this document
7 for the record?

8 A. This is a letter to Daniel McCaffrey, dated
9 November 10, 2004.

10 Q. Why are you writing Mr. McCaffrey this letter?

11 A. I'm writing this to Mr. McCaffrey in response
12 to the conference from Maryam Mahdoui where she was
13 asking what it is we wanted, what type of breakdowns
14 we wanted, and we were trying to explain to them the
15 issues as it related to Simon Garden and why the
16 bills were out of whack, and we were asking them
17 again for information.

18 Q. And did you ever receive this information?

19 A. No.

20 Q. What about when you put in the request that
21 was identified as SBG correspondence 132, dated
22 September 2, 2005 that you just read?

23 A. No, and the other reason we wrote to John Dunn
24 was, besides Maryam recommended him, I actually
25 thought that John was something big at the gas works

1 because he signed the settlement agreements on Simon
2 Garden when they overcharged us in '03 and '04; so,
3 John was the signatory in that. He's a big shot. He
4 signed the settlement agreement.

5 Q. When you referred to correspondence to Mr.
6 Dunn in September 2008 and in 2009, what is the
7 connection between your correspondence 2005 and the
8 correspondence in 2009 in terms of how the
9 relationship is progressing?

10 A. We're working through things. We're
11 communicating, even though at times, there was
12 lapses. The issues from '05 are still some of the
13 issues we're still talking about today. They've
14 never been addressed. They've never been satisfied
15 from that standpoint. The void still exists, but we
16 continued to talk to John Dunn, whether it was Maryam
17 Mahdoui, Racquel Guzman. So, we always had a fluent
18 relationship, even though we didn't resolve it, but
19 it wasn't hostile.

20 MS. BOONE: Thank you. Nothing further.

21 JUDGE VERO: Any recross?

22 THE WITNESS: Remember, I said not
23 hostile.

24 MR. FARINAS: This is not hostile. How
25 many words do I need to express my thoughts.

REXCROSS-EXAMINATION

1
2 BY MR. FARINAS:

3 Q. In your response just now, you referred to
4 dialogue and resolving issues. In one of your other
5 testimonies, I did ask you, with SBG's high standards
6 of resolving issues, is there any issue that PGW was
7 able to resolve in any of the discussions or
8 negotiations with you?

9 A. Going back to 2003, 2004, yes, with the
10 settlement agreement, yes. We were able to resolve
11 that. I think it hurt a little bit on everybody's
12 side, but it got resolved.

13 Q. Following that, in the context of since 2008,
14 since the renewed relationship after the meeting or
15 the conference call with Ms. Guzman and Mr. Dunn?

16 A. Do I think certain things got resolved, the
17 answer is yes and the answer is no. I mean, John
18 Dunn was able and we thought we were unfairly being
19 liened and being listed for sheriff sale, we went to
20 John and said, John, this is wrong. You know it's
21 wrong. He was able to stay and place those things on
22 hold, those type of things. When I had issues in
23 regard to Gerald Clark and saying, Gerald, you liened
24 \$450,000 here. It's wrong. He didn't address it all
25 the way, but when you see a quarter of a million

1 dollars come off, that's a positive to me. It's the
2 beginning of positive.

3 Q. So, when you entered into these periods of
4 resolution, did you realize that -- did you think
5 that PGW was rigid and steadfast and not able to
6 resolve as you characterize PGW today or these days?

7 A. I don't know whether they're rigid or they
8 can't. When you go back to the settlement agreement
9 of 2005 when PGW eats \$60,000 in late fees or charges
10 because they don't want to produce calculations, that
11 raises a red flag and concern to me.

12 So, if we challenge them now to say show us
13 your late charges today and they don't want to do it,
14 I go back to the same thing saying, wait a minute,
15 it's been almost a decade of them not wanting to
16 produce calculations.

17 Q. Again, there's calculation and there's
18 calculations to your satisfaction.

19 JUDGE VERO: May I intervene a little,
20 Mr. Farinas?

21 MR. FARINAS: Sure.

22 JUDGE VERO: There is a settlement in
23 2005. Does it concern Simon Garden?

24 MR. FARINAS: No. It was a different
25 property, correct?

1 THE WITNESS: No. I believe it was
2 Simon Garden.

3 MR. FARINAS: It was Simon Garden. I'm
4 sorry. It's all running together.

5 JUDGE VERO: So, Simon Garden in 2005.
6 So this letter that -- give me just a moment because
7 I might forget. This letter, SBG correspondence
8 binder at page 137, dated November 10, 2004 concerns
9 Simon Garden and the list of issues. Is this part of
10 the settlement?

11 THE WITNESS: This was the requesting of
12 information.

13 JUDGE VERO: I understand. Did that
14 settlement in 2005 cover the accounts, information,
15 et cetera that you were asking questions about in
16 this letter?

17 THE WITNESS: It covered the accounts,
18 but they never produced the information.

19 JUDGE VERO: Okay. You settled. You
20 were satisfied. You moved on without that
21 information because otherwise, I mean, you had that
22 option of, let's see, not settling.

23 Let's go back to the settlement. When did it
24 occur? What properties did it cover, because if I
25 don't have to go back to 2005, I'm not going back to

1 2005? I need some information. I don't care who
2 gives it to me.

3 THE WITNESS: There was one on Simon and
4 one on Fern Rock.

5 JUDGE VERO: One Simon and one Fern
6 Rock. Anything else; any other properties?

7 MS. BOONE: It's in the Dan McCaffrey
8 documents. I just don't have them readily available.

9 JUDGE VERO: You're correct, Ms. Boone.
10 I think it was part of Dan McCaffrey's. I have Fern
11 Rock and Simon, 2005; so, yes, Fern Rock and Simon.
12 Do we have a date when the settlement was signed?

13 MS. BOONE: There's a cover letter,
14 dated February 2, 2005. It's a payment agreement. I
15 only see one signature though on this.

16 THE WITNESS: John Dunn signed it,
17 right?

18 MS. BOONE: Yes, here it is.

19 MR. FARINAS: Actually, in the Dan
20 McCaffrey's, it's not signed, at least at the recital
21 section.

22 MS. BOONE: If you turn to Dan
23 McCaffrey, he didn't date stamp it, but there's a
24 docket report.

25 MR. FARINAS: SBG Simon correspondence

1 156.

2 JUDGE VERO: SBG Simon 156?

3 MS. BOONE: SBG Simon 158. You're
4 right, Mr. Pulley, John Dunn did sign it.

5 JUDGE VERO: Just a moment. The
6 signature is on SBG Simon, it appears on 158, but the
7 document itself, I believe, begins on page 156.

8 MS. BOONE: Could it be page 155 it
9 starts?

10 JUDGE VERO: 155 is the cover page.
11 That's all my questions. You may
12 continue.

13 MR. FARINAS: You actually finished my
14 questions, Your Honor. No further questions.

15 JUDGE VERO: Can Mr. Pulley step down?
16 Are we done with redirect and recross?

17 MR. FARINAS: Yes.

18 MS. BOONE: Yes.

19 JUDGE VERO: Mr. Pulley, you are
20 excused. Thank you.

21 MS. BOONE: I apologize. There was one
22 other matter I had to ask Mr. Pulley about. I was
23 trying to speed through it.

24 JUDGE VERO: As part of your direct?

25 MS. BOONE: Yes.

1 JUDGE VERO: All right.

2 FURTHER REDIRECT EXAMINATION

3 BY MS. BOONE:

4 Q. Mr. Pulley, it's my understanding that you
5 were concerned about excess liens that were also on
6 the mortgage documents; is that correct?

7 A. That's correct.

8 MS. BOONE: If I could have just a
9 moment? I apologize. I was trying to rush through
10 this. If I can have a minute with Mr. Pulley please?

11 JUDGE VERO: Yes.

12 MS. BOONE: I apologize. That's fine
13 Mr. Eric, Lampert, if he can come forward.

14 JUDGE VERO: Okay. Good afternoon,
15 Mr. Lampert. Mr. Lampert, please remember you are
16 still under oath for these consolidated hearings.
17 Whereupon,

18 ERIC LAMPERT

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

21 JUDGE VERO: You may proceed.

22 Ms. Boone, just a quick reminder. It is now 4:18. I
23 would like to be done today by quarter to 5:00,
24 because I will need to remove all of these binders
25 into my office to do some housekeeping before I leave

1 at 5:00, and I understand that we won't be done with
2 this case today and I commend Ms. Boone for pressing
3 on.

4 So, do not rush your direct testimony of
5 Mr. Lampert. As it is, we are going on with SBG's
6 direct testimony into the further hearings that we
7 will schedule. So, do your best and cover the issues
8 that you can and the rest will be left over for the
9 continued hearings.

10 MS. BOONE: I'm just going to ask him
11 one question. I'll ask Ms. Treadwell to come up and
12 go through the transactions or we can either
13 summarize it or go through those individual
14 transactions when she comes up. You'll see what I
15 mean.

16 JUDGE VERO: All right.

17 DIRECT EXAMINATION

18 BY MS. BOONE:

19 Q. Mr. Lampert, please state your name for the
20 record and job?

21 A. Eric Lampert, L-A-M-P-E-R-T, and I am employed
22 by SBG Management and their controller.

23 Q. You've previously testified in five other
24 hearings; is that correct?

25 A. I guess. I didn't count them.

1 Q. And the testimony that you gave in those
2 hearings, to the extent any and all of it can apply
3 to issues that arise in the Simon Garden case, the
4 present case, do you confirm that that testimony
5 should apply with the same force and effect?

6 A. Yes.

7 Q. And to the extent there are issues that cross
8 over all of those cases?

9 A. Yes.

10 Q. As well as the cases we will hear at the next
11 set of hearings?

12 A. Yes.

13 MS. BOONE: Thank you. No further
14 questions.

15 JUDGE VERO: Thank you, Mr. Lampert.
16 Mr. Farinas, cross?

17 MR. FARINAS: No cross.

18 JUDGE VERO: No questions from me.
19 Thank you.

20 MS. BOONE: Now I call Ms. Kathy
21 Treadwell.

22 JUDGE VERO: Ms. Treadwell, please
23 remember that you are still under oath. I believe
24 you do not need to state your name and spell your
25 last name for the record. It's in the record for

1 these consolidated matters. So, with the
2 understanding that you are now going to provide
3 testimony for the complaint of SBG Management
4 Services Inc./Simon Garden Realty Company, LP at
5 Docket number C-2012-2304324, you may take a seat.
6 Whereupon,

7 KATHY TREADWELL

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

10 JUDGE VERO: Ms. Boone, you may
11 proceed.

12 DIRECT EXAMINATION

13 BY MS. BOONE:

14 Q. Ms. Treadwell, will you please state your name
15 and your job responsibilities on the record?

16 A. My name is already on the record, I thought.

17 JUDGE VERO: Yes. I already said the
18 name and foundation as a witness are already on the
19 record for these consolidated cases.

20 MS. BOONE: Thank, Your Honor.

21 BY MS. BOONE:

22 Q. Before we begin with discussing the individual
23 transactions, you previously testified in the five
24 other matters and you're expected to testify in the
25 next three matters; is that correct?

1 A. Yes.

2 Q. To the extent that any testimony you gave in
3 the prior hearings, as well as today, will you
4 confirm that that information to the full force and
5 effect of it, the content of that testimony will
6 apply in the prior hearings as well as the future
7 hearings?

8 A. Yes.

9 Q. If you now turn to the individual transactions
10 which begin on page 88 of the SBG Simon Garden
11 binder?

12 A. Yes. Look at page 88. I've highlighted just
13 as I stated before in my process of highlighting most
14 of the transactions that we dispute. With regard to
15 dispute number one listed at January 7, 2004 for
16 Simon Garden account number 539547187 with an SA
17 number 1162325601 and meter number 1944659 --

18 Q. You've indicated this is a disputed
19 transaction?

20 A. Yes, that's correct.

21 Q. And the dispute code?

22 A. Dispute code is A. When we were provided the
23 statement of account by PGW, the first thing I
24 noticed is that they had a bill issued here that had
25 no CCF usage reading; so, I designated a code which

1 is code A. That means it's a bill that I dispute
2 because I don't have a basis for the charge.

3 Q. Will you please explain that for the record?

4 A. For example, if you look at dispute number
5 one, January 7, 2004, there was a bill issued for
6 \$2,383.25. There is no usage, no heating DDD
7 information that was in the statement of account
8 provided by PGW; so, I disputed that.

9 Q. And with respect to late payment charges that
10 are listed in all the disputed items for the Simon
11 Garden matter, this complaint, are all the late
12 payment charges excluded in the same manner as in
13 your prior testimony?

14 A. Yes. We cannot confirm the calculation of
15 the late payment charge. I made an attempt and
16 explained that in my previous testimony. I'm also
17 uncertain as to whether at any given date, the late
18 payment charges were applied, if there was any
19 judgments or liens against the property, at which the
20 late payment charge rate of interest would change
21 from 6 percent annually to .5 percent on a monthly
22 basis rather than 18 percent annually and 1.5 percent
23 monthly.

24 Q. So, with respect to transaction one, are those
25 all your listed disputes for transaction one?

1 A. Yes. That's the only A for this particular

2 SA.

3 Q. Then for transaction two that's listed on SBG
4 Simon Garden page 88?

5 A. On page 88, there's a transaction dated 1/14
6 2004, labeled type as Xfer. I originally did not
7 understand what Xfer was. Subsequent to my review of
8 this, PGW personnel tried to explain to me that
9 these, and I believe, and you'll have to get
10 clarification from those individuals, that from time
11 to time amounts transfer from one SA to another or
12 sometimes they come from another account or whatever
13 the case may be.

14 However, I have not been able to trace the
15 source of this particular transfer and to be honest,
16 I just don't understand where it comes from. It's
17 one of those things, the money coming into this
18 particular SA, I don't know where it came from.

19 JUDGE VERO: Just a moment. The two
20 transactions you just testified about, they predate
21 the settlement date on Simon Garden; am I correct?

22 THE WITNESS: Yes, that's correct.

23 JUDGE VERO: It is settled.

24 THE WITNESS: Okay. Would you like me
25 to move post the settlement date?

1 JUDGE VERO: Please do.

2 THE WITNESS: Can we get for the record
3 what date that was?

4 JUDGE VERO: I thought the settlement
5 was signed February 2005.

6 MR. FARINAS: January 19, 2005.

7 JUDGE VERO: January 19, 2005.

8 THE WITNESS: Okay. After January 19,
9 2005?

10 JUDGE VERO: Yes.

11 THE WITNESS: Thank you for the
12 clarification, Your Honor. Okay. Let's move on to
13 item number 3, dated in March of 2005. I've
14 designated J, which I've already testified is a
15 disputed meter read. It means based upon our
16 knowledge of historical usage, that the CCF usage
17 means it's out of the historical range of that
18 property. In the interest of time, I'm going to just
19 continue going through the rest of the transactions.

20 JUDGE VERO: Okay. You heard me when I
21 explained to Ms. Boone, that at this point, I'm fully
22 conscious that we are going to go on with SBG's
23 direct testimony into the further hearings, okay, and
24 because I do not feel that any time was wasted, I'm
25 willing to do and we'll do it with my permission; so,

1 in the interest of time, do not let the interest of
2 time affect your testimony. Tell me what you have to
3 say.

4 THE WITNESS: Okay. With respect to
5 that transaction on 4/7 2005, if you look at our CCF
6 analysis usage on page 170 for that particular
7 account number, SA and meter number, if you look at
8 the April 2005, you see the usage of 1840, that's the
9 same usage that's listed here on page 88. With
10 respect to the historic usage, that particular
11 transaction seems high. That CCF consumption seems
12 high for that same period in prior years.

13 Similar to that on page 89, the item
14 labeled dispute number 4 at November of 2006 has a
15 CCF usage of 621, and if you look back at page 170,
16 using that same analysis, same type of reasonable
17 analysis at November 2006, the CCF usage is 621 when
18 comparing it to the 2004 and 2005 period, the number
19 seem out of range.

20 On page 90 of the statement of account,
21 there's a dispute number listed number five at
22 December of 2007. There is a transaction for \$39.32
23 with the type tax IMP. The dispute code is labeled
24 I, which means, again, it's just I don't understand
25 the transaction. I don't understand the charge. I

1 don't understand. I just don't understand the
2 transaction, what kind of charge is this, what kind
3 of calculation went into this charge.

4 JUDGE VERO: What is the amount?

5 THE WITNESS: \$39.32. And on May of
6 2008, if you look at the item number 6 on page 90,
7 there is a CCF usage of 1,026 and the transaction --
8 the dispute code is J, which is also a meter read,
9 and when looking at December of 2007, when compared
10 to the previous period, the dispute range, it's not
11 that far off, but it was just a large read when
12 comparing to December of 2006.

13 JUDGE VERO: Are you referring to the 6,
14 transaction number 6?

15 THE WITNESS: I'm sorry. I apologize.
16 I looked at the wrong thing here. I looked at the
17 wrong date here. I highlighted the wrong thing.
18 When you look at May of 2008 and if you compare it to
19 May of 2007 and May of 2006, the CCF consumption is
20 larger than expected. I already stated my dispute
21 with the late payment charges. I don't think it's
22 necessary for me to restate it unless you expect me
23 to, Your Honor.

24 JUDGE VERO: Is it your testimony that
25 you performed the calculations in the same manner for

1 Simon Garden as well as you did for Colonial Garden;
2 it was the same methodology and you reached a similar
3 conclusion?

4 THE WITNESS: Yes, Your Honor.

5 JUDGE VERO: All right.

6 THE WITNESS: If you turn to SBG page 92
7 and look at transaction number 44, there was a
8 cancelled payment, and at this time, I was employed
9 by SBG Management and I actually saw the transaction
10 being cancelled on the bill.

11 When I saw it, I immediately contacted
12 PGW and asked them to provide me with an explanation
13 of a cancelled payment. I didn't understand where
14 the payment they cancelled came from or why a series
15 of payments were cancelled on the bill. I spoke with
16 a PGW representative. I think his name was Tom. I
17 can't recall his last name. He tried to explain to
18 me that these cancelled payments were regarding
19 LIHEAP grants and because I'm not familiar with
20 LIHEAP grants, I did not understand the nature of
21 those cancelled payments.

22 We have since requested this information
23 from PGW and have not yet received a written
24 explanation regarding that. Also, under those three
25 cancelled payments on page 92. There's one at 8/22

1 2012 for \$91.67. There's another one 8/22/12 for
2 \$28.54, and there's another one on 8/22/12 for
3 \$28.55.

4 After that, on 9/4/12, there was another
5 what you call Xfer or transfer, I believe, into this
6 account or out of this account. I'm not sure exactly
7 how this works. It looks like it was into this
8 account just based on the math here and I don't,
9 again, understand these transfers of money, where
10 they come from and why they're transferring them
11 around.

12 To the extent of what I described and
13 addition to the late payment charges that I dispute,
14 that would be the nature of our disputes on this
15 particular account, SA number and meter number.

16 JUDGE VERO: Ms. Boone, any questions?

17 MS. BOONE: What I thought I would do
18 would be have her lay the foundation. I do have some
19 questions about some of these charges for this
20 particular SA, but I thought I would hold it because
21 it's a question that can apply across several payment
22 periods. So, I thought I would have her go through
23 all of the list just to get that on the record and
24 let her give a global answer.

25 JUDGE VERO: So, can we --

1 MS. BOONE: Yes, move to the next.

2 THE WITNESS: We can move to page 94.

3 JUDGE VERO: 94?

4 THE WITNESS: Yes.

5 BY MS. BOONE:

6 Q. Is 94 the next SA?

7 A. Yes. 94 is the next SA. 93 is the
8 continuation of the first SA and it has late payment
9 charges where we disputed.

10 JUDGE VERO: So, Simon Garden has two
11 SAs as well?

12 THE WITNESS: It has three SAs.

13 MS. BOONE: Before we move to the next
14 SA, can we go through all the disputes for the first
15 SA because I have a question.

16 JUDGE VERO: I think she just did. She
17 said she was done.

18 MS. BOONE: Okay. You're all done?

19 THE WITNESS: Yes.

20 MS. BOONE: Okay.

21 BY MS. BOONE:

22 Q. If you turn to SBG Simon Garden page 153, this
23 document refers to what SA number for the first or
24 will you identify this document for the record
25 please?

1 A. This document was a list provided to SBG at a
2 closing that took place in July of 2012.

3 Q. Will you define what a closing is?

4 A. It's when either a refinance happens and money
5 is disbursed to the various people at a given date
6 because money is currently due.

7 Q. What is this money; when you say disbursed, is
8 it used to pay for something?

9 A. Yes, it could be a check. It could be
10 electronic transfer, just depends on the settlement.

11 Q. Looking at that document, what do you think
12 that money disbursed at that time was used for?

13 A. The money disbursed at this time was used for
14 this particular account number, which was
15 000539547187.

16 Q. Now, we've talked about payments that were
17 made on open accounts, and with respect to this SA,
18 I'd like to turn your attention to the column called
19 dates of service for 6732 Chew Avenue, M2?

20 A. Yes.

21 Q. It says SA 116325601. Is that what this
22 document says?

23 A. Yes. It actually lists several SAs. As we
24 previously stated, there are several SAs for Simon
25 Garden Realty account number ending in 7187. This

1 was, again, a document provided by PGW that was
2 supposed to represent the dates of service and the
3 liens that existed on the property for these
4 particular accounts and SAs.

5 when I was provided this list by PGW, I was
6 attempting to make a reconciliation again of the
7 payment to these respective SAs, and one of the
8 information that I needed from PGW was what is the
9 correct dates of service for which the debt occurred
10 so that I could tie into the particular statement of
11 account.

12 This document gives me dates of service from
13 11/13 2000 to current and it doesn't say for which
14 particular account number and SA, the exact dates of
15 service. I mean, it's not helpful in determining how
16 to reconcile these payments to the account.

17 Q. If you would currently look under the second
18 number listed under docket number 100531542, and if
19 you would say the amount listed under the column
20 called lien amount that goes with that number?

21 A. There was a lien listed for apparently
22 \$82,896.78.

23 Q. Now, if I could turn your attention to PGW
24 Simon binder at page 13. It's PGW Simon
25 correspondence binder.

1 JUDGE VERO: PGW?

2 MS. BOONE: PGW, yes. They gave us a
3 Simon correspondence binder.

4 THE WITNESS: I don't have that
5 document.

6 MR. FARINAS: Simon correspondence
7 binder?

8 MS. BOONE: Maybe it's just a Simon
9 binder, I'm sorry.

10 JUDGE VERO: PGW Simon binder.

11 THE WITNESS: I don't have it up here.
12 Is this it?

13 MS. BOONE: Yes.

14 BY MS. BOONE:

15 Q. Page 13, will you identify this document for
16 the record?

17 A. This is a document, I believe, which was
18 provided to SBG yesterday. It's some type of
19 printout from PGW. I haven't had a chance to really
20 look at it.

21 Q. What's the title on the first line?

22 A. Contact for premise. I'm sorry. I'm looking
23 at the wrong binder.

24 Q. PGW Simon?

25 JUDGE VERO: I think you are looking at

1 the right binder.

2 THE WITNESS: No. I was looking at the
3 first half, which was apparently Colonial. I didn't
4 know it was two sections because I haven't had a
5 chance to look at the binder yet. Okay. I'm there.

6 BY MS. BOONE:

7 Q. For Simon, page 13 in the PGW Simon binder,
8 will you identify this document for the record, the
9 first lines?

10 A. It says contact for premises at 6732 Chew
11 Avenue, M2/Philadelphia, PA 19119-1910.

12 Q. Just to confirm, was this document prepare by
13 SBG?

14 A. No. It appears to me as some type of printout
15 from a system; I suspect from PGW.

16 Q. Whose name is at the bottom of the page?

17 A. It says PGW Simon.

18 Q. If you would turn to the entry, dated 6/1
19 2010, would you take a moment to look at that
20 comment, and then I'd like to ask a question about
21 it?

22 A. I see it.

23 Q. Is the lien and the amount referred in this
24 document as of 6/1 2010 the same lien amount in
25 docket referred to at SBG Simon 153?

1 A. It appears so, yes.

2 Q. What do you learn about this debt that's on an
3 open account by looking at the PGW Simon page 13;
4 what does it say?

5 A. Well, it says on June 1st of 2010, I guess
6 type CRC, a lien was issued in the amount of 82,000
7 per the PGW Commercial Resources Center for the
8 address of 6732 Chew Avenue, M2.

9 Q. So, of the parties here, what party knows the
10 date this lien was issued by looking at this
11 information?

12 A. I don't know that information.

13 Q. Whose information is it?

14 A. This is PGWs.

15 Q. Who has access to this information?

16 A. PGW.

17 Q. Who is controlling this information being
18 entered into a written record?

19 A. I suspect PGW.

20 JUDGE VERO: Ms. Boone, if you're going
21 into notice of liens, et cetera, it's out of my
22 jurisdiction.

23 MS. BOONE: It is not notice.

24 BY MS. BOONE:

25 Q. I just want to take that back to the page on

1 153, and if you look at the date of service that's
2 listed for that amount, what date of service is
3 listed for that lien?

4 A. There was nothing listed regarding the dates
5 of service for that particular lien.

6 Q. So, in terms of the LPC issue of when interest
7 should be applied at the rate of one and a half
8 percent or half a percent per month, what's the
9 impact of this information?

10 A. I would need to know that information in order
11 to determine at which point the interest rate would
12 change to 6 percent annually versus 12 percent
13 annually.

14 Q. How would that affect the running balance for
15 this particular SA for this Simon Garden account?

16 A. Well, once I knew that periods from which it
17 would apply to, number one, I could trace back and be
18 able to confirm whether or not their charge to
19 correct rate of interest. If they're not, then
20 they're overcharging us in interest.

21 Q. Based on looking at the date of this entry,
22 when did PGW have access to this information?

23 A. It looks like they had access to it back in
24 June 1st of 2010.

25 Q. And so they knew as of?

1 JUDGE VERO: The entire issue of notice
2 goes outside of the Commission's purview, the entire
3 issue of notice in terms of the liens; so, I will go
4 with the assumption of what I'm concerned, that SBG
5 had notice of these liens.

6 I mean, your client can take issue of
7 notice with regard to those liens to the Court of
8 Common Pleas. What I take is that from my
9 perspective, they had notice when the liens were; so,
10 I don't think I can look into whether or not you had
11 appropriate notice of those liens.

12 MS. BOONE: My question doesn't go to
13 notice. My question goes to if you have business
14 responsibilities and you're trying to figure out if
15 you're getting a date that's good or not, the
16 information we did receive from PGW actually
17 contradicts its own internal notices about the lien
18 as to the dates of service. That's all. The
19 document they gave us when we asked for information,
20 it basically says these liens go from 11/13 2000
21 until current, but they're own internal notices would
22 allow them to know when the date of service is. Our
23 point is we keep asking for information so we can
24 reconcile our books. They don't give us the
25 information.

1 JUDGE VERO: Just a moment.

2 Ms. Treadwell, when was this document provided to you
3 by PGW?

4 THE WITNESS: Which document?

5 JUDGE VERO: SBG Simon page 153.

6 THE WITNESS: It would have been
7 provided to us at or about and it could be a little
8 bit earlier than the settlement date which was July
9 of 2012.

10 Furthermore, Your Honor --

11 JUDGE VERO: Let me just -- I'm trying
12 to put everything in place. When PGW provided this
13 document to you, was it in preparation for the
14 settlement?

15 THE WITNESS: I believe so. Your Honor,
16 can I just speak?

17 JUDGE VERO: Yes.

18 THE WITNESS: It was my job to make sure
19 the payments were applied to the account. In order
20 for me to do that, I needed to know the dates of
21 service for each particular lien at each given date
22 so I can make sure that those payments were applied
23 to the account.

24 Additionally, when I was asked to
25 determine if the calculation of the late payment

1 charge was accurate, I would also need to know the
2 accurate dates of service so I can determine at what
3 point the interest rate would change and they were
4 charging us the correct rate of interest; so, the
5 point is, PGW requested information regarding the
6 dates of service you. You have that document in
7 front of you that was given to us in July of 2012.
8 That doesn't have dates of -- well, dates of service
9 are incomplete.

10 If I can ask you to turn to SBG Simon
11 page 149, this document was received January 29th
12 '13, which was an original attachment to the
13 preliminary objections that were filed. I don't know
14 the exact date, but just the preliminary objections
15 filed by PGW. If you look at this document, first of
16 all, the account numbers are incorrect. If you look
17 at the first account number, the account number
18 ending in 7187, then if you look down the account
19 numbers continue. I again suspect that's a typo. If
20 you look at the dates of service which we were trying
21 to ask, we requested, if you look at that particular
22 lien, which is number 10 on that list for 82,896.78,
23 they now have dates of service from 8/29/00 through
24 5/4/10. That is contradiction to the blank
25 information that was provided by PGW.

1 Furthermore, I don't even know what SA
2 it particularly relates to. Actually, I do. I take
3 that back. I do recall the SA. It's on the first
4 listing there, but this information is incorrect. If
5 you look at item number 14, again, the account number
6 is wrong. We got a lien there for 40,714.25 and we
7 have dates of service from August 29, 2011 through
8 6/2/2011. That can't occur. So, my point is, I'm
9 getting errors, inaccurate information from PGW and
10 that makes it difficult for me to reconcile.

11 JUDGE VERO: I'm looking at SBG Simon
12 page 153 under the column, date of service. I
13 understand SBG has an issue with the date that is
14 provided?

15 THE WITNESS: Yes.

16 JUDGE VERO: With the phrase date of
17 service, specifically as used by PGW here, it goes
18 from 11/13 2000 to the present, whatever that was
19 when this document was provided to SBG means that
20 from the date when service was established at this
21 property, at this SA to the present?

22 THE WITNESS: Honestly, PGW has yet to
23 explain this information; so, I don't know. Could it
24 be dates of service? What I specifically requested
25 in discovery was for the dates and periods that the

1 lien applied to.

2 JUDGE VERO: What discovery; the
3 discovery for the complaints or any discovery that
4 was involved?

5 THE WITNESS: Discovery to complaints.

6 JUDGE VERO: Hold on a second. You
7 stated this document was submitted to you?

8 THE WITNESS: Yes, before.

9 JUDGE VERO: As part of the settlement?

10 THE WITNESS: Yes, correct.

11 JUDGE VERO: It's not part of the
12 discovery.

13 THE WITNESS: Yes, you are correct, Your
14 Honor.

15 JUDGE VERO: Now, again, I don't know
16 what question you posed or if you posed a question to
17 PGW with regards to give me the docket number of the
18 liens, the amount of the liens for each SA and what
19 period of time did each lien cover or when was it or
20 you could have asked something, give me the date when
21 each lien was posted, was placed, whatever they call
22 it.

23 And by getting the date when they filed
24 the lien, you would have a general idea of, okay,
25 this lien was filed May 17, 2013; so, logically, it

1 should cover the balance, any outstanding balance up
2 to that point or part of the outstanding part of the
3 balance up to that point. I don't know what PGW does
4 when they post liens, whether the lien would include
5 the entire outstanding balance up to that point or
6 part of the outstanding balance up to that point. I
7 don't know.

8 THE WITNESS: I don't know either.

9 JUDGE VERO: I don't know either, but
10 what I'm ask you is, did you ask for that
11 information?

12 THE WITNESS: We did ask for that
13 information, and for the record, Your Honor, if the
14 dates of service for PGW represented the time period
15 of which these accounts were open, if you turn back
16 to SBG Simon, page 149, when you look at item number
17 14 and 15, why do they have a different beginning
18 date?

19 JUDGE VERO: Let's see.

20 THE WITNESS: If this particular column
21 represents the dates of service for which the account
22 was open, then why would item numbers 14 and 15 have
23 a date from 8/29 2011, starting with 8/29 2011?

24 JUDGE VERO: That's a good question.

25 MS. BOONE: If I could?

1 JUDGE VERO: Is this something we can
2 conclude today?

3 MS. BOONE: Yes, it's a quick issue.

4 JUDGE VERO: It's an issue I don't want
5 to leave it halfway done; do you know what I'm
6 saying?

7 MS. BOONE: This is a follow-up.

8 JUDGE VERO: I understand, but do you
9 think you will complete it if you just ask this
10 follow-up question?

11 MS. BOONE: No, but I think it would
12 complete part of what's happened here, because
13 earlier Your Honor asked that we look at
14 transactions after the settlement date.

15 JUDGE VERO: Yes.

16 MS. BOONE: Okay.

17 BY MS. BOONE:

18 Q. Please look at the date of service that's
19 listed on the lien?

20 A. For which page number?

21 Q. Simon Garden page 153. If you look at the SA
22 we were talking about, the column that says date of
23 service, it says 11/13/00?

24 A. That's correct.

25 Q. If the settlement should have applied to all

1 disputed matters prior to January of 2005, what's the
2 impact of them listing a date of service that begins
3 before January of 2005?

4 A. It could be, and I don't really know the
5 answer to that question, but it could be that they
6 are collecting on debts prior to the payment
7 agreement.

8 Q. What does that mean? Do you mean settlement
9 agreement?

10 A. Sorry, settlement agreement.

11 Q. When you say settlement agreement, are you
12 referring to the settlement agreement of January 2005
13 that we just discussed earlier?

14 A. Yes.

15 Q. So, what's the impact in terms of getting your
16 books and records reconciled?

17 A. Again, I need the accurate dates of service
18 to which these particular liens apply to in order to
19 reconcile and confirm that number, one, PGW stuck to
20 their settlement agreement and that the appropriate
21 rate of interest is being charged on those accepted
22 accounts and the SAs.

23 MS. BOONE: Thank you.

24 JUDGE VERO: Okay. I have approximately
25 four minutes to 5:00. I understand your direct will

1 be ongoing of Ms. Treadwell.

2 MS. BOONE: Yes, but it will be faster.

3 JUDGE VERO: Is it something we can do
4 for the further hearing?

5 MS. BOONE: If I might ask her how much
6 more?

7 THE WITNESS: I think we only went
8 through the one SA; so I have two additional SAs.

9 MS. BOONE: At least we completed one
10 SA.

11 JUDGE VERO: So, we know where to
12 start?

13 MS. BOONE: Yes.

14 JUDGE VERO: All right. Let's stop
15 here. Mr. Farinas, your cross-examination is not
16 going to go on since Ms. Treadwell has more SAs to
17 cover. We are going to have to schedule further
18 hearings in this matter, and as I did with Fairmount,
19 Marshall and Elrae, I'm asking the attorneys to
20 consider how many days for the entire case, not for
21 one party's case?

22 MS. BOONE: I think I would only need an
23 hour for her to complete it, two at the most. Two
24 hours to complete the Simon matter, an hour or two at
25 the most to complete my direct of Simon. I really

1 think it could be done in an hour, but I'd rather
2 overschedule and say two hours.

3 JUDGE VERO: Yes. She is your only
4 remaining witness?

5 MS. BOONE: Except for the engineer, but
6 I might have documents, and you said documents may be
7 sufficient.

8 JUDGE VERO: Yes, and you need to let me
9 know if you need to bring him in as a witness in case
10 there are no documentations of the communications or
11 none that you like because you don't think that they
12 achieve what needs to be achieved and what can be
13 achieved by bringing him as a witness, then you need
14 to let me know ahead of time as to what you will do,
15 and you have to do so for Mr. Farinas as well. Let
16 us know.

17 MS. BOONE: Okay. Thank you, Your
18 Honor.

19 JUDGE VERO: Mr. Farinas, how long for
20 your case; do you need some time to consider?

21 MR. FARINAS: I need some time to
22 consider.

23 JUDGE VERO: Then this concludes today's
24 hearing in these consolidated matters. We are going
25 to schedule further hearings as counsel can see the

1 necessary time they need to complete these cases.

2 Thank you very much, everybody. Have a pleasant day.

3 JUDGE VERO: I see the reporter is
4 taking notes. Do you need to still be on the record
5 for this?

6 MR. FARINAS: I don't.

7 JUDGE VERO: Ms. Boone, do you want to
8 be on the record for this?

9 MS. BOONE: I can just summarize it
10 because it's time to conclude. I don't expect any
11 additional new issues or novel issues.

12 JUDGE VERO: Since we are still on the
13 record, I personally, after further consideration
14 with regard to PGW's duty to inform, I do not need
15 that issue briefed.

16 MS. BOONE: Really?

17 JUDGE VERO: I do not.

18 MS. BOONE: If we want to brief it as an
19 extra, can we do that? Can we have the option to
20 brief it?

21 JUDGE VERO: I don't deem it necessary
22 to be briefed. That's all I'm saying. After I had
23 an opportunity to consider what that issue involves,
24 it involves adequate and reasonable service. I mean,
25 whether or not PGW provided adequate and reasonable

1 service during its communications with SBG; so, I
2 think that's something I'm able to review the record
3 as provided here, review the tariff -- I mean, read
4 the statutes, regulations, et cetera and I can make a
5 determination. It's not new ground that's being
6 broken. The service has been defined, redefined
7 many times, as well as I know it has broad
8 definition; so, I do believe I'm good. I don't need
9 it briefed.

10 MS. BOONE: Then maybe there is another
11 novel issue because I've been looking at a line of
12 cases that talk about, for example, plain language,
13 what is considered plain language, and I've also seen
14 where the PUC has made certain rulings where they
15 said PECO or other utilities simply needed to add a
16 line to their bills that would have provided proper
17 notice and how much work would that be; so, that's
18 why I wanted to brief it because I think there is an
19 issue here.

20 JUDGE VERO: Okay. As part of the
21 relief requested, which is not clear from the amended
22 complaint, you're saying that SBG would like to
23 propose additional language to PGW's billing?

24 MS. BOONE: Again, we are asking that
25 PGW provide adequate notice.

1 JUDGE VERO: Adequate notice of what?

2 There are several notices.

3 MS. BOONE: Adequate notices that we're
4 done talking to you. We're not discussing. We're
5 not mediating. We're not considering your issue
6 anymore, that there needs to be a firm, clear, plain
7 language statement that we're done. Go to the PUC,
8 and it's not on their bill. There's no sentence on
9 their bill that says we're done talking to you and,
10 in fact, there's some documents issued by PGW that
11 really encourage customers to come and talk. Let's
12 resolve this. Let's mediate, and to be fair, if you
13 look at certain dictates from the American Bar
14 Association, if you look even at trial lawyers, a lot
15 of people believe before you run to the courthouse,
16 before you run to the administrative body, have a
17 conversation. If you can figure it out, let it be
18 done.

19 MR. FARINAS: The Commission has also
20 asked to do that. They have that standard even on
21 the checklist on the complaint form, have you spoken
22 to the utility first, but I don't think that's what
23 the issue here is. When it's common sense to cut it.

24 MS. BOONE: Common sense isn't always
25 common. I think it goes to the service issue.

1 JUDGE VERO: I understand and I'm still
2 not convinced that I will need to be briefed on it.

3 MS. BOONE: If briefing that issue is an
4 integral part of my brief, I would feel compelled to
5 put it in and to understand that you will give it the
6 regard that you deem it worthy of.

7 JUDGE VERO: If it is your opinion that
8 you cannot cover or discuss estoppel and liens --
9 well, I will provide a better determination of the
10 issue of liens you will have to brief in an interim
11 order. There will be an order to direct the parties
12 to the issue that I would like briefed. At this
13 point, I'm just at a loss as to exactly what issues
14 we determined to brief, what issue with regard to the
15 liens we said we're going to brief, but these are the
16 two big issues I need briefed. If you cannot discuss
17 these two issues in your brief without addressing the
18 issue of reasonable service, then I will allow you to
19 discuss it. Bearing in mind, I'm not treating it as
20 a separate topic of briefing.

21 MS. BOONE: Absolutely.

22 JUDGE VERO: I will not stop you from
23 providing me with a brief that you want to provide
24 me, but I can limit the number of issues and the
25 number of topics you're going to cover in your brief.

1 If you cannot do it without connecting it to
2 reasonable service, I mean, you provide the brief you
3 want. I'm just saying only those two topics. Okay?

4 MS. BOONE: Thank you.

5 JUDGE VERO: And I provided you with the
6 reason why. I think I'm good. I'm confident in my
7 the knowledge on that particular topic. That's
8 pretty much it. Can we close the record?

9 MS. BOONE: Yes.

10 JUDGE VERO: Okay. Close the record.
11 (Whereupon, at 5:10 p.m., the hearing
12 was adjourned.)

13 * * *

14 C E R T I F I C A T E

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

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24 Winnette Austin

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