

COMMONWEALTH OF PENNSYLVANIA  
PUBLIC UTILITY COMMISSION

ORIGINAL

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

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

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

Initial and Further Hearing :  
----- X

Pages 1 through 218 Hearing Room  
801 Market Street  
Philadelphia, Pennsylvania

Thursday, August 29, 2013

Met pursuant to notice, at 10:05 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  
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Philadelphia, Pennsylvania 19122  
(For PGW)

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## C O N T E N T S

	<u>WITNESSES</u>	<u>DIRECT CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>
1				
2				
3	Phillip Pulley			
	(By Ms. Boone)	37	118	
4	(By Mr. Farinas)	106		132
5	Kathy Treadwell			
	(By Ms. Boone)	134	--	--
6				
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## E X H I B I T S

	<u>NUMBER</u>	<u>FOR IDENTIFICATION</u>	<u>IN EVIDENCE</u>
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## P R O C E E D I N G S

ADMINISTRATIVE LAW JUDGE ERANDO 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 at Docket number  
5 C-2012-2304324 and SBG Management Services,  
6 Inc./Colonial Garden Realty Company, LP versus  
7 Philadelphia Gas Works at Docket number  
8 C-2012-2304183 and SBG Management Services,  
9 Inc./Colonial Garden Realty Company, LP versus  
10 Philadelphia Gas Works at Docket number  
11 C-2012-2334253.

12 My name is Erando Vero and I'm the  
13 administrative law judge assigned to preside over  
14 these consolidated matters. Present here this  
15 morning, I have Francine Thornton Boone, who is the  
16 counsel for the complainants. For respondent, I have  
17 Mr. Laureto Farinas, who is obviously counsel for  
18 PGW. Both counsel are present along with potential  
19 witnesses for the parties.

20 This hearing is similar to a trial in  
21 court in that both parties will have the opportunity  
22 to present evidence in the form of sworn testimony  
23 and exhibits, then after considering all of the  
24  
25

1 evidence, I will make a decision which is appealable  
2 to the Commission.

3 Now, as a complainant, SBG will present  
4 its case first, then once SBG has finished its case  
5 in chief, then the attorney for the utility in this  
6 case, Mr. Farinas, will conduct his cross-  
7 examination, then it will be the respondent's turn to  
8 present its case. After each of the respondent's  
9 witnesses, counsel for complainant may wish to  
10 conduct cross-examination.

11 My job is to develop a clear and  
12 complete record in these matters and sometimes asking  
13 questions helps me to do that, but I beg the parties  
14 understand that I am not acting as the attorney.

15 Ms. Boone, you do have a request with  
16 regard to records in this matter. What is it?

17 MS. BOONE: If you would restate on the  
18 record what you just stated off the record, I think I  
19 can address it.

20 JUDGE VERO: And I'm asking you do you  
21 have a request with regard to records in the case?

22 MS. BOONE: If you could give the  
23 preference that you gave off the record as to what  
24 you want the request for, I would be happy to give it  
25 on the record, Your Honor.

1 JUDGE VERO: Yes, I can do that. These  
2 are consolidated matters that have issues that cross  
3 over other complaints on which we held the hearings  
4 Monday, Tuesday and Wednesday, August 26th, through  
5 28th and those cases, consolidated matters are found  
6 at SBG Management Services Inc./Marshall Square  
7 Realty Company, LP versus Philadelphia Gas Works at  
8 Docket number C-2012-2304303, SBG Management  
9 Services, Inc./ Fairmount Manor Realty Company, LP  
10 versus Philadelphia Gas Works at Docket number  
11 C-2012-2304215 and SBG Management Services Inc./Aria  
12 Garden Realty Company, LP versus Philadelphia Gas  
13 Works at Docket number C-2012-2304167.

14 Some of the issues in today's  
15 consolidated hearing are the same issues that are  
16 shared by the cases or the complaints, the three  
17 complaints that were consolidated and were just  
18 listed earlier and on who we had the hearings August  
19 26th through 28th; so with that, does it help? Would  
20 you like me to go on further?

21 MS. BOONE: If you could go on further  
22 as to what you instructed counsel to put on as  
23 evidence in those three hearings in the beginning and  
24 how that would have an impact as to what we were  
25 allowed to put on as evidence for the remaining

1 hearings.

2 JUDGE VERO: I would ask what your plan  
3 was for today's hearing?

4 MS. BOONE: Just so I respond clearly,  
5 so the record is complete and fully developed, can  
6 you reiterate what you said at the beginning of the  
7 proceedings that you want us to do in terms of  
8 limiting what we can put on for the remaining --

9 JUDGE VERO: Answer my question. I'm  
10 going from the beginning what I presented to you off  
11 the record. I asked what your plan was for today.  
12 Answer my question. Tell me on the record what your  
13 plan is for today.

14 MS. BOONE: Yes, Your Honor. Our plan  
15 for today is to provide limited testimony on  
16 Colonial, the two Colonial Garden cases and on the  
17 Simon Garden cases in accordance with the  
18 instructions we received from the ALJ earlier that we  
19 were to limit testimony today to examples or new  
20 examples that relate to these particular properties  
21 and not to provide again the foundation materials,  
22 the other instances of long ranging errors on the  
23 part of PGW with respect to properties that were  
24 managed by SBG, that we would be allowed to use  
25 example that were brought up in the first three days

1 of hearings in our cases and claims against PGW in  
2 the remaining consolidated matters.

3 So, to the extent we are allowed to use  
4 those examples to show a continuing pattern of errors  
5 on behalf or other bad actions or other violations of  
6 the tariff that we may need to discuss in any briefs  
7 or appeals or exceptions or other documents to the  
8 PUC that we would be allowed to use those particular  
9 examples in the other remaining cases.

10 So, with that in mind, the testimony  
11 presented today by SBG will be limited to showing a  
12 very small number of examples at Simon Garden and  
13 Colonial, because we would be allowed to use the full  
14 record from the other three day cases.

15 JUDGE VERO: That you will be allowed to  
16 use it?

17 MS. BOONE: Yes, and PGW's --

18 JUDGE VERO: Wasn't that one of the  
19 questions that you posed to me on the record whether  
20 or not you would be allowed to use it? That is  
21 beside the point. Off the record, I offered you the  
22 option, not the option, but I informed you we can use  
23 the record that's created during the last three days  
24 of hearings if we moved it into the record as an  
25 exhibit.

1           That transcript is not yet available  
2 because the hearings took place just three days ago.  
3 They began Monday, Tuesday, Wednesday, August 26th  
4 through 28th. Today is August 29th; so, obviously,  
5 the transcript is not available and I'm asking you,  
6 that pursuant to the Pennsylvania code, Title 52,  
7 Section 5.407 that is part of the Public Utility code  
8 with regard to records, you have the option of using  
9 a portion of the record from the other proceedings  
10 before the Commission and offer it as evidence that's  
11 shown to be relevant and material to the instant  
12 proceedings and move it as an exhibit, as long as  
13 there is no objection, and there can be some  
14 specificity in terms of what parts of it are used.

15           I understand that usually specificity,  
16 since you don't have a transcript will be an issue,  
17 but it is nothing that we cannot overcome. Is that  
18 something you're interested in doing?

19           MS. BOONE: Yes. We're interested in  
20 that.

21           JUDGE VERO: All right. Anything else?

22           MS. BOONE: No, Your Honor.

23           JUDGE VERO: Anything else from counsel  
24 for PGW?

25           MR. FARINAS: Not on this matter, but I

1 was confronted with another matter earlier this  
2 morning.

3 JUDGE VERO: What was it; is it  
4 something you need to address right now?

5 MR. FARINAS: I wish to speak about it  
6 now.

7 JUDGE VERO: What is it?

8 MS. BOONE: Before he starts on that,  
9 did you want to know about the other witnesses that  
10 will testify this morning for SBG or was it just  
11 limited to the issue of just applying the prior  
12 record?

13 JUDGE VERO: I would like for you to  
14 give me a rundown of the witnesses that will  
15 constitute SBG's testimony, case in chief in this  
16 case.

17 MS. BOONE: We plan on calling Mr. Phil  
18 Pulley to give the background information on Colonial  
19 and Simon Garden, the relationship between the  
20 parties and just background information on the  
21 buildings themselves, then we'll call Ms. Treadwell,  
22 who will go through the individual transactions.  
23 Mr. Pulley will talk about specific problems as well  
24 in the long term relationship between SBG and PGW and  
25 then cross. Depending on what happens, we may need

1 to call Mr. Savage back to the stand, but I don't  
2 expect we will need to do that.

3 JUDGE VERO: It is my preference that  
4 the parties establish a witness foundation in the  
5 beginning with each case. I think that's a better  
6 way.

7 MS. BOONE: Okay.

8 JUDGE VERO: What is the other matter?

9 MR. FARINAS: Will Ms. Boone be calling  
10 Mr. Savage or no?

11 MS. BOONE: No, I don't think so.

12 MR. FARINAS: Your Honor, the other  
13 matter is --

14 MS. BOONE: I'm sorry. I apologize.  
15 Yes, actually, we will call him before calling  
16 Ms. Treadwell, but for a limited purpose.

17 JUDGE VERO: Mr. Farinas.

18 MR. FARINAS: Your Honor, the other  
19 matter is realizing that in preparation for all of  
20 yesterdays's or this week's hearings, PGW resources  
21 were very strained. Yesterday morning, I did present  
22 yourself and SBG at their table while Ms. Boone was  
23 doing something else, with PGW's proposed exhibits,  
24 we don't know if we're going to use them all, this  
25 morning, I supplemented the last 15 or so of 20

1 pages. I was informed by Ms. Boone that this was  
2 refused because the copy was not placed in her hand  
3 and it was a day after the time we requested that the  
4 information be in three days prior to the hearing.  
5 Because of the tremendous amount of information with  
6 this, we could not get it down until yesterday  
7 morning, but it was finished the previous evening.  
8 My information was refused.

9                   Again, I don't know what documents I  
10 will be using from, but it was refused.

11                   MS. BOONE: If I could speak. I didn't  
12 refuse it. I said I don't want to act in  
13 contradiction to the judge's order.

14                   MR. FARINAS: I offered it to you again  
15 and you refused it.

16                   MS. BOONE: Excuse me. If I could speak  
17 for myself. I said he's offering me documents that  
18 you specifically required PGW to produce on a  
19 particular date, and that date was certainly before  
20 these hearings began, and we received the documents  
21 Friday night or Friday late evening for the hearing  
22 that started Monday, and then we received documents  
23 Saturday for the hearing that started Monday.

24                   Now, yesterday, while we're in the  
25 middle of the hearing, he gives documents, not to an

1 attorney on our team. I'm the only attorney here,  
2 but he gives it to an assistant. He doesn't tell me.  
3 You specifically required the documents to be  
4 delivered to counsel or to the office. This isn't  
5 our office. This isn't counsel; so, he has violated  
6 not only your time when he was to produce these  
7 documents, but then he doesn't even alert me.

8 I didn't know he had delivered these  
9 documents until like 6 o'clock yesterday. That  
10 doesn't give us enough time to prep. I also wanted  
11 to refer to some notes from Mr. DeBroff as to when he  
12 requested information from PGW and when it was  
13 received. He sent interrogatories. He received  
14 information November 6th. I would challenge him --

15 MR. FARINAS: Your Honor.

16 JUDGE VERO: Is there an objection or is  
17 it just an interruption?

18 MR. FARINAS: Yes, it's an objection  
19 based on the grounds she's bringing up discovery  
20 matters that even yesterday you said discovery has to  
21 be over at some point.

22 MS. BOONE: But these are documents he  
23 could have submitted during discovery and he chose  
24 not to. I think he's trying to blind-side the  
25 customer here. This is just a continuation of the

1 customer asking for information, whether it's in  
2 discovery, whether it is before a complaint is filed,  
3 whether it's after a complaint is filed and PGW never  
4 gives it, then yesterday, they give documents for a  
5 hearing they know is starting at 10 o'clock a.m., and  
6 they don't give it to me, the attorney. They give it  
7 to an assistant who is not a lawyer, who doesn't know  
8 what to do with it.

9           We had meetings with you. He never even  
10 said during the meetings he had given it. Then I  
11 find out about it at 6:00 p.m., which is less than 24  
12 hours. This is, again, the pattern of PGW failing to  
13 provide information that the customer needs to know  
14 to understand their account and their relationship,  
15 and to give it to me when I have less than 24 hours  
16 to consider it is just an abomination.

17           MR. FARINAS: Your Honor, the  
18 abomination is the fact that PGW has tried to respond  
19 specifically to the snapshots and the snapshots,  
20 again, these documents were prepared in order to  
21 address those. PGW did not receive the snapshots  
22 until well after the complaints were filed and then  
23 amended again.

24           MS. BOONE: With all due respect, we  
25 received the snapshots from Mr. Laureto in March and

1 he refused our response --

2 JUDGE VERO: Hold on.

3 MS. BOONE: I apologize.

4 JUDGE VERO: You do. What are  
5 snapshots?

6 MR. FARINAS: Snapshots represent the  
7 amount, the individual transactions that Mr. DeBroff,  
8 the turn me coin for those individual transactions  
9 that represent the bulk of his complaints. We didn't  
10 receive them until well after the complaints and the  
11 amended complaints were filed.

12 MS. BOONE: Excuse me.

13 JUDGE VERO: You are not at a private  
14 meeting with Mr. Farinas.

15 MS. BOONE: I apologize, Your Honor.

16 JUDGE VERO: You do not get to talk to  
17 him across the benches.

18 MS. BOONE: I apologize, Your Honor.

19 JUDGE VERO: Continue.

20 MR. FARINAS: Then in preparation for  
21 this hearing, we were told the snapshots would be  
22 amended and that's the document we have for this  
23 hearing, and as I explained, I apologize for being  
24 late, but PGW has limited resources to expend on this  
25 matter; so, the documents were copied late, prepared

1 late.

2 JUDGE VERO: The snapshots, are they the  
3 same as those blocks identified as transactions to  
4 SBG proposed exhibits?

5 MR. FARINAS: That's correct.

6 JUDGE VERO: Is that correct, Ms. Boone?

7 MS. BOONE: No, it isn't correct.

8 JUDGE VERO: Okay. What are they?

9 MS. BOONE: The snapshots are actual  
10 documents we received, statement of accounts we  
11 received from PGW and I have it dated 11/12/12. We  
12 took those statement of accounts and we put  
13 indicators around the disputed transactions. They  
14 received our list of disputed transactions in March  
15 of 2012. The only thing that was added, and this was  
16 said at the prehearing conferences, is that we were  
17 adding the transactions that occurred since filing in  
18 May of 2012. So, he had six months to give me all  
19 these documents he wants to produce today on the  
20 transactions that were disputed from 2004 until we  
21 filed the PUC complaint in May of 2012. I will bet  
22 you that that set of documents he has has documents  
23 that refer to transactions before May of 2012.

24 JUDGE VERO: You're saying you presented  
25 Mr. Farinas with a list of transactions that needed

1 to be investigated in March of 2012?

2 MS. BOONE: Yes.

3 JUDGE VERO: When the complaint was  
4 filed in May of 2012?

5 MS. BOONE: I apologize. Let me clarify  
6 my response. We filed the complaint.

7 JUDGE VERO: We; who is we?

8 MS. BOONE: SBG related properties filed  
9 a complaint.

10 JUDGE VERO: When?

11 MS. BOONE: They filed complaints in May  
12 of 2012. Answers were filed with POs by PGW. As an  
13 attachment to the POs were a list of statements of  
14 accounts. We've had witness after witness testify  
15 that one of the reasons we could not understand the  
16 accounts was because we weren't sure which account  
17 went to a tenant, which was ours, whether the account  
18 covered more than one meter, more than one SA.

19 When we got the first set of documents,  
20 we looked at that document that was attached to their  
21 PO and said this raises additional questions.  
22 Mr. DeBroff was now involved in the case.

23 JUDGE VERO: When was Mr. DeBroff  
24 involved in the case?

25 MS. BOONE: He was brought in, I think,

1 October or November of 2012. Amended complaints were  
2 filed. The original answers of PGW were filed June  
3 4, 2012.

4 JUDGE VERO: When were the amended  
5 complaints filed?

6 MS. BOONE: The amended complaints were  
7 filed on May 3, 2012; so, their answers were filed  
8 more than 30 days. June 4th, it might have been a  
9 holiday. No, it's right. May 3rd, we filed the  
10 original complaints. June 4th, they filed the  
11 amended complaints with new matter. Preliminary  
12 objections were filed on June, I believe June 25th.  
13 Statements of accounts were attached. I can show you  
14 the statements of accounts if you'd like to see  
15 that. It's actually under tab 3.

16 MR. FARINAS: Your Honor, if I may?

17 JUDGE VERO: Just a moment please. You  
18 were saying, Ms. Boone?

19 MS. BOONE: If you look at page 22 in  
20 the SBG Simon binder, you'll see the statement of  
21 accounts at that point that was given to the  
22 complainant by PGW. It's a very short list.

23 JUDGE VERO: What page in the Simon  
24 binder?

25 MS. BOONE: Page 22, the SBG Simon

1 binder, tab 3.

2 JUDGE VERO: What is this referring  
3 again? So I understand, it was the original  
4 complaint, answer from PGW, preliminary objections  
5 with attachments?

6 MS. BOONE: And the attachment is what I  
7 want to show you on page 22.

8 JUDGE VERO: These attachments are from  
9 PGW's original answer, new matter and preliminary  
10 objections or is it from the amended version?

11 MS. BOONE: It's from the original, and  
12 if you notice, there are only nineteen transactions  
13 on this page; so, that was their answer and those  
14 were the accounts that they identified as of, I  
15 guess, that date, June 25, 2012.

16 JUDGE VERO: This was part of their  
17 answer to the complaint, not part of discovery; this  
18 is part of their answer?

19 MS. BOONE: That's part of their answer.  
20 That's why they're on notice about what they were  
21 supposed to provide a long, long time ago, then we  
22 filed amended complaints with Mr. DeBroff as counsel,  
23 and the amended complaints were filed and that's  
24 under tab 4, December 10, 2012. We were instructed  
25 to file the amended complaints. Amended complaints

1 were filed.

2 JUDGE VERO: Did SBG conduct any  
3 discovery --

4 MS. BOONE: Yes, we did.

5 JUDGE VERO: I do not appreciate being  
6 interrupted.

7 MS. BOONE: I apologize, Your Honor.

8 JUDGE VERO: Did SBG conduct any  
9 discovery between May of 2012 when the original  
10 complaints were filed and December of 2012 when the  
11 amended complaints were filed?

12 MS. BOONE: It wasn't formal discovery,  
13 but internally, our accountants were still contacting  
14 PGW trying to get information. They were still  
15 finding out about transactions that they believe were  
16 not properly done; for example, payments that should  
17 have been applied or late payment charges that were  
18 not properly calculated. So, we had internally, our  
19 accountants and other business people were trying to  
20 get information.

21 JUDGE VERO: All right.

22 MS. BOONE: Then Mr. DeBroff filed  
23 discovery request. I have a matrix that he put  
24 together of responses to interrogatories and requests  
25 for production of documents, the first set.

1 JUDGE VERO: Do you have the certificate  
2 of service for the discovery request?

3 MS. BOONE: I don't have it, but I can  
4 bring those in, but I do have a letter from  
5 Mr. DeBroff to our in-house accountant about  
6 outstanding discovery, dated January 5, 2013, and I  
7 have statements from him in an internal Email, in an  
8 internal document saying what he had received from  
9 PGW and when he received it.

10 So, as of November 6, 2012, we received  
11 a landlord statement of accounts, but it turns out we  
12 only received answers for Fern Rock, Oak Lane and  
13 Marchwood. We asked for a complete set of service  
14 agreement statements of account and other information  
15 on the eight properties, and on November 30, 2012, we  
16 received the tenant accounts associated with Elrae  
17 Garden --

18 MR. FARINAS: Your Honor.

19 JUDGE VERO: Is this an objection?

20 MR. FARINAS: Yes, Your Honor.

21 JUDGE VERO: You cannot just interrupt  
22 her.

23 MR. FARINAS: I understand that. Your  
24 Honor, I object on the grounds of what was being  
25 discussed on the floor with you was a matter

1 unrelated, tangentially related, but unrelated to the  
2 document issue that I requested your review of, and  
3 that is apologizing for being late. I was submitting  
4 it for use today. I'm asking that the parties be  
5 accepting this information for use at today's  
6 hearing.

7                   What Ms. Boone is now describing is  
8 discovery matters that may or may not have been  
9 fulfilled, but SBG has always had the opportunity to  
10 file motions to compel and did not.

11                   MS. BOONE: Excuse me. I object, if I  
12 may be heard on his objection.

13                   JUDGE VERO: You can respond to his  
14 objection, not object to his objection.

15                   MS. BOONE: Okay. If I can respond,  
16 first of all, one of the issues is if he had notice  
17 of these requests all along, and he did, and you  
18 specifically ordered that this information is turned  
19 over on a specific date. This is information that we  
20 sought nearly a year ago; so, for him to act like  
21 they didn't know about it or didn't have it, he's  
22 violating your order and he's also violating the  
23 discovery rules, which say you're to turn over  
24 documents as you discover them.

25                   JUDGE VERO: In that one statement you

1 just made, you raised two issues. One issue is, did  
2 this binder with proposed exhibits that Mr. Farinas  
3 submitted late yesterday, does it include anything  
4 that's not part of what he failed to disclose during  
5 discovery? That's one issue.

6 MS. BOONE: I haven't had a chance to go  
7 through it.

8 JUDGE VERO: The other issue is, because  
9 you stated this is information SBG had from PGW a  
10 year ago and he failed to submit it yesterday, that's  
11 one, his violation to my order when to submit  
12 proposed exhibits. That's one issue, and the other  
13 issue is whether or not he is proposing to submit  
14 documents that weren't disclosed to the complainants  
15 during the discovery proceedings. Those are two  
16 different issue.

17 My question with regard to discovery  
18 proceedings and whether SBG has any issues with  
19 discovery proceedings is separate from the issue of  
20 when the proposed binder -- well, when the binder of  
21 the proposed exhibits was submitted by PGW for this  
22 hearing and it was late yesterday; so, can we keep  
23 these two straight?

24 MS. BOONE: Yes, Your Honor.

25 JUDGE VERO: So, let's address one by

1 one. Discovery, you said you haven't looked through  
2 the binder. This binder contains information that  
3 may or may not be moved. First of all, it hasn't  
4 been referenced. Second of all, it may or may not be  
5 part of PGW's exhibits.

6 MS. BOONE: That's why I assumed he  
7 wasn't going to use it in the case today, then right  
8 before you came in, he gave it to me and I said I  
9 assumed you weren't going to use it because you  
10 didn't give it when the judge ordered him to produce  
11 it; so, I assumed he wouldn't violate the judge's  
12 order and try to have testimony on exhibits that  
13 didn't comply with your order, but he indicated he  
14 was.

15 As I look through the binder even now,  
16 if you look at the first page, it's regarding a  
17 utility service agreement information. The effective  
18 period is 4/19 2003. So, they didn't just get this  
19 information this week. This is something they had  
20 even before we filed the complaint.

21 JUDGE VERO: Did they give it to you  
22 during discovery?

23 MS. BOONE: No.

24 JUDGE VERO: Did you ask for it?

25 MS. BOONE: We asked for all documents

1 related to the statement of account. We asked for  
2 all documents that would explain their transactions  
3 and that relate to the complaint.

4 JUDGE VERO: Hold on. You two counsel  
5 are aware of what transpired during discovery. I did  
6 not receive any motions to compel or motions for  
7 sanctions. You still can make those motions.

8 MS. BOONE: Okay.

9 JUDGE VERO: And you are an experienced  
10 attorney, Ms. Boone, and you know what motions for  
11 sanctions achieve. I don't have to go over all the  
12 provisions of our regulations with you with regard to  
13 motions for sanctions and what they're alleged to  
14 achieve.

15 MS. BOONE: No, Your Honor.

16 JUDGE VERO: That's something that's  
17 still available to you. They haven't moved that  
18 document into exhibits. They have not. Do you want  
19 to wait until they do so or do you want to strike it  
20 now?

21 MS. BOONE: My question to the court is,  
22 you issued an order and said that all documents that  
23 were to be used -- put the discovery issue aside.  
24 You issued an order that all documents were to be  
25 presented to opposing counsel and to you three days

1 before. A few of the things I see in here are not  
2 something that just happened August 25th so that's  
3 why I'm getting them now. These documents should  
4 have been available on the date you requested them  
5 and they were not; so, this is a violation of what  
6 you ordered at the prehearing and that's what I'd  
7 appreciate a ruling on.

8 JUDGE VERO: Here's my ruling. That  
9 particular order with regard to when the proposed  
10 exhibits would be submitted to me and exchanged  
11 between the parties was for my benefit. I would  
12 assume that the parties would -- usually, the parties  
13 exchange exhibits during the hearing. My request,  
14 and it was put in the order that the parties exchange  
15 exhibits beforehand was for my benefit and my benefit  
16 alone. I wanted to come to the hearing because I  
17 said I don't know what transpired. I don't know what  
18 the parties have learned from each other during  
19 discovery. I wanted to familiarize myself with what  
20 was coming my way the day of the hearing, how the  
21 exhibits were organized, what the issues were and so  
22 on and so forth.

23 I knew it was going to be voluminous and  
24 I wanted to start to familiarize myself with the  
25 layout and bill information beforehand. Because it

1 was a request that benefited me, I'm willing to  
2 accept PGW's exhibit late. It came to me yesterday.  
3 I did receive it yesterday morning. Of course, I  
4 received it prior to the beginning of another  
5 hearing; so, I didn't have a chance to review it, but  
6 I am willing since it's just one binder and a small  
7 one, I'm willing to accept it. So, I will not issue  
8 a penalty for that violation. You have my ruling on  
9 that.

10 MS. BOONE: I just want to have the  
11 record reflect that you said at the beginning of the  
12 hearing, that your job is to develop a clear and  
13 complete record. You issued a prehearing order  
14 saying you needed to get the information three days  
15 in advance. You're now saying that you didn't  
16 receive it in compliance with your order, three days  
17 in advance, that you haven't had 24 hours to even  
18 look at the documents and you're willing to go  
19 forward. Is that your order?

20 JUDGE VERO: Yes. I received it  
21 yesterday. It is not a large binder. It's one  
22 binder. It's not a large one. It is approximately  
23 the size of what I usually receive from parties in  
24 formal hearings before the Commission on the day of  
25 the hearing without a request to submit it beforehand

1 and that is what I usually receive. I'm quite able  
2 to familiarize myself with it as submitted to me the  
3 day of the hearing.

4 I have an opportunity to hear your  
5 testimony. I do not have to issue a ruling on facts  
6 at the day of the hearing. I can defer my ruling  
7 until after I've had an opportunity to go through  
8 this more carefully. So, yes, you heard. I'm not  
9 changing my ruling with regard to the submittal of  
10 the PGW binder to me.

11 MS. BOONE: May I ask one question?

12 JUDGE VERO: Yes.

13 MS. BOONE: Why were we required to  
14 submit within three days -- in fact, I received a  
15 letter from Mr. Farinas that subject to your order,  
16 we should give him the information, I think, as of  
17 even the Friday before it was turned over.

18 JUDGE VERO: I asked both parties to do  
19 it. Mr. Farinas is the one who has not complied with  
20 my order. I am not making any secret about it. I'm  
21 saying he did not comply with my order. I will not  
22 sanction PGW for it.

23 MS. BOONE: In the alternative, can we  
24 be allowed at least 24 hours to look at these  
25 exhibits since he's had ours over a week, because we

1 did try to comply with the judge's order. We respect  
2 the ALG. We respect the Commission, and when they  
3 issue an order, we went all out to comply with it  
4 because we believe that counsel are subject to the  
5 rules of the judge and the Commission. So, can we  
6 have 24 hours in lieu of at least going forward on  
7 this to at least consider these documents?

8 JUDGE VERO: Yes you can, but let me see  
9 if I understand your request correctly. Are you  
10 requesting the opportunity to -- let me rephrase it.  
11 Your request for 24 hours to familiarize yourself  
12 with PGW's proposed exhibits, does it mean that you  
13 want today's hearing to be continued?

14 MS. BOONE: Yes.

15 JUDGE VERO: Can't you present your case  
16 today?

17 MS. BOONE: My problem with presenting  
18 my case is that I may need to call Mr. Savage on  
19 direct and I don't know the documents in their binder  
20 to give him full direct.

21 JUDGE VERO: Can you proceed with  
22 Mr. Pulley's testimony?

23 MS. BOONE: I haven't looked at this  
24 thoroughly. I mean, I did mention a page or two, but  
25 I don't know that there are documents in here that

1 refer to Mr. Pulley, and to develop a clear and  
2 complete record, if I can review these, I may be able  
3 to provide good, clear information about documents  
4 they have that refer to SBG or that refer to  
5 Mr. Pulley.

6 JUDGE VERO: Can you present your case  
7 based on your exhibits rather than PGW exhibits?

8 MS. BOONE: What I try to do is to look  
9 at everything. I try to be open-minded and to  
10 understand that the other party may have documents  
11 that I haven't been privy to. The other side may  
12 have information that we may need to explain.

13 JUDGE VERO: In that case, you have  
14 conducted discovery and you would have asked for it.  
15 He would have submitted it to you. If he failed to  
16 do exactly that, you have a motion for sanctions.

17 MS. BOONE: I agree with that, Your  
18 Honor, and I appreciate you telling me that, but you  
19 also issued an order that he was to turn over  
20 documents three days in advance and he didn't.

21 JUDGE VERO: I already ruled on that  
22 order.

23 MS. BOONE: So, on the 24 hours to  
24 review the binder, because I'm in court now; so, I  
25 don't even have the time. When we got out of here

1 yesterday, I didn't get back to my office until 6:00.

2 JUDGE VERO: I am not willing to waste a  
3 day of hearing and I will ask for you to move forward  
4 with at least Mr. Pulley's testimony and if you need  
5 to -- let's put it this way, this is PGW's binder of  
6 proposed exhibits. This is not yours. It does not  
7 affect your case as you prepared for it today; so,  
8 there might be information in here PGW either chooses  
9 not to use during its testimony and pulls it out or  
10 it's stricken on the record, they try to move it, but  
11 it's stricken or through your motion for sanctions,  
12 it's kept off the record. That's what I'm saying  
13 about this.

14 This is not something that you know for  
15 certain you have to deal with. This package of  
16 documents is not something that you know for certain  
17 will be held against SBG or will be part of PGW's  
18 case. You don't know that until it's referenced in  
19 the testimony and it's moved into the record.  
20 Nothing that this binder contains is something that  
21 would prevent complainant to present its case.

22 I think that during PGW's  
23 cross-examination, if they try to use a document that  
24 you're not familiar with, I can hear a motion from  
25 you, and I think we can achieve a lot today in the

1 complainant's case in chief without wasting 24 hours,  
2 and then the complainant still will have an  
3 opportunity to review the binder and come back  
4 tomorrow and we'll proceed.

5 MS. BOONE: So, tomorrow, if over the  
6 course of the next day we find documents in there  
7 that we wish to present on direct, we can just recall  
8 Mr. Savage or Mr. Pulley tomorrow and do that?

9 JUDGE VERO: Can we do that with regard  
10 to Mr. Savage?

11 MR. FARINAS: Mr. Savage will be  
12 available.

13 JUDGE VERO: Mr. Pulley will be  
14 available?

15 MS. BOONE: Yes.

16 JUDGE VERO: So, we can do that.

17 MS. BOONE: Okay. Thank you, Your  
18 Honor.

19 JUDGE VERO: Just to be clear one more  
20 time. With regard to using the transcript from the  
21 previous consolidated hearings that took place August  
22 26th through 28th in the matters of SBG versus PGW,  
23 Docket numbers C-2012-2304303, C-2012-2304215 and  
24 C-2012-2304167, you're requesting to make them part  
25 of the record in these consolidated cases as an

1 exhibit, right?

2 MS. BOONE: I apologize, Your Honor.

3 JUDGE VERO: Let me know when you decide  
4 to leave and talk to someone.

5 MS. BOONE: I apologize. On another  
6 note --

7 JUDGE VERO: Hold on. I'm not done with  
8 this issue. Again, I want to clarify complainant's  
9 request. Is everybody with me?

10 MR. FARINAS: Yes.

11 MS. BOONE: Yes.

12 JUDGE VERO: I wanted to clarify, again,  
13 complainant's request to have the records from the  
14 first set of consolidated hearings be an exhibit in  
15 this matter so that we can bring that transcript into  
16 the record in this set of consolidated hearings; so,  
17 we have that request. That transcripts for the three  
18 hearing days is going to be voluminous. If you move  
19 it as an exhibit, it's an exhibit and it's to come in  
20 copies; you understand what I'm saying?

21 MS. BOONE: Yes.

22 JUDGE VERO: Is that something that you  
23 can do?

24 MS. BOONE: Yes.

25 JUDGE VERO: Mr. Farinas, would PGW

1 waive its right to an additional copy of that  
2 transcript; do you understand?

3 MR. FARINAS: You mean one copy of the  
4 transcript to use in both proceedings?

5 JUDGE VERO: So, you have the copy of  
6 the transcript from the first set of hearings, okay.  
7 If you make it an exhibit in this set of hearings, it  
8 will be as an exhibit; so, complainant will need to  
9 serve you with a copy, me with a copy and two copies  
10 for the court reporter; do you understand?

11 MR. FARINAS: Yes.

12 JUDGE VERO: Now you will have a copy.  
13 Will you waive your right to an additional copy?  
14 You'll have a copy.

15 MR. FARINAS: From the first?

16 JUDGE VERO: Yes.

17 MR. FARINAS: I understand and yes.

18 JUDGE VERO: I will also not require an  
19 additional copy. Are you with me, Ms. Boone?

20 MS. BOONE: Yes, I am.

21 JUDGE VERO: But the court reporter will  
22 require two additional copies. Are you with me?

23 MS. BOONE: Yes.

24 JUDGE VERO: We don't have it today. We  
25 probably won't have it tomorrow. So, we are going to

1 refer to it, but with the understanding that it will  
2 be submitted sometime within the next few days. Can  
3 we do that?

4 MS. BOONE: May I speak, Your Honor?

5 JUDGE VERO: Yes.

6 MS. BOONE: I spoke with the court  
7 reporting company today, Commonwealth, and I was told  
8 that they estimate, and I asked them to send an  
9 Email, that transcript for this week on an expedited  
10 basis will be ready by next Friday, and that they  
11 will prepare it in CD ROM, as well as hard-copy. So,  
12 one of the things we can do is have the CD Rom copied  
13 and we can submit copies of that to the court  
14 reporter.

15 JUDGE VERO: I will have to look into  
16 it. I thought about it because it's --

17 MS. BOONE: Environmental.

18 JUDGE VERO: Environmental, but I will  
19 look into it. The Commission is moving more towards  
20 electronic filing of everything. They are still in  
21 the transitional period where they're asking for  
22 paper copies, at least one. So, I will look into it  
23 and I will let you know whether or not they are  
24 willing to file at least one. I understand it's  
25 voluminous. I understand it's easy to just have it

1 in CD Rom format, but I will have to look into the  
2 Commission's regulations and these cases are what  
3 they are. They do cross over, but I'll let you know  
4 in terms of the paper version of that exhibit.  
5 Okay?

6 MS. BOONE: Thank you, Your Honor.

7 JUDGE VERO: Ms. Boone, you may call  
8 your first witness.

9 MS. BOONE: Before we start, there's one  
10 issue on the Colonial case I need to speak with  
11 Mr. Farinas about.

12 JUDGE VERO: Do you want to do it off  
13 the record?

14 MS. BOONE: Yes.

15 JUDGE VERO: Okay. We'll take a short  
16 recess.

17 (Whereupon, a recess was taken.)

18 JUDGE VERO: We are back on the record.  
19 We took a brief recess after the parties indicated  
20 that there was an issue or an entire case that could  
21 possibly be resolved. The parties had an opportunity  
22 to discuss the matter privately for a few minutes.  
23 That opportunity was provided and now we are back in  
24 the hearing room. Ms. Boone, what was achieved?

25 MS. BOONE: Unfortunately, Your Honor,

1 we were not able to reach a settlement.

2 JUDGE VERO: All right. Are you ready  
3 to proceed with your first witness?

4 MS. BOONE: Yes, I am. If I could just  
5 say, preliminarily, I spoke with Mr. Farinas about  
6 having the Colonial case, the second one done first  
7 because I think it would give a background for the  
8 next one. That would be Docket number  
9 C-2012-2304183, if we can just do that colonial case  
10 first.

11 JUDGE VERO: If it's your preference,  
12 it's your case.

13 MS. BOONE: Thank you very much.

14 JUDGE VERO: You don't have any  
15 objection, Mr. Farinas?

16 MR. FARINAS: Your Honor, we have no  
17 objection. As a show of appreciation for having  
18 accepted my documents, I have no objection.

19 JUDGE VERO: It's okay. The only reason  
20 why I asked is because there are two Colonial Garden  
21 cases, because there is another one violator with an  
22 issue that's separate but related. Would you be  
23 addressing that other case immediately after this one  
24 before you go to Simon Garden or would you go to  
25 Colonial Garden transactional issues, then Simon

1 Garden transactional issues, then come back to  
2 Colonial Garden; how do you intend to proceed?

3 MS. BOONE: I thought I would go with  
4 the second case first because it shows transactional  
5 issues, and then the second Colonial Garden is a  
6 unique case.

7 JUDGE VERO: Okay. We'll deal with it  
8 when we get there. Call your first witness.

9 MS. BOONE: Okay. Mr. Pulley.

10 JUDGE VERO: Good morning, Mr. Pulley.  
11 Please raise your right hand.

12 Whereupon,

13 PHILLIP PULLEY

14 having been duly sworn, testified as follows:

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

16 MS. BOONE: Thank you, Your Honor.

17 DIRECT EXAMINATION

18 BY MS. BOONE:

19 Q. Mr. Pulley, please state your name.

20 A. Phillip Pulley, P-U-L-L-E-Y.

21 Q. You previously identified for the record where  
22 you were employed and what your responsibilities are  
23 and your training and background. Does the  
24 information you provided in the prior proceedings  
25 apply to this proceeding for Colonial Garden?

1 A. Yes, it does.

2 Q. Please for the record, describe the property,  
3 Colonial Garden?

4 A. Colonial Garden is a 72 unit garden style  
5 walk-up apartment complex, located at 5427 Wayne  
6 Avenue in Philadelphia in the Germantown section.

7 Q. The tenants that reside at Colonial, can you  
8 describe the kinds of tenants?

9 A. Most of the tenants are elderly in nature or  
10 those that suffer with mental disabilities.

11 Q. And would you describe the income levels that  
12 you're aware that these are?

13 A. The majority of the people that live at  
14 Colonial either don't have an income level or are  
15 very very low income.

16 Q. With respect to paying bills for their basic  
17 needs, are utilities one of the main bills that they  
18 have to deal with?

19 A. Yes.

20 Q. What's the impact of being overcharged for gas  
21 usage for tenants such as the ones at Colonial  
22 Garden?

23 A. It's detrimental. Most of the people there  
24 are on fixed income, either receiving some sort of  
25 government assistance whether it's Welfare, Social

1 Security Disability payments and the like.

2 Q. These tenants that you're describing, how is  
3 gas meters provided to the tenants? How is gas usage  
4 provided to the tenants at Colonial Garden?

5 A. The heat is provided by the landlord. The  
6 tenants are responsible for their own cooking gas  
7 which is sub metered from the landlord.

8 Q. Between the two bills, the heating you  
9 mentioned for the tenants that they do themselves and  
10 the landlord's gas bill, about what percentage on  
11 average is the landlord's responsibility versus the  
12 tenant?

13 A. I'd say probably 90 percent to the landlord.

14 Q. So, for the tenant accounts, you'd say it's 10  
15 percent?

16 A. Yes, just cooking gas.

17 Q. Approximately, when was Colonial Garden  
18 acquired?

19 A. Colonial Garden was acquired in 1997.

20 Q. And the name of the owner of Colonial Garden?

21 A. Press Echard was the owner at that time, who  
22 we acquired it from. It was actually his family  
23 trust since he had passed away.

24 Q. It was transferred to the current owner?

25 A. Yes.

1 Q. The current owner's name?

2 A. Colonial Garden Realty Co L.P.

3 Q. What is the relationship between SBG  
4 Management and the owner of the property?

5 A. SBG is the managing company.

6 Q. What does that mean?

7 A. We handle the day-to-day activities of the  
8 property, maintenance, collection of rents, oversee  
9 tenant issues, collection of moneys, receivables,  
10 payables and the like.

11 Q. With the court's indulgence, if you can say  
12 briefly what you do for SBG in relation to Colonial  
13 Garden?

14 A. I'm the director of operations for SBG, and as  
15 such, my duties would extend over to Colonial Garden.

16 Q. Are bills among the kinds of things that you  
17 do, you review?

18 A. Irregular bills, yes.

19 Q. Will you define that for the record?

20 A. If the accounting department comes to me  
21 because a vender bill is out of line or doesn't match  
22 up to their contract or if a utility is plus, minus  
23 ten percent, accounting may bring it to me to take a  
24 look at it.

25 Q. What would you do with what you called or

1 categorized as an irregular bill?

2 A. If accounting can't resolve it with the  
3 vender, then I would help with them to say call the  
4 vendor back, send them a letter, get them on the  
5 phone and straighten them out. It could be something  
6 like that.

7 Q. In your experience with the Colonial Garden  
8 property, were there occasions or was there an  
9 occasion where you needed to take that action with  
10 respect to gas usage?

11 A. Yes, on various occasions.

12 Q. Who is the supplier of gas at that site?

13 A. Philadelphia Gas Works.

14 Q. And when did you first have to take action  
15 with what you've characterized as irregular bills,  
16 approximately?

17 A. 2002, 2003 in that time frame.

18 Q. What was the nature of the problems,  
19 specifically, at Colonial Garden?

20 A. There were meter reading issues. We were not  
21 getting bills properly. There was questions  
22 regarding the number of service to the facility.

23 Q. If we could just take these one at a time,  
24 sir. What do you mean when you say meter reading  
25 problems?

1 A. We would get a ridiculously high gas bill one  
2 month and then get a bill that showed no usage the  
3 next month or it could be many months of no usage,  
4 and we did correspond to PGW saying, hey, we've got a  
5 problem with the gas meter readings, from that  
6 standpoint.

7 Q. Why is it a problem getting a bill that says  
8 you have gas usage one month but not another month?

9 A. You can't budget. You don't know what you're  
10 looking at, and if all of a sudden one month you get  
11 a \$30,000 bill and for the next two months you don't  
12 get a bill, that would cause a problem.

13 Q. Why is that?

14 A. First off, you don't know if the \$30,000 bill  
15 is right and if you budget X dollar amount a month  
16 for utilities and there's these great big swings and  
17 you can't explain them, that raises concern.

18 Q. What happens if you pay too much one month for  
19 a gas bill, what's the effect of that?

20 A. It's out of budget, and that means that you  
21 either didn't charge the tenants enough money or you  
22 didn't collect enough money in order to satisfy that  
23 bill or that's got to come from some place else in  
24 order to satisfy that bill that would be erroneous or  
25 too high.

1 Q. What's the impact on the tenants from an  
2 erroneous bill?

3 A. It messes with their budgets also. If PGW  
4 gives you a bill and the bill is too high and you  
5 assert a certain amount of that towards cooking gas  
6 and then you're billing the tenants saying, according  
7 to your lease, your proportionate share is this and  
8 somebody goes, wait a minute, you're billing me \$200  
9 this month and last month it was \$14.

10 Q. You said there were also problems in not  
11 getting bills. How is that a problem?

12 A. We had times where the meters weren't reading  
13 and we would raise a red flag and wrote to PGW  
14 regularly, and it took them over a year to  
15 investigate.

16 Q. What do you mean investigate?

17 A. For them to come out and determine what the  
18 issue was.

19 Q. Why is it important to do that?

20 A. Again, it's budgetary. In those particular  
21 instances, we got bills near zero and it didn't make  
22 any sense to us.

23 Q. Were there other problems with the PGW gas  
24 service or PGW billing?

25 A. We had problems, again, with bills. We had

1 problems where we had issues where we got liened on  
2 the building. We had no knowledge of the liens,  
3 never got notice of the liens, and all of a sudden,  
4 the lender brings up the fact that we have \$450,000  
5 in liens.

6 MR. FARINAS: Objection.

7 JUDGE VERO: What is the basis?

8 MR. FARINAS: The basis is, the liens,  
9 notice of the liens is giving testimony regarding  
10 what I believe is his objection to PGW's lien  
11 process.

12 JUDGE VERO: I'll allow it. Mr. Pulley,  
13 you may proceed.

14 MS. BOONE: Thank you.

15 BY MS. BOONE:

16 Q. So, you said it caused problems with the  
17 lender?

18 A. Yes.

19 Q. Can you expand on that please?

20 A. During the economic downturn, the recession,  
21 depression, whatever you want to call it, lenders  
22 were pulling titles across the board on properties.  
23 The reason they were pulling titles was, apparently,  
24 it was very commonplace for utilities to mount up,  
25 judgements to mount up and that was like a preamble

1 to properties failing and having to go into  
2 foreclosure.

3 In the case of Colonial Garden, Bank of  
4 America who was receiver for, I think it was CIBC  
5 Oppenheimer, who now had responsibility of overseeing  
6 our loan did pull down a title report. That title  
7 report showed \$450,000 plus minus of gas liens.

8 Q. What was the approximate time of this? What  
9 year was this?

10 A. This was 2010. We're right at the height of  
11 when properties were being taken back and foreclosed  
12 on.

13 Q. Okay, continue.

14 A. So, they sent us the title report and said you  
15 have a major problem. We then notified PGW. We sent  
16 that information to Gerald Clark at PGW. We had  
17 Mr. McCaffrey back involved because of our concerns.

18 Q. How were your concerns communicated?

19 A. Via Email, and Mr. McCaffrey also had various  
20 conversations with PGW from that regard.

21 Q. What were the questions that you presented to  
22 them? What was the information you were looking  
23 for?

24 A. The first thing was, you have the liens. We  
25 never got notice of the liens. The second thing was,

1 what does it represent. Can we get a breakdown  
2 between gas usage and late fees and penalties and  
3 everything else so we can begin the process to  
4 decipher a bill.

5 Q. Was part of the questions how the bill was  
6 calculated, the internal calculations?

7 A. Yes.

8 Q. Why couldn't you figure that out on your own?

9 A. The lien amount made no sense, and what I mean  
10 it made no sense, if in 2010, they're billing us plus  
11 \$400,000 in liens and we're getting a bill that shows  
12 \$100-something, it didn't make any sense.

13 Q. Thank you. I'd like to turn your attention --  
14 you testified or we've had testimony that in August  
15 of -- before I go to that, what was the financial  
16 impact of that problem?

17 A. Bank of America began foreclosure proceedings  
18 against us here in the Court of Common Pleas. They  
19 then of course the PGW thing is what started it and,  
20 of course, at that point, they then jump on the  
21 bandwagon with anything they could find, but,  
22 basically, that's what it was. We had many hearings.  
23 We had to retain separate counsel for that with the  
24 law firm of -- it was Howard Greenberg's law firm. I  
25 forget the name of his law firm, but Howard

1 Greenberg's law firm had to be involved. They cost  
2 us more than \$50,000 in legal fees to stem off the  
3 foreclosure. We ended up in front of Judge Idee Fox  
4 on all these matters and we sat there in front of the  
5 judge saying, look, here's a PGW bill. This is what  
6 they just sent us. This is the liens. None of it  
7 makes any sense.

8 Gerald Clark failed to appear in court that  
9 day, even though he told Mr. McCaffrey he was going  
10 to be there to help explain. Based on that, the  
11 judge stayed the foreclosure so it could give us a  
12 chance and everybody to communicate.

13 Q. You mentioned some other issues that have come  
14 up with PGW. In terms of your correspondence, did  
15 you have an opportunity to correspond with  
16 Mr. Savage?

17 A. Yes, on a regular basis.

18 Q. You've testified in the prior proceedings that  
19 you corresponded across the board about a number of  
20 properties, in your prior testimony, did that include  
21 correspondence in exchange of information or putting  
22 forth of questions that involved the Colonial Garden  
23 property?

24 A. Yes, it included the Colonial Garden  
25 property. I spoke to, not only Mr. Savage. I spoke

1 with Mr. Clark. I corresponded with both of them. I  
2 corresponded and spoke to Daniel Murray at PGW about  
3 the Colonial Garden matter. I also spoke to Tammy  
4 Landman that I believe is the assistant to Mr. Murray  
5 and provided her with copies of all the Emails, all  
6 the document in that regard.

7 Q. For the period 2004 to 2005, of all the  
8 individuals that you've been corresponding with or  
9 you've put forth these questions about the bills,  
10 which of those individuals told you to file a PUC  
11 complaint in either 2004 or 2005?

12 A. Nobody.

13 Q. What about 2006 or 2007?

14 A. Nobody.

15 Q. What about in 2008 or 2009?

16 A. Nobody.

17 Q. What about in 2010?

18 A. Nobody.

19 Q. I just want to turn your attention to during  
20 all of these periods, were you asking PGW for  
21 information on interest and penalties?

22 A. Interest and penalties and also explanations  
23 of their bill. When we go back to a bill from either  
24 2003, '04, '05, I forget exactly the time frame,  
25 there's a bill that it says current outstanding

1 balance \$1200, energy usage \$1200, then it says  
2 amount due 21,000. That bill, I mean, we've asked  
3 that over and over again, even as recently as 2011  
4 asking Dan Murray, let's just take one item and  
5 explain this bill to me. Just explain this one bill,  
6 because if that bill is the basis of all these liens  
7 and it goes back to that and they're wrong, then all  
8 their liens are wrong.

9 Q. Now, we've heard prior testimony that on  
10 August 4, 2011, on or around August 4th, there was a  
11 meeting with Mr. Savage at your home. Are you  
12 familiar with that?

13 A. No. There was a meeting with Mr. Savage at  
14 PGW with Mr. Lampert and I.

15 Q. Thank you. What happened at that meeting?

16 A. At that meeting, Mr. Savage presented us with  
17 a list of all our buildings, showed us how much money  
18 they purported we owed and how much the current liens  
19 are.

20 Q. What happened after that?

21 A. It thought it was a good meeting. I thought  
22 it was a good exchange. We went back and forth. We  
23 asked for breakdowns and explanations of what these  
24 numbers represent. Mr. Lampert's number in the case  
25 of Colonial Garden, he figured it was 115 or \$116,000

1 is what we owe and Ted was showing, I think, 180 or  
2 \$190,000, then on the flip side, on Ted's list in  
3 '11, he' showing us we have 180 or \$190,000 worth of  
4 liens, yet there's \$400,000 worth of liens against  
5 the property. We talked about it in depth at that  
6 meeting.

7 Q. If I could turn your attention to PGW's  
8 correspondence file.

9 A. Wait. I don't have anything. Just give me a  
10 minute.

11 Q. That's PGW correspondence binder, page 25.

12 JUDGE VERO: Just a moment while  
13 Mr. Pulley is pulling the binder and looking through  
14 it. There are three binders with correspondence that  
15 cross over on the cases. How are we going to proceed  
16 with them?

17 MS. BOONE: If it's the binder they gave  
18 us last Friday, that's the binder I'm referring to.  
19 I'm not referring to that new thing. I'm referring  
20 to the old correspondence.

21 JUDGE VERO: I understand that, and I'm  
22 talking about that binder and also about SBG's  
23 correspondence binder. It has all nine docket  
24 numbers on it. Are the parties proposing to submit  
25 copies of the binders in every single case?

1 MS. BOONE: I don't think so. I think  
2 we can just refer to it in the first case.

3 JUDGE VERO: I understand what you're  
4 saying in regard to the transcript of the first case,  
5 but now you're using this particular document in this  
6 case.

7 MS. BOONE: We'll prepare copies.

8 JUDGE VERO: All right. Same will be  
9 asked of PGW; so, I need correspondence binders from  
10 both parties as exhibits in every set of cases that  
11 we're going to have. Okay?

12 MS. BOONE: Yes, Your Honor.

13 JUDGE VERO: You may proceed, Ms. Boone.  
14 Sorry to interrupt.

15 MS. BOONE: Thank you, Your Honor.

16 JUDGE VERO: What page are you looking  
17 at?

18 MS. BOONE: PGW correspondence binder,  
19 page 25.

20 JUDGE VERO: Okay.

21 BY MS. BOONE:

22 Q. If you would turn your attention to the Email  
23 dated August 24, 2011, 3:20 p.m. on page 25, who is  
24 that Email from?

25 A. That's from Gerald Clark to me regarding

1 Colonial Garden, but it doesn't say Colonial Garden.

2 Q. It doesn't include Colonial Garden as well?

3 A. Yes, it's about Colonial Garden.

4 Q. What does he say, if you could summarize this  
5 Email?

6 A. He's basically saying our title report had  
7 out-of-date information and some of the liens, a  
8 quarter of a million dollars worth of the liens were  
9 previously vacated.

10 Q. If you could just read the first two sentences  
11 into the record?

12 A. Here is the correct list of active liens. You  
13 may want to talk to whomever supplied the title  
14 report because there is some out-of-date information.

15 Q. Okay.

16 A. The title report we utilized was dated July of  
17 that year.

18 Q. When you say that year, will you say the year?

19 A. 2011.

20 Q. Thank you.

21 A. We met with Ted on August 4th. We had a good  
22 meeting with Ted. It should be noted that after our  
23 meeting, he vacated right there alone \$66,000 worth  
24 of erroneous liens.

25 Q. How do you know that?

1 A. Because it's right here. He had it here lien  
2 docket and it has the number and amount to vacate it  
3 August 4th. He did that after we met with Ted and I  
4 thanked Ted because he was obviously able to go  
5 communicate that. The other item, 2009 still  
6 appeared on the title report and even when we did the  
7 title report for our refinance in 2011 in August,  
8 that still appeared on that title report, plus that  
9 appeared on the separate title report that the lender  
10 utilized to bring forth this foreclosure proceedings.

11 Q. If I could just talk about this lien that was  
12 vacated. What was the year of that lien if you look  
13 at the lien docket number?

14 A. The first one is dated August 4, 2011, the  
15 same day we met with Ted.

16 Q. That's when it was vacated, but when was that  
17 lien put on? Was that 2009?

18 A. I don't know. By this, I can't tell.

19 Q. Can you read the lien docket number into the  
20 record?

21 A. It says 91231033.

22 Q. The lien docket that was vacated, isn't it  
23 09123?

24 A. Yes.

25 JUDGE VERO: Mr. Pulley, just read from

1 the beginning, including the zeros.

2 MR. PULLEY: 091231033.

3 BY MS. BOONE:

4 Q. The amount that was vacated?

5 A. \$66,062.

6 Q. You're saying after you met with Mr. Savage,  
7 this lien was vacated?

8 A. Yes.

9 Q. If you owed the money, why would he vacate the  
10 lien?

11 A. I don't know, because I didn't owe the money.

12 Q. You didn't owe the money?

13 A. No. I didn't feel we owed any of this money.

14 As I said earlier, we did an analysis and came up  
15 with 115, \$116,000 is what we owed PGW.

16 Q. This was an instance where when you questioned  
17 something, when they did an investigation, what  
18 resulted?

19 A. They removed \$66,000 worth of charges.

20 Q. So, what did that tell you about what happens  
21 when there's a bill that you question; what does that  
22 tell you you have to do?

23 A. You have to question. They're not perfect.  
24 They're human beings too.

25 Q. What did it also tell you about if they

1 perform an investigation, what can happen?

2 A. They can correct the errors.

3 Q. Okay. Thank you. Now, if you'll just read  
4 above the Email from you that's dated, August 24,  
5 2011 at 3:37 p.m.?

6 A. This was to Mike Higgins. He's a title  
7 clerk. Mike, see the attached from Gerald Clark,  
8 senior attorney at PGW. He says your title searches  
9 are out of date? But his numbers are 60,000 more  
10 than Ted Savage's with PGW who gave us numbers two  
11 weeks ago. Your number is 250,000 more than their  
12 number. I don't know who to believe.

13 Q. If you'll turn to page 29 of the PGW  
14 correspondence binder. What did that tell you, if  
15 you could just summarize that first Email before we  
16 turn to the next page; what does it tell you?

17 A. There's confusion here. There's errors here.

18 Q. Who is confused?

19 A. For one, I'm confused and the second, the  
20 title company is confused. If I sit with Ted on  
21 August 4, 2011 and he tells me there's 180 or  
22 \$190,000 in liens on Colonial Garden; yet, our title  
23 company tells us there's \$450,000 plus minus of  
24 liens; yet, Gerald Clark removes one item for 66,000,  
25 purports the other one was removed for 136, which

1 comes up with a new number, 244, and that's two weeks  
2 after we met with Ted, what is someone supposed to  
3 believe. I just met with Ted. He just gave me  
4 numbers. Now three weeks later, we didn't have  
5 usage. We didn't have exposure.

6 Q. Who does Ted work?

7 A. PGW.

8 Q. Who does Gerald Clark work for?

9 A. PGW.

10 Q. Who has information about gas usage amounts  
11 that are due to PGW?

12 A. I don't have a clue.

13 Q. Who do you think you would get that  
14 information from; what organization do you think you  
15 would get that information from?

16 A. I would think I'm getting it from PGW, but I  
17 don't know.

18 Q. If I could turn your attention to PGW  
19 correspondence binder, page 31? Actually, if you  
20 could look at page 32 first. Will you please  
21 identify PGW correspondence page 32, the document on  
22 that page?

23 A. It's a Chicago title insurance company, title  
24 information bring down.

25 Q. Who is this addressed to?

- 1 A. Elkins Park Abstract.
- 2 Q. What's the relationship of Elkins Park  
3 Abstract to the owner of Colonial Garden?
- 4 A. They're the title company.
- 5 Q. What does it say for buyer, borrower on the  
6 document, page 32?
- 7 A. Colonial Garden Realty Co L.P., a Pennsylvania  
8 Limited Partnership.
- 9 Q. What's the address listed there?
- 10 A. 5425 through 5429 Wayne Avenue, PA.
- 11 Q. So, this is a title report about the Colonial  
12 Garden property; is that correct?
- 13 A. Part of it, yes.
- 14 Q. Will you, please, turn to page 31. Is this a  
15 continuation of the title report you just  
16 identified?
- 17 A. Part of it, yes.
- 18 Q. It's listed at the bottom as page 3 of 8; is  
19 that correct?
- 20 A. That's correct.
- 21 Q. Will you identify this document for the  
22 record, please, what the title is at the top?
- 23 A. Schedule B, Section 1, requirements continued.
- 24 Q. And then under item 17, what does it list?
- 25 A. Mechanics and municipal claims.

1 Q. Under item B, will you please read that into  
2 the record or if you'll first read what A says -- I'm  
3 sorry, I mean B. Read B.

4 A. December 2009, numbers 31033, gas service  
5 claim, filed 2/17 2009 in the amount of \$66,062.14.

6 Q. And F, will you read subparagraph F under  
7 paragraph 17?

8 A. June 2009, number 35842, gas service claim  
9 filed 6/26 2009 in the amount of \$131,983.18.

10 Q. Is this a part of the title report that you  
11 sent to Mr. Clark on August 24, 2011?

12 A. Yes.

13 Q. If I could turn your attention to page 30 on  
14 PGW correspondence, page 30 of the PGW correspondence  
15 binder; did you send this attachment? If you'll look  
16 at the Email dated, Wednesday, August 24, 2011 at  
17 2:59 p.m. on PGW correspondence, page 30, this Email  
18 says that a scan is attached. Is this a document you  
19 attached?

20 A. Yes, that was the document attached. I sent  
21 it to Gerald Clark.

22 Q. So, you sent this title report to Mr. Clark on  
23 August 24, 2011; is that correct?

24 A. That's correct.

25 Q. Is that the title report you're referring to

1 in your correspondence?

2 A. Yes.

3 Q. In the Email that's just above that we just  
4 referred with the lien docket that's vacated in the  
5 Email dated August 24, 2011, 3:20 p.m., is that the  
6 lien docket you're referring to on the title report?

7 A. Yes.

8 Q. Lien docket number 091231033?

9 A. Yes.

10 Q. In the amount of \$66,062.14?

11 A. Yes.

12 Q. If you turn your attention to PGW  
13 correspondence binder page 29, please read the Email  
14 dated August 24, 2011, 3:37 p.m. from you; will you  
15 please identify it? It's at the bottom of PGW  
16 correspondence page.

17 A. Mike, see the attachment from Gerald Clark,  
18 senior attorney of PGW.

19 Q. Excuse me, Mr. Pulley. Will you please say  
20 who you addressed your Email to for the record?

21 A. I addressed it to Gerald Clark and Mike  
22 Higgins, the title clerk, also carbon copied  
23 Katherine Marriott, Eric Lampert, Kerry Schuman,  
24 Tammy Landman, L-A-N-D-M-A-N and Ted Savage.

25 Q. And the subject line?

1 A. Colonial Garden.

2 Q. If you'll continue, Mr. Pulley. Just read it.  
3 This is a very short Email.

4 JUDGE VERO: May I interfere?

5 MS. BOONE: Yes.

6 JUDGE VERO: who is Michael Higgins?

7 THE WITNESS: He's the title clerk.

8 MS. BOONE: He's a title clerk at the  
9 title company.

10 JUDGE VERO: Okay.

11 MR. FARINAS: Your Honor, I want to  
12 object again. Per your admonition yesterday, I'm not  
13 really sure if this is again liens or is it going  
14 somewhere related to accounts. We've been discussing  
15 Emails going back and forth between counsel. Are we  
16 still talking about the lien process which per your  
17 admonition yesterday.

18 JUDGE VERO: I believe at this point as  
19 Mr. Pulley's testimony is going, I think he's saying  
20 that there are liens which should or should have not  
21 been removed. Is that correct, there are liens that  
22 should not still be active, because I understand at  
23 least one of them was vacated and still appears in  
24 PGW books or in SBG's active account, but for SBG, we  
25 are back with billing; so, I think it's relevant and

1 I'm going to allow it. I am mindful and I'm keeping  
2 an eye out for when the questioning veers towards  
3 being strictly lien related or lien focused and  
4 whether or not it has a connection with the billing  
5 and accounting, but so far, I am satisfied that we  
6 are within the Commission's jurisdiction, and you may  
7 proceed, Ms. Boone.

8 MS. BOONE: Thank you, Your Honor.

9 BY MS. BOONE:

10 Q. If you could just read that short Email,  
11 Mr. Pulley?

12 A. Mike, see the attached from Gerald Clark,  
13 senior attorney of PGW. He says your title searches  
14 are out of date, but his numbers are 60,000 more than  
15 Ted Savage with PGW who gave us numbers two weeks  
16 ago. Your number of 250,000 more than their number,  
17 I don't know who to believe.

18 And the number I'm making reference to in that  
19 Email, if you look at PGW correspondence 28, item  
20 number 7 and this was from August 4, 2011, it states,  
21 gas debt number one, \$190,000.

22 Q. If we could just turn to page 28 of PGW  
23 correspondence file and Mr. Pulley can identify which  
24 numbered item he means?

25 A. It's item number 7, but this is where the

1 confusion lies.

2 Q. What is the confusion, if you can just clarify  
3 that for the record?

4 A. Liens 185 959. That's on August 4th, on  
5 August 24th. Gerald Clark says the liens are not  
6 450,000, but 244,000; so, that's a matter of a couple  
7 weeks difference and they don't add up.

8 Q. Who gave you the number on page 28 of the PGW  
9 correspondence file?

10 A. Ted did.

11 Q. Ted, last name?

12 A. Ted Savage.

13 Q. The other number, who did you receive that  
14 from?

15 A. That was from Gerald Clark. That was the 244  
16 number in his Email on August 24th, then if you go to  
17 the other number, which is the gas debt of 190,068 on  
18 August 4th, we had a variance in that number that  
19 Eric Lampert said the number should have been 115,  
20 \$116,000 and we provided those calculations to PGW.

21 Q. What's the difference between their number on  
22 liens and their number on gas debt?

23 A. \$5,000.

24 Q. Not gas debt here, but their number for what  
25 they thought liens were, what Ted Savage thought was

1 owed in liens versus what Gerald Clark thought was  
2 owed in liens, just approximately?

3 A. \$70,000.

4 Q. What about gas debt difference between this  
5 document provided by Mr. Savage and what Eric, your  
6 in-house accountant thought?

7 A. 60, \$70,000.

8 Q. Is that a significant amount of money to the  
9 tenants of Colonial Garden.

10 A. I think it's a significant amount of money to  
11 anybody.

12 Q. Thank you. If you would now turn back to page  
13 29 of PGW correspondence file, and if you could just  
14 read the next Email just above the one you just read,  
15 dated August 25, 2011, 11:34 a.m.?

16 A. This was an Email.

17 Q. Who's it from?

18 A. It's from me to Gerald Clark, Michael Higgins,  
19 Katherine Marriott, Eric Lampert, Kerry Schuman and  
20 Ralph Savage, somewhere along the line I must have  
21 sent it to Mr. Murray, because it's addressed to  
22 Mr. Murray. Mr. Murray, can you please call me re  
23 this matter 215-669-2658. Time is of the essence.  
24 Thank you, Phil.

25 Q. Then the one above it, if you can just

1 identify it for the record by the date and time and  
2 the parties?

3 A. That was from Michael Higgins, the title clerk  
4 to Phillip Pulley, dated August 25, 2011: I have  
5 attached the bring down showing two more gas liens,  
6 along with the original filings from my title if this  
7 is of any help.

8 JUDGE VERO: Again, what page?

9 MS. BOONE: I'll move on.

10 JUDGE VERO: No. I need to know what  
11 page we're on.

12 MS. BOONE: I'm sorry. We're on page 29  
13 of the PGW correspondence file.

14 JUDGE VERO: Just give me a second. I  
15 apologize. All right, proceed.

16 BY MS. BOONE:

17 Q. If you could just summarize those two Emails  
18 for the record, what's going on in terms of trying to  
19 obtain information about the gas usage bills for  
20 Colonial Garden?

21 A. We're trying to get information. None of the  
22 information adds up. They're all different numbers,  
23 whether we get it from their attorney or we get it  
24 from the account rep, Mr. Savage, the numbers,  
25 there's such a disparity. Meanwhile, we have the

1 title company in there and he has such a disparity,  
2 then in the August 25th Email I just read, now  
3 there's two more liens; so, that raises the money  
4 even more. If Mr. Clark is telling us on August  
5 24th, here's all there is and then on the 25th, it's  
6 higher again, it doesn't make any sense, and in their  
7 own contradiction to the meeting we had with Ted on  
8 August 24th.

9 JUDGE VERO: Ms. Boone, bring it to  
10 account and billing.

11 MS. BOONE: Okay.

12 BY MS. BOONE:

13 Q. So, how do you figure out what you need to pay  
14 to satisfy an active account for PGW gas usage?

15 A. I don't have a clue.

16 Q. What do you mean by that?

17 A. We asked PGW and we've been asking for them  
18 for years to provide something. Now here we are with  
19 liens against the property that has caused  
20 foreclosure and a default and we're asking them and  
21 we're asking Gerald Clark. You'd think when you're  
22 asking one of their attorneys, he would provide  
23 breakdown and information, but we received nothing.

24 Q. Did you receive a statement of account at that  
25 time that showed a list of payments made and applied

1 to the account?

2 A. No.

3 Q. Did you receive a list of principal balance  
4 either what was outstanding as of the date?

5 A. No.

6 Q. Did you receive a list of late payment charges  
7 that showed how the late payment charges were  
8 calculated?

9 A. No.

10 Q. What would you do if you had received that?  
11 What can you do with that kind of information?

12 A. The first thing you want to do is break it  
13 down. You want to figure out did we really use this  
14 gas. At least if we look at it, we can say the gas  
15 side of it is right, the consumption side is right.  
16 We really used the gas. The meter is right because  
17 who is to say inside this big number that there  
18 wasn't another 30, \$40,000 gas mistake in there and  
19 the meter had a problem reading one month. Maybe  
20 they changed the meter and we didn't know about it  
21 because we don't get advised of that.

22 So, the question is, we could have looked at  
23 that. We could have said, okay, January, that much;  
24 February, this much; March, this much and you get  
25 into summer months and you know what you have, but

1 you can't even begin to make an analysis of it from a  
2 gas consumption standpoint is it right and then you  
3 get into the interest standpoint. As far as the  
4 interest standpoint, once they file the liens, it's a  
5 whole different calculation.

6 Q. Thank you, Mr. Pulley. Can you turn your  
7 attention to the August 25, 2011 mail at PGW  
8 correspondence page 29 that we've been on?

9 A. The one at the top?

10 Q. Yes. If you could just identify it for the  
11 record and summarize the Email?

12 A. Email from Phil Pulley to Gerald Clark, Tammy  
13 Landman, Michael Higgins, Ted Savage, Daniel  
14 McCaffrey and Eric Lampert. The Email is dated  
15 August 25, 2011, 12:12 p.m. It had two attachments  
16 with it, which would have been the additional items  
17 we got from the title company from August 25th, as  
18 well as now their new bring down dated from that same  
19 date.

20 JUDGE VERO: Excuse me. What is a bring  
21 down?

22 THE WITNESS: It is basically where they  
23 go through all the liens, mortgages, outstanding  
24 bills, judgments, anything like that. That's the  
25 bring down.

1 JUDGE VERO: Thank you. You may  
2 proceed, Ms. Boone.

3 BY MS. BOONE:

4 Q. There's a handwritten note on this, from  
5 Mr. Pulley. Is that your handwriting, Mr. Pulley?

6 A. No.

7 Q. If you can just summarize the first paragraph,  
8 it's to who, the Email or if you want to read the  
9 first paragraph?

10 A. I'll read it. Mike, I don't know what to  
11 say. I speak to PGW. They tell me one thing. Their  
12 Emails say something else. Everybody has a different  
13 story. We feel we owe them 116,000. They have over  
14 \$450,000 worth of liens. I can't talk to anyone. I  
15 can't resolve anything at this point. I think I'm  
16 going to have to get Dan McCaffrey back involved and  
17 sue them.

18 Q. What's going on here, just to summarize it?

19 A. Again, we've got all these different numbers.  
20 The numbers don't add up. We have the gas usage  
21 which is what the gas usage supposedly is. That  
22 doesn't make any sense. The liens they've applied  
23 against the property don't make any sense. The liens  
24 the tittle company brings down don't equal and  
25 correspond to any of the liens they've done, and

1 Eric's calculation of what he thinks we owe and what  
2 they think we owe, they're \$70,000 difference.

3 Q. If you'll turn to PGW correspondence page 33,  
4 dated August 25, 2011, can you just summarize what  
5 happened?

6 A. On that date, I shared a great conversation  
7 with Dan Murray. He's compiling the information for  
8 review at this time.

9 Q. What did you think was going to happen?

10 A. I thought we were going to get a break down so  
11 we could decipher the bills, the liens and the  
12 information from PGW. We've already provided to them  
13 what made up the \$116,000 in our mind.

14 Q. I'd like to turn your attention --

15 JUDGE VERO: Just a second. Who is Dan  
16 Murray?

17 THE WITNESS: Dan Murray, I believe, is  
18 Ted Savage's boss or somebody high up in the  
19 company. I don't know.

20 JUDGE VERO: With PGW?

21 THE WITNESS: I was referred to him by  
22 Gerald Clark. He told me if I wasn't happy, call Dan  
23 Murray, and some place, there's an Email in the book  
24 that tells me to call him.

25 JUDGE VERO: Okay. Continue.

1 BY MS. BOONE:

2 Q. If you could turn to page 36 in the PGW  
3 correspondence binder. Who is this Email from on  
4 this page if you'll identify it for the record?

5 A. It's from Ted Savage to me with a carbon copy  
6 to Daniel Murray and Gerald Clark.

7 Q. The date and time?

8 A. Thursday, September 15, 2011, 12:49 p.m.

9 Q. What's this Email about, if you'll sum it up?

10 A. It was a summary, an account summary for  
11 Colonial Garden, as well as the latest bill.

12 Q. And if you'll turn to pages 37 through pages  
13 53, if you'll take a minute and look them over?

14 A. Hang on a second. Go back to the one on 36,  
15 because this sentence is, if you have any legal  
16 inquiries, please forward them to Attorney Gerald  
17 Clark, and that's why I was corresponding with Gerald  
18 Clark and continued to work with Mr. Clark.

19 Q. Thank you. If you'll look at pages 37 to 53  
20 please?

21 A. Pages 37 through 53?

22 Q. Yes. If you'll take a look and if you can  
23 identify what these documents are for the record?  
24 Are they the documents that were attached to  
25 Mr. Savage's Email?

1 A. Yes, these are the documents that were  
2 attached. I should note something, because now this  
3 all brings back a great memory. I got Ted's  
4 breakdown ten days after I spoke to Mr. Murray; so,  
5 it took almost two weeks for me to get these  
6 breakdowns. The amounts referenced in here --

7 Q. Let's establish a foundation for that. On  
8 page 37, do you see an amount listed on that  
9 document, if you can identify that document for the  
10 record?

11 A. Yes, \$248,663.48.

12 Q. What is this document, if you could identify  
13 it for the record? What's it titled?

14 A. It's Philadelphia Gas Works Monthly Statement.

15 Q. And the period?

16 A. It's the period of August 2, '11 through  
17 August 31, '11.

18 Q. And the account number on the right at the  
19 top?

20 A. Account number 6128000245.

21 Q. And then the total amount due by September 28,  
22 2011, what's written in that box?

23 A. \$248,663.48.

24 Q. Can you tell us about that amount that's  
25 requested there?

1 A. Ridiculous is the only way I can comment.

2 Q. Why?

3 A. Because when this bill came in -- first off,  
4 when we met with Ted August 4, 2011, he presented us  
5 with a gas bill showing what we owed, and I want to  
6 get the exact number so I'm not guessing, an amount  
7 of 190,068.65 through August 4, 2011.

8 JUDGE VERO: Is this a bill,

9 Mr. Pulley?

10 THE WITNESS: It's PGW correspondence  
11 29.

12 JUDGE VERO: Thank you.

13 THE WITNESS: So, we get this number  
14 that he tells us is what our debt is and what we owe  
15 him as of that day. So, here I am 26 days later and  
16 the bill has grown by \$60,000, which makes absolutely  
17 no sense to us.

18 BY MS. BOONE:

19 Q. Why not?

20 A. First off, Colonial Garden, the tenants  
21 utilize the gas for cooking gas. The only other  
22 thing the gas is utilized there is for domestic hot  
23 oil. The boiler is still on oil at this time; so,  
24 that's it.

25 Q. What time of the year are you in, what

1 season?

2 A. I'm in August. I'm in a hot season. It's a  
3 hot summer. PGW, every time you have a dispute in  
4 the winter says they're using the stoves for heat and  
5 the cooking gas for heat and it was impossible, and  
6 at that point in time, we had sub metered this to  
7 stop tenant abuse and so forth so we could track what  
8 our usage was.

9 The other thing that raised a red flag with  
10 this bill is, it's a statement. It's a bill. It's a  
11 monthly statement. It doesn't show any gas  
12 consumption. It doesn't show any gas usage. It  
13 doesn't show what the prior month is. It doesn't say  
14 here's your past due amount -- well, excuse me. It  
15 shows your past due amount. It shows an adjustment  
16 of \$2539. Current charges, \$1352 for the same  
17 period. So, if I have current charges of \$1352 for  
18 that period and Ted Savage on August 4th gave me a  
19 number as of that day of \$190,000. Add the 1300 to  
20 it, that's \$191,000 and change.

21 So, somebody gives you a \$248,000 bill and  
22 during this time frame and, again, the numbers don't  
23 add up.

24 Q. I'd like to turn your attention to the second  
25 document that was included, and that was an account

1 statement or statement of accounts that begins on  
2 page 40 of PGW correspondence. What's the title of  
3 that document on page 40 of the PGW correspondence  
4 binder?

5 A. It says specific service agreement statement  
6 of account, SA 4018739567.

7 Q. At the bottom, what does it list as the page?

8 A. One of 7.

9 Q. If I could turn your attention to PGW  
10 correspondence binder page 46, and at the bottom of  
11 this page, what does it say?

12 A. It says page 7 of 7.

13 Q. Is this a continuation of the document you  
14 just identified as PGW correspondence page 40?

15 A. Yes.

16 Q. If you look in the transaction date of 8/3  
17 2011 and you scan over to the current balance, what  
18 does it say the balance is?

19 A. \$106,261.92.

20 Q. If you look above it at the late payment  
21 charge for 8/3 2011, what is the late payment charge  
22 under the transaction amount?

23 A. The LPC on the same date?

24 Q. Yes.

25 A. It says 1,093.04.

1 Q. I'd like you to turn your attention to page 7  
2 of 7. How many accounts were there at this property?

3 A. I don't know how many accounts. I know  
4 there's two meters.

5 Q. Okay, two accounts. If you turn your  
6 attention to PGW correspondence page 47, will you  
7 read the title of that document?

8 JUDGE VERO: Just a moment. Is it two  
9 accounts or two meters?

10 MS. BOONE: There are two accounts.

11 JUDGE VERO: Just a moment.

12 MS. BOONE: I should probably identify  
13 the first document by it's account number.

14 THE WITNESS: Let me try and help you.  
15 There's one account, two SAs, two meters.

16 BY MS. BOONE:

17 Q. Just so we have this right on the record, if  
18 you'll turn to page 40, what is the SA number, page  
19 40 of PGW correspondence binder, if you'll say the SA  
20 number that's identified at page 1?

21 A. 4018739567.

22 Q. That related to PGW correspondence binder  
23 pages 40 to 46?

24 A. That's correct.

25 Q. If you'll turn your attention to PGW

1 correspondence binder page 47, if you'll state what  
2 that document is?

3 A. Specific service agreement statement of  
4 account SA 1375369694.

5 Q. Is this the second SA for this building?

6 A. Yes.

7 Q. If you'll turn your attention to page 53 of  
8 PGW correspondence, is this a continuation of the  
9 document identified on page 47?

10 A. Yes.

11 Q. If you go to the transaction date 8/3 2011,  
12 what kind of bill is identified; what type, what's  
13 listed at the type for that column for 8/3 2011?

14 A. The current balance shows \$138,456.39.

15 Q. If you add roughly the balance listed at page  
16 53 for the SA you just mentioned of 138,456,39, and  
17 you add it to the SA or the current balance listed at  
18 PGW correspondence 46 and that amount is 106,261.92,  
19 if you were to combine them, what are they  
20 approximately? Do they match the number listed in  
21 the monthly statement listed on PGW correspondence  
22 page 37?

23 A. No. They total roughly \$244,00, which is  
24 roughly 60 or \$70,000 less than the number Ted gave  
25 us of the same date.

1 Q. So, you received one number from Mr. Savage on  
2 August 4th, but the billing statements for PGW, what  
3 number do they give you?

4 A. They were \$244,000, but we also didn't get  
5 these until the middle of September.

6 Q. When did you ask for this information?

7 A. 2006, 2007, 2008, 2009, you know.

8 Q. Did you also ask for it in the August 4th  
9 meeting you had of 2011?

10 A. Yes.

11 Q. What's the problem with these numbers not  
12 matching up? Why is that a problem? You're a  
13 businessman. What's the problem?

14 A. First off, we don't believe we owed the  
15 money. Our internal shows we owe them 115, \$116,000.  
16 Their numbers are almost or more than twice ours.  
17 Meanwhile, what they show we owe them is just about  
18 half of what the liens are they filed against our  
19 property. I mean, the bottom line, you don't know  
20 what you have. You don't know how to plan. You  
21 don't know how to charge people. You don't know what  
22 you have.

23 Q. Can you, please, turn to PGW correspondence  
24 binder page 35. If you'll read the Email that's  
25 dated September 15, 2011, 12:53 p.m. from Mr. Savage?

1 A. Phil, you can contact me with any questions  
2 you may have regarding the account summary  
3 information, Ted.

4 Q. Your response, please, state the date of your  
5 Email response?

6 A. September 15, 2011, 1:08 p.m. to Ted, thank  
7 you.

8 Q. What does this mean?

9 A. We're having dialogue. I'm thanking him.  
10 We're getting along. There's no issues. I'm not  
11 sure what you're looking for.

12 Q. Turn to PGW correspondence binder page 54. On  
13 September 22, 2011 in an Email dated September 22,  
14 2011, 11:38 a.m., which is found at PGW  
15 correspondence binder page 54, what does your Email  
16 say? Who are you writing to? Please confirm the  
17 date.

18 A. I'm writing to Ted Savage, carbon copy, Dan  
19 Murray, Gerald Clark, Daniel McCaffrey and Eric  
20 Lampert. I state, we have reviewed the schedule  
21 provided. It makes no sense. Can we meet next  
22 Thursday or Friday to review. Can we please have the  
23 decision makers at the meeting in a hope to resolve  
24 this account? I don't think we need counsel at the  
25 meeting.

1 Q. What does this Email mean in terms of the  
2 relationship and pursuit of information?

3 A. Trying to work things out in an amicable  
4 situation, get the decision makers in a room.

5 Q. What does this Email say about what decision  
6 PGW has made on your questions and inquiries to  
7 date?

8 A. I don't think I understand the question.

9 Q. I'll rephrase it. Have your questions and  
10 answers to PGW, have they been answered by the date  
11 of this Email?

12 A. No.

13 Q. How do you know?

14 A. How do I know from this Email, I don't. Well,  
15 I do know because I want a meeting and I want a  
16 meeting in which to resolve the issues. That was the  
17 whole thing. They provided us information, but ...

18 Q. I'd like to turn your attention to PGW  
19 correspondence binder page 62. If you'll look at the  
20 Email dated October 13, 2011, 12:01 p.m. from Eric  
21 Lampert to you, will you please take a moment to read  
22 this Email and then summarize it.

23 JUDGE VERO: What page?

24 MS. BOONE: PGW correspondence binder  
25 page 62.

1 BY MS. BOONE:

2 Q. If you will confirm who wrote this Email, who  
3 it was written to, the date and time and subject?

4 A. It was from Eric Lampert, dated October 13,  
5 2011, 12:01 p.m. to Phil Pulley regarding Colonial  
6 Garden.

7 Q. If you could summarize it and then I'll ask  
8 you to pay attention to one part of it in particular?

9 A. This is a PGW bill that showed a past due  
10 balance of \$1351 with a payment made. We made a  
11 payment of \$1,083.19, and adjustments added of  
12 \$215.54, showed a current charge of \$6,824.38 with a  
13 balance due of \$21,409.99.

14 JUDGE VERO: Give me a moment. I need  
15 to read this.

16 MS. BOONE: Yes.

17 (Whereupon, document was reviewed.)

18 THE WITNESS: Do you have that bill?

19 MS. BOONE: Do you want a copy of the  
20 bill?

21 THE WITNESS: If you don't mind, it  
22 might help to recollect some things.

23 MS. BOONE: Can we approach, Mr. Pulley,  
24 please?

25 JUDGE VERO: Yes, you may.

1 (Whereupon, document was handed to  
2 witness.)

3 BY MS. BOONE:

4 Q. Look at the SBG correspondence page 89 in the  
5 SBG Colonial Garden book. Is this the bill you're  
6 referring to?

7 A. Yes.

8 Q. Would you identify the bill for the record  
9 please?

10 JUDGE VERO: I'm sorry. I think I'm  
11 lost. SBG Garden 189?

12 MS. BOONE: SBG Colonial Garden binder.  
13 I'm sorry.

14 JUDGE VERO: Okay.

15 BY MS. BOONE:

16 Q. Is this the bill you're referring to that you  
17 wanted to review, Mr. Pulley?

18 A. Yes.

19 Q. It's located at SBG Colonial Garden binder  
20 page 89; is that correct?

21 A. That's correct.

22 Q. Will you identify this bill for the record  
23 please?

24 A. PGW bill, dated March 3, 2005, account number,  
25 I think it says 6128000245.

1 Q. What's the amount that's due on this bill, and  
2 please give the date it's due?

3 A. It says total amount due March 29, 2005,  
4 \$21,409.99.

5 Q. And if you'll refer back to the Email from  
6 Mr. Lampert, dated October 13, 2011, is this the bill  
7 he's referring to?

8 A. That's correct.

9 Q. What's the problem?

10 A. The numbers don't add up.

11 Q. What do you mean?

12 A. You're looking at the summary section where it  
13 says payment summary. We made a payment on February  
14 1, 2005 in the amount of 1,083.19, then it goes on to  
15 billing summary, past due amount of \$1,351.12, then  
16 it shows an adjustment of \$215.54.

17 Q. And then?

18 A. Then it shows current charges of \$6,824.38.

19 Q. So, when you add them all up, what's the  
20 problem?

21 A. When you add them up, they equal  
22 \$8,391.04, not \$21,409.99 is what the bill says.

23 Q. So, what's the problem? What's PGW asking?  
24 In this bill, what's PGW asking the customer to do or  
25 to pay?

1 A. To pay almost three times what the bill is.

2 Q. Why is that a problem?

3 A. First off, where does the money come from;  
4 that's number one. The second problem is, if you see  
5 that it's wrong and one plus one doesn't equal two,  
6 then it's problematic.

7 Q. What action was taken?

8 A. We've been asking for an explanation and I'm  
9 just picking on this bill which is consistent with  
10 some of the problems we've had with PGW here, and  
11 this bill I sent to Dan Murray October 13, 2011,  
12 because if all of their liens and all of their  
13 charges stem from things in the past and you know and  
14 you can go right to here from '05 and say the bill is  
15 almost three times what it should be and you know  
16 it's wrong and they've never corrected it and they've  
17 never corrected your account, then that means that  
18 the liens they have filed are wrong. The current  
19 billing they're giving you is wrong. Their account  
20 summary is wrong, and I could pick on other things,  
21 but I'm just trying to go here and say, if we know  
22 here it's wrong and they've never corrected it, then  
23 everything else they've done over time becomes wrong.

24 Q. In this Email from Mr. Lampert to you, in the  
25 first paragraph, if you could just read what he says

1 in the first paragraph?

2 A. One of the issues we never got answered was  
3 how does a past due balance of \$1,351.12 with a  
4 payment made of \$1,083.19 in adjustments added of  
5 \$215.54 and current charges added of \$6,824.38 equal  
6 a balance due of \$21,409.99.

7 Q. Is this the balance that's sought and that's  
8 reflected in the bill at SBG Colonial Garden binder  
9 89 that you just referred to?

10 A. Yes, that's correct, as well as the \$6,824  
11 amount was in question.

12 Q. In the next paragraph, what's Mr. Lampert  
13 saying? What does he write?

14 A. Upon review of the printouts from PGW, both  
15 printouts are the same account number. We only have  
16 one account and there are two different SA numbers.  
17 One I can verify to the bill. The other shows zero  
18 and on numerous postings on the same day totaling  
19 \$13,018.95 for the same period of the bill above.  
20 How is it possible.

21 Q. The next paragraph he writes?

22 A. Prior to this, they came out a few years ago  
23 and accused us of stealing gas and fixed the issue.  
24 At that point, we paid all that was due and were  
25 receiving actual bills; so, why all of a sudden is

1 there an adjustment if they fixed the problem and we  
2 were receiving bills for actual meter readings, and  
3 according to PGW reps, their meter readings are  
4 always correct.

5 JUDGE VERO: Just a moment, if I may.  
6 Mr. Pulley, is this Email from Mr. Lampert referring  
7 to just this one bill?

8 THE WITNESS: It's just this one bill.

9 JUDGE VERO: So, all three paragraphs  
10 concern this one bill?

11 THE WITNESS: No. The first one is just  
12 the top bill. The second is something he found when  
13 he reviewed all those printout sheets.

14 JUDGE VERO: And the third is what?

15 THE WITNESS: The third is basically  
16 questioning why if we're getting actual bills, why  
17 are we getting this \$13,000 bump in one month because  
18 that doesn't make any sense.

19 JUDGE VERO: Okay.

20 BY MS. BOONE:

21 Q. If you'll just read the sentence on the next  
22 page, which is SBG correspondence binder page 63,  
23 just that sentence, that will be enough?

24 A. Which one?

25 Q. At the top.

1 A. If I have disputed bills in the past when we  
2 have received bills on actual readings, not  
3 estimates, then all of a sudden, one month we get a  
4 bill for an extraordinary amount and I questioned it.

5 Q. Just read the next.

6 A. The reply I received is that, in quotations,  
7 they have reviewed the account and they are correct,  
8 closed quotations. No explanation as to why and if  
9 the meter readings were correct, why aren't the  
10 readings on the original bills correct; therefore,  
11 there should be no additional billings.

12 Q. The next sentence?

13 A. This has happened on more than one account.

14 Q. I think you skipped one line where it says,  
15 the reply received is that they have reviewed the  
16 account and the -- it starts with meters are  
17 working.

18 A. Are working and the readings.

19 Q. Thank you. Just to make sure the record is  
20 just corrected. What was Mr. Lampert doing? Who is  
21 he at your company?

22 A. He's the company controller. He was  
23 reviewing, along with Kathy, the printouts we had  
24 gotten from Ted in September of 2011.

25 Q. What did you do with Mr. Lampert's Email?

1 A. I then forwarded that to Daniel Murray and  
2 also attached a copy of just this one bill and said  
3 let's take one bite at a time. Let's start in the  
4 beginning in order to figure all this out.

5 Q. The Email you used as a cover Email for that,  
6 is that the Email at PGW correspondence binder page  
7 62?

8 A. Yes, ma'am.

9 Q. Will you state just for the record to identify  
10 it, who wrote that Email, the date of it and, again,  
11 who it went to?

12 A. I wrote it October 13, 2011, 12:15 p.m. to  
13 Daniel McCaffrey, Daniel Murray and Ted Savage with a  
14 carbon copy to Gerald Clark.

15 Q. The subject line?

16 A. PGW Colonial.

17 Q. How long after you received Mr. Lampert's  
18 Email did you forward this on to representatives of  
19 PGW?

20 A. Fourteen minutes.

21 Q. What was the response? If I could turn your  
22 attention to PGW correspondence page 66? I  
23 apologize. If you'll first turn to PGW page 67?

24 JUDGE VERO: Mr. Pulley, do you recall  
25 PGW's response to your Email?

1 THE WITNESS: Yes.

2 JUDGE VERO: What was the response you  
3 got? What did they say?

4 THE WITNESS: Best I can remember,  
5 that's what it is, along those lines.

6 JUDGE VERO: Thank you. You may  
7 proceed, Ms. Boone, because when you direct  
8 Mr. Pulley to the Email, I understand why you do it,  
9 but technically you're leading him.

10 MS. BOONE: Sorry. I apologize.

11 BY MS. BOONE:

12 Q. Will you, please, take a look at the Email,  
13 the document on PGW correspondence binder page 66;  
14 will you identify for the record the Email at the top  
15 of the page?

16 A. Ralph Savage to Phil Pulley, Dan McCaffrey,  
17 Dan Murray, carbon copy to Gerald Clark, dated  
18 October 27, 2011.

19 Q. And the subject line?

20 A. Colonial bill explanation, 10/27/11.

21 Q. Is that the subject line or is that something  
22 else?

23 A. That's the attachment, sorry. Subject line,  
24 PGW Colonial.

25 Q. What was the attachment, if you could sum it,

1 up that you received from Mr. Savage with this  
2 Email?

3 A. I don't remember off the top of my head.

4 Q. If you'll turn to PGW correspondence page 68,  
5 can you identify this document for the record please?

6 A. Colonial Garden bill explanation.

7 Q. If you want to take a minute to look at it to  
8 refresh your recollection, is this the document that  
9 was attached? Was this document attached to  
10 Mr. Savage's Email that you just read?

11 A. I believe it was.

12 Q. What is this document on PGW correspondence  
13 binder at page 68?

14 A. It's a bill explanation.

15 Q. For what?

16 A. For the two SA numbers and account number.

17 Q. What property is it addressing?

18 A. Colonial Garden.

19 Q. And what SAs?

20 A. SA 4018739567 and 1375369694.

21 Q. What was this explanation in regard to?

22 A. Our question on the bill from March 3, 2005 as  
23 to how do you add up these numbers and get \$21,000.

24 Q. Was this explanation satisfactory?

25 A. I don't believe it was.

1 Q. Did you receive any other information about an  
2 internal investigation? What other information did  
3 you receive about the bill?

4 A. I believe this was the only thing and,  
5 conveniently, they had a clerk inside.

6 Q. What do you mean?

7 A. Well, in their own statement there, they have  
8 due to a clerical error.

9 Q. What line are you referring to; where?

10 A. That would be part of the second paragraph,  
11 4th line down.

12 Q. Where does it say clerical error? Is this  
13 under bill date, 2/18/05 or bill date 1/21/05?

14 A. No. It's 4th line down in the second  
15 paragraph. It says clerical error.

16 Q. Please read that line for the record?

17 A. It says no bills were generated through the  
18 system due to a clerical error; however, the meter  
19 was still recording actual gas consumption.

20 Q. And the next sentence?

21 A. After discovering this problem, the account  
22 was corrected and a bill was generated, the recorded  
23 usage. Based on PGW records a bill transaction and  
24 meter reading history was faxed and mailed to the  
25 customer on 3/21/05.

1 Q. So, you had a question. What did you do with  
2 the question or what did your employee do?

3 A. Went to PGW.

4 Q. This question arose on or about what time  
5 period? When was the bill generated?

6 A. '05.

7 Q. 2005. What's the date of the explanation?  
8 What date is the Email that the explanation is  
9 attached to?

10 A. January 27, 2011, six years later.

11 Q. Is that January? Do you want to take a look  
12 at that?

13 A. October 27, 2011, six years later.

14 Q. Thank you. If you can turn your attention to  
15 PGW correspondence binder page 70, will you identify  
16 this document for the record please?

17 A. It's an Email from Randy Holman to Ralph  
18 Savage, dated October 24, 2011.

19 Q. Are you on this document?

20 A. Yes, I'm reading it.

21 Q. I mean, are you listed as a party to this  
22 document?

23 A. No, I'm not.

24 Q. What does this document say?

25 A. Ted, since the LPC was assessed in March 2005

1 and the account last billed on November 4, 2011,  
2 there were 79 months of compounded interest. The  
3 total bill resulting from the nonpayment of the late  
4 charge is \$624.60. If you have any questions, please  
5 let me know.

6 Q. What does this mean?

7 A. I think it asserts that the \$21,000 bill from  
8 March of '05, they only assessed at \$642 in interest  
9 is what this says.

10 JUDGE VERO: What page is this?

11 MS. BOONE: PGW correspondence binder  
12 page 70.

13 BY MS. BOONE:

14 Q. Why is that a problem? What does that mean?

15 A. I won't get into attacking the bill right now,  
16 but the interest doesn't make any sense if we  
17 supposedly had an outstanding balance of money that  
18 we didn't pay from the \$21,000 and they're charging a  
19 point and a half per month and it's an algorithm in  
20 their computer and it happens automatically, how does  
21 it only come up to \$642.

22 Q. Did you receive a copy of this Email prior to  
23 this proceedings?

24 A. No, we didn't receive a copy of that, and  
25 recollecting, going back to PGW correspondence 68,

1 the answer they gave us where they make a reference  
2 to they faxed something over and mailed something to  
3 the customer on 3/21/05, why didn't they attach it to  
4 here. Why didn't they just say here's your  
5 explanation from 2005.

6 Q. Why did you need to have that?

7 A. First off, that would have meant maybe they  
8 really did send us something. If they had it, they  
9 would have attached it.

10 Q. If I can turn your attention to page 69 of the  
11 PGW correspondence binder, if you can identify that  
12 for the record?

13 A. It's an Email from Dan Murray to Ted Savage  
14 with a carbon copy to Randy Holman, dated November 4,  
15 2011, 10:34 a.m.

16 Q. Actually, scratch that -- you can read it into  
17 the record, who is it from? If you would read the  
18 Email dated November 4th? There are two Emails on  
19 this page.

20 A. The 10:32 a.m. Email from Ralph Savage to Dan  
21 Murray, just an FYI, the check for Colonial Garden  
22 pulling foreclosure was overnighted to Gerald Clark.  
23 The check should be in the amount of 248,633.48,  
24 approximately.

25 Q. What's the next line?

1 A. Once the check is posted to his account, I  
2 will have the LPC that was an error credited back.

3 Q. Are you copied on this document?

4 A. No, I'm not.

5 Q. Is anyone at SBG copied on this document?

6 A. No, they're not.

7 Q. Whose account is affected by this document?

8 A. We are. That goes back to the \$21,000  
9 supposed open item that they're only going to credit  
10 \$642 for six years, seven years worth of interest.

11 Q. What does LPC stand for?

12 A. Late payment charges.

13 Q. What's the response above? Rather, please  
14 read the Email dated November 4, 2011 above this  
15 Email you've just read?

16 A. From Dan Murray to Ted Savage, carbon copy  
17 Randy Holman, dated 10:34 a.m., excellent. Thanks.

18 Q. How much time transpired between the Email you  
19 first read and the second Email?

20 A. Two minutes.

21 Q. Are you copied? Are any SBG parties copied on  
22 this document?

23 A. No, we're not.

24 Q. Counsel?

25 A. No.

1 Q. Is this information the kind of information  
2 SBG has requested in the past?

3 A. Yes.

4 Q. How so? Please explain for the record.

5 A. We've asked for breakdowns and information so  
6 we can decipher the bills, and when we assert a bill  
7 is wrong and we're being charged late payments and  
8 here even though I'll question the amount, but here,  
9 they're giving us back something; so, don't you think  
10 they would have said, hey, by the way, we're applying  
11 a \$642 credit to you.

12 Q. This is dated November 4th. I'd like to turn  
13 your attention to SBG correspondence page 65?

14 A. SBG correspondence?

15 Q. I'm sorry, PGW correspondence page 64 to 65.  
16 The Email at the bottom, the very bottom of the page,  
17 if you could identify it for the record please?

18 A. From Randy Holman to Dan Murray, carbon copy  
19 Ralph Savage, dated October 18, 2011, 4:16 p.m.

20 Q. The subject line?

21 A. Colonial Garden bill explanation.

22 Q. Any parties from SBG copied on this Email?

23 A. No.

24 Q. Please take a minute to review this Email,  
25 then if you'd summarize it for the record?

1 JUDGE VERO: May I suggest something.  
2 Since this was not an Email that was ever sent SBGs  
3 way, Mr. Pulley didn't write it, didn't receive it,  
4 he may read it into the record; do you understand  
5 what I'm saying?

6 MS. BOONE: I'll save it for Mr. Savage.

7 JUDGE VERO: No. For the letters that  
8 were prepared by SBG or Mr. Pulley himself or were  
9 sent to Mr. Pulley or SBG personnel by PGW, he can  
10 summarize because he's expected to have some sort of  
11 familiarity with them.

12 MS. BOONE: He can read this into the  
13 record?

14 JUDGE VERO: Yes, that's what I'm  
15 saying. He can read it into the record because he  
16 just stated he was never cc'd on it.

17 MS. BOONE: Thank you, Your Honor.

18 BY MS. BOONE:

19 Q. Would you read this into the record please?

20 A. The whole Email?

21 Q. It's not that long.

22 A. Dan, I initially wrote up the description  
23 below based on the discussion Ted and I had regarding  
24 this property. I wanted to review this with Ted  
25 prior to sending, but he had to leave because his son

1 was involved in an accident at his job, which  
2 required him to be rushed to the hospital.

3 I think it is reasonable to guess that Ted  
4 will not return from the hospital in time to review  
5 this today. Please see the response to the customer  
6 below. After the bypass behind the cinder block wall  
7 allowing unauthorized usage was found, the meter or  
8 SAID number 1375369694 was removed. When meter  
9 number 1987516 was set, no bills were generated  
10 through the system due to a clerical error.

11 However, the meter was recording actual usage  
12 when this problem was discovered. A bill was  
13 generated for the period of 4/19/03 through 2/18/05  
14 in the amount of \$13,018.95 for actual usage on this  
15 meter. Based on PGW records, a bill transaction and  
16 a meter reading history was faxed and mailed to the  
17 customer on 3/21/05. As is normal with all PGW  
18 accounts, all SAs under one account are billed on the  
19 same invoice. Consequently, both SAs current bills  
20 were combined on the invoice for 3/3/05. SAID  
21 4018739567 had a balance of 1,351.12.

22 As of the prior billing on 2/1/05, an SAID  
23 1375369694 had a balance of \$13,018.95, which totals  
24 \$14,370.07. The adjustments on the invoice of  
25 \$215.54 are due to LPCs on each SA. The 3/3/05 bill

1 for each SA, SAID 1375369694 equals \$3,762.26 and  
2 SAID 4018739596 equal \$3,062.12 combines to \$6,824.38  
3 which would have brought the total balance due, the  
4 \$21,409.99. Please let me know if the description  
5 above works for you. If you have any questions, let  
6 me know, Randy.

7 Q. Okay. What information is being communicated  
8 about the Colonial Garden bill?

9 A. It's an explanation of the March 3, 2005 bill.

10 Q. And the date on this Email?

11 A. October 18, 2011.

12 Q. And the parties, any SBG parties?

13 A. No.

14 Q. Please read the next Email above it? Please  
15 identify it for the record and just read it.

16 A. From Daniel Murray to Randy Holman, carbon  
17 copy Ralph Savage, dated October 18, 2011, 4:50 p.m.  
18 Ouch, we didn't bill it for almost two years. Did we  
19 offer a payment arrangement. Do we know how this was  
20 communicated to the customer.

21 Q. Please identify the Email above that one for  
22 the record and read what it says?

23 A. From Randy Holman to Daniel Murray, carbon  
24 copy Ted Savage, October 19, 2011, 8:43 a.m.

25 According to BCCS contacts, a billed transaction and

1 meter reading history was faxed and mailed to the  
2 customer on 3/21/05. If there was a payment  
3 arrangement offered for this, it was not documented  
4 in BCCS.

5 I also was not able to find any documentation  
6 of a proactive communication to the customer  
7 regarding this situation. I do think that it is  
8 reasonable to guess that the customer was satisfied  
9 with the bill/meter read history as there are no BCCS  
10 contacts after 3/21/05 initiated by the customer.

11 Q. Who is copied on this Email that's time  
12 stamped 8:43 a.m., October 19, 2011?

13 A. Ted Savage.

14 Q. What's Mr. Savage's, what's his relationship  
15 at PGW in reference to SBG matters, gas usage  
16 matters?

17 A. He's kind of our front guy. He's the person  
18 we would go to and we tried to go to for a long time,  
19 and then we kind of changed hats to Dan Murray and  
20 Gerald Clark.

21 Q. Prior to changing hats, what kinds of issues  
22 did you bring up with Mr. Savage to investigate?

23 A. All kinds of issue.

24 Q. Would this be one of those issues?

25 A. Yes.

1 Q. Your conversations with Mr. Savage, when did  
2 they begin about, not just the other SBG properties,  
3 but about Colonial Garden as well?

4 A. It would have been 2010, but if we could have  
5 gotten an explanation and a breakdown to understand  
6 more of what's going on with this bill, even going  
7 back into '05, '06 and so forth, that would have  
8 enabled us to say, wait a minute, was this handled  
9 appropriately, was this not handled appropriately.  
10 I'm just sitting here now and I'm going to go back  
11 and question the amount of interest that they claim  
12 would be credited to us of \$642 for almost seven  
13 years worth of interest, which is automatically  
14 computed into the system. It doesn't make any sense  
15 to me.

16 Q. Just to clarify a point, Mr. Savage testified  
17 he started in his job at CRC in the fall of 2009 and  
18 he took over some accounts for Mr. Dunn. Do you  
19 recollect that testimony?

20 A. Yes, I do.

21 Q. How soon after he took over for Mr. Dunn did  
22 he begin working on the SBG accounts that you're  
23 aware of?

24 A. I'm not exactly sure. We were sending  
25 Emails. I wasn't getting responses for a time. I

1 went to Gerald Clark. The fall of 2011, I had gotten  
2 a little frustrated of things I didn't think were  
3 moving forward. We weren't getting information. I  
4 ran into Gerald Clark at an auction for another  
5 property.

6 Q. With regard to Mr. Savage, would you be  
7 surprised that there's correspondence that went back  
8 as far as the fall of 2009 that Mr. Savage was made  
9 aware of some of the SBG issues?

10 A. It wouldn't surprise me.

11 Q. I'd like to turn your attention to the last  
12 Email in this line, if you would identify that for  
13 the record, the top Email on PGW correspondence page  
14 64?

15 A. From Randy Holman to Randy Holman and Dan  
16 Murray, carbon copy Ted Savage, dated October 19,  
17 2011, 12:03 p.m. After the make-up bill was issued  
18 on 3/3/05, the customer did pay current bills;  
19 although, consistently late between 31 and 90 days  
20 after the due date up to March 2006.

21 Q. In this whole Email trail that you've read  
22 into the record, have any of these individuals,  
23 including Mr. Savage, how have they described the  
24 kinds of issues that were put to Mr. Dunn or to  
25 Mr. Savage about the SBG account? In this entire

1 Email, does it contain some of the information you  
2 sought from Mr. Dunn and Mr. Savage about SBG  
3 Colonial accounts?

4 A. Yes.

5 Q. What exactly?

6 A. It at least gave us an explanation of one bill  
7 or at least what they believe it represented.

8 Q. How did it give you an explanation? Are you  
9 on any of these Emails?

10 A. No. They sent to us, and I have to find it.  
11 They sent us an Email. October 27, 2011 was finally  
12 when we got an explanation of the March 3, 2005 bill.  
13 That's PGW correspondence 66 and 67 and the  
14 attachment to 68, I believe.

15 Q. The Email that is called the Colonial Garden  
16 bill explanation at PGW correspondence binder page  
17 68, does it have the same detail, the same  
18 information of the Email trail you just read?

19 A. No. It's missing some things, but they gave  
20 somewhat of an explanation on PGW 68.

21 Q. What about the characterization that SBG  
22 received an explanation in '05?

23 A. That's referenced on PGW correspondence 68,  
24 the bottom of the second paragraph, that they had  
25 sent us something, but if they had sent us something,

1 why didn't they just send it to us again.

2 Q. What do you think?

3 A. I don't think they ever sent it to us.

4 MR. FARINAS: Objection, Your Honor.

5 JUDGE VERO: Grounds.

6 MR. FARINAS: Speculation. Did he  
7 remember receiving it; I just don't think they ever  
8 sent it.

9 JUDGE VERO: Hold on. I think we can  
10 clarify. It says here that one was sent. I'm  
11 looking at PGW correspondence 65, first full  
12 paragraph, page 65 says, based on PGW records, a bill  
13 transaction and meter reading history was faxed and  
14 mailed to the customer on March 21, 2005; we agree?

15 MS. BOONE: It says that.

16 JUDGE VERO: Okay. Now, would that be  
17 the information included in the bill, because I know  
18 that meter reading history. Is that the graph that  
19 shows meter usage, meter reading history, is that  
20 what's included in SBG Colonial Garden page 91? Is  
21 that the meter reading history we're talking about or  
22 is it something else?

23 MR. FARINAS: Your Honor, we're trying  
24 to discern. I would think that not necessarily.  
25 There are other documents that are called meter

1 reading history. They're meter reading queries that  
2 are used more often than the graph on the bill.

3 JUDGE VERO: That was sent to SBG on  
4 March 21, 2005?

5 MR. FARINAS: Usually, if I may, with an  
6 explanation of a bill that's out of whack or for a  
7 special reason.

8 JUDGE VERO: All right. I would like to  
9 see some documentation of that. Will I see it in  
10 cross-examination of Mr. Pulley or will I see it  
11 during PGW's direct testimony? I need it.

12 MR. FARINAS: You will receive it if we  
13 get to PGW's direct today.

14 JUDGE VERO: No, I understand. I didn't  
15 mean today. I meant in these hearings.

16 MR. FARINAS: Yes, we will provide it.

17 JUDGE VERO: Thank you. You may  
18 proceed. What was your objection?

19 MR. FARINAS: The objection was asking  
20 him to speculate. Clearly, as you pointed out,  
21 that's what the record said, he didn't think he had  
22 it, but it's speculation.

23 JUDGE VERO: Ms. Boone, do you recall  
24 what your question was to Mr. Pulley?

25 MS. BOONE: If it could be read back.

1 (Whereupon, the reporter read from the  
2 record as requested.)

3 BY MS. BOONE:

4 Q. Why do you believe they never sent it, that  
5 PGW did not send the explanation that's referred to  
6 as being sent on 3/3 2005?

7 A. Number one, then they would have attached it  
8 to this explanation Email and said, Phil, here's your  
9 explanation we sent to you six or seven years  
10 previously; that's number one. Second is, Eric  
11 Lampert would have had it. Third is, they never  
12 explained anything; so, why would I think they  
13 actually explained this.

14 JUDGE VERO: The question was, why did  
15 you think they did not send it to you?

16 THE WITNESS: That's what I answered.

17 BY MS. BOONE:

18 Q. Who is Mr. Lampert, if you can just identify  
19 him again?

20 A. He's the company accountant/controller.

21 Q. Did you receive a copy of a letter, dated 3/3  
22 2005?

23 A. No, I don't remember.

24 Q. In the time that you were dealing with  
25 Mr. Savage, Mr. Clark and the others prior to 2011 or

1 prior to March 2012, did anybody from PGW, either  
2 their counsel or the business parties, Mr. Savage,  
3 Mr. Dunn, did they suggest that you file a PUC  
4 complaint on the Colonial Garden matters prior to  
5 2012?

6 A. No.

7 MS. BOONE: No further questions.

8 JUDGE VERO: Any cross, Mr. Farinas?

9 MR. FARINAS: Yes, Your Honor.

10 CROSS-EXAMINATION

11 BY MR. FARINAS:

12 Q. Continuing on with this bill information, I  
13 just want to get a little bit more clarity. This  
14 bill is dated March 23 -- 29, 2005. Did you dispute  
15 the bill in 2005?

16 A. Yes.

17 Q. Did you file a complaint with the Commission  
18 in 2005?

19 MS. BOONE: Objection.

20 JUDGE VERO: Grounds?

21 MS. BOONE: It has already been  
22 testified. When he says who, does he mean Mr. Eric  
23 Lampert filed on behalf of SBG or that Mr. Pulley  
24 filed on behalf of SBG? I'm not sure when he says  
25 who if he's referring to an employee.

1 JUDGE VERO: Rephrase.

2 BY MR. FARINAS:

3 Q. Did anyone from SBG file a complaint on this  
4 matter in 2005?

5 A. Yes, with PGW.

6 Q. Was there a complaint filed with the Public  
7 Utility Commission with regard to this before that?

8 A. I don't believe so.

9 Q. At the top of SBG Colonial Garden page 89,  
10 there seems to be a fax trail across the top of the  
11 page. Can you read that please?

12 A. PGW communication -- let me go back. PGW  
13 COM.REC.CTR. Fax 215-68469, May 17, 2007, 12:02 page  
14 P 11?

15 Q. This particular page 89 the actual page 89;  
16 it's a copy of a page or is the source of this PGW;  
17 do you remember? Do you know?

18 A. I don't know.

19 Q. You'll agree if it was a fax transmission, it  
20 was faxed May 17, 2007?

21 A. I don't know.

22 Q. Do you know if anyone from SBG requested a  
23 duplicate bill or something or a copy of the bill  
24 from PGW Com Rec Center or Commercial Resource Center  
25 in May 2007?

1 A. I don't know the answer to that.

2 Q. Is there anyone in SBG or at the time, 2007,  
3 named Gretchen?

4 A. There was, yes.

5 Q. Can you please give her full name?

6 A. Gretchen. I don't remember her last name.

7 Q. But you will agree that there was someone  
8 during that period of 2007 employed by someone named  
9 Gretchen?

10 A. I don't know the exact time frame, but there  
11 was someone by the name of Gretchen who was employed.

12 Q. Do you know if she contacted PGW regarding  
13 this bill?

14 A. She may have.

15 MS. BOONE: Objection.

16 MR. FARINAS: Grounds?

17 MS. BOONE: Is he referring to the  
18 binder that we did not receive until last night?

19 MR. FARINAS: I'm not referring to  
20 anything. I'm asking a question about Gretchen.

21 MS. BOONE: Okay.

22 BY MR. FARINAS:

23 Q. Is it possible that someone from SBG contacted  
24 PGW in 2007 to get information on this bill?

25 MS. BOONE: Objection.

1 JUDGE VERO: Grounds?

2 MS. BOONE: I don't see the name  
3 Gretchen. Maybe I'm missing it on SBG Colonial  
4 Garden page 89. I'm not sure where he's getting this  
5 name Gretchen from.

6 JUDGE VERO: He asked Mr. Pulley if  
7 there was a Gretchen working for SBG. Mr. Pulley  
8 said, yes, in 2004.

9 MS. BOONE: I thought he was also  
10 referring to the document at page 89 with this line  
11 of questioning.

12 JUDGE VERO: Were you?

13 MR. FARINAS: With regard to the fax  
14 trail.

15 MS. BOONE: Okay. Thank you.

16 BY MR. FARINAS:

17 Q. If Gretchen at SBG inquired about this bill in  
18 2007, did you know this? Would you have known this?

19 A. I don't know.

20 Q. You want to revise your view that because if  
21 Gretchen made an inquiry about this bill, would you  
22 revise your opinion as to whether or not PGW sent an  
23 explanation?

24 A. Give me one second. I don't know the answer  
25 to that.

1 Q. Also, the bill itself, I refer you again to  
2 SBG Colonial Garden page 89. At that time, where was  
3 the mail billing address of this account?

4 A. PO Box 549, Abington, Pennsylvania.

5 Q. At that time, where was the mail billing  
6 address for the bill which appears, a copy of which  
7 appears on page 89 of SBG Colonial Garden?

8 A. Colonial Garden Realty 5425 through 7 Wayne  
9 Avenue.

10 Q. If the bill had gone to that address, would  
11 anyone at the Abington PO Box receive the  
12 information?

13 A. I don't know, unless they just threw it there  
14 and then somebody found it. I don't know the answer  
15 to that.

16 Q. In your experience as an entrepreneur of  
17 tenancies and buildings for rent, do you know in the  
18 normal course of things when someone establishes an  
19 account with a vender, who provides the mailing  
20 address?

21 A. Don't want to go there. We do.

22 Q. So, if the bill went to Wayne Avenue and you  
23 said someone may have just never picked it up, is it  
24 possible you would have missed this bill in 2005 when  
25 it was delivered to the Wayne Avenue address?

1 A. It's very, very possible.

2 Q. So, could that have delayed your ability,  
3 delayed the time in which you disputed this bill?

4 A. It may have. Based on the fax trail, maybe we  
5 never got the bill until 2007.

6 Q. But you would agree it was mailed to the Wayne  
7 Avenue address?

8 A. I don't know if it was mailed. The Wayne  
9 Avenue address is on there.

10 Q. Addressed to the Wayne Avenue?

11 A. Addressed?

12 MS. BOONE: Objection. He's already  
13 testified he doesn't know. There are other people  
14 who work in the office who may be able to provide,  
15 and I wanted to present testimony on a new property  
16 that was purchased and is now being managed by SBG  
17 Management and how the error that we can probably  
18 explain that happened here has just happened in the  
19 last month on this new property.

20 MR. FARINAS: Your Honor, it's not even  
21 the subject of any of the nine dockets we're talking  
22 about.

23 JUDGE VERO: It would require additional  
24 discovery. If you have an issue with this new  
25 property, file a complaint. SBG is familiar with

1 filing a complaint, how PUC works now. They're free  
2 to do so. They're very familiar how it works and I  
3 will not just allow you to bring any outside  
4 instances of violations I cannot substantiate. We  
5 are not prepared. Let's move on.

6 MS. BOONE: I do have a witness who has  
7 now handled putting a property, changing the address  
8 of the property to the new owner's billing address and  
9 then finding that bill did not go to the new billing  
10 address but went to another. That's what happened  
11 here.

12 JUDGE VERO: That's a perfect subject  
13 matter for a brand new complaint. I will be very  
14 happy to deal with it if it comes my way. Right now,  
15 if there is an issue that SBG has determined  
16 concerning change of address with regard to Colonial,  
17 I am allowing it to go as far as they can. So, let  
18 me know bring it forth on the record. Focus on this  
19 one. We are here. We're on Colonial. We're at  
20 2005. I understand now this is a change of address  
21 issue. I wasn't aware of it, but by all means,  
22 continue.

23 BY MR. FARINAS:

24 Q. Mr. Pulley, is your testimony that, one, you  
25 might not have ever received the bill in 2005;

1 although, the Wayne Avenue address was the designated  
2 address for the account at that time, and someone in  
3 your office, your testimony is that you don't know if  
4 someone in your office requested an additional copy  
5 of this bill in 2007?

6 A. You have a compound question going there. Can  
7 you break it down?

8 Q. I'm asking is that true that that's your  
9 testimony so far, correct?

10 JUDGE VERO: He testified to that.

11 MR. FARINAS: Okay.

12 BY MR. FARINAS:

13 Q. So, your interest in the bill once again with  
14 Ted Savage was not revived until the amount came up  
15 as part of an inquiry about what amount was being  
16 liened; is that correct?

17 A. No. I think this was always an issue in  
18 regard to us as we moved forward, but I think it came  
19 to the forefront with the filing of the liens in the  
20 account.

21 Q. You just testified in 2007 or you didn't know  
22 if someone had received the bill or made an inquiry  
23 about it; so, was it an issue in 2007?

24 MS. BOONE: Objection.

25 JUDGE VERO: Overruled.

1 THE WITNESS: I don't know the answer to  
2 that. I'd have to rely on someone else.

3 JUDGE VERO: Who can Mr. Farinas get  
4 that kind of response from because that's a question  
5 I also have, and Mr. Pulley is stating he's not the  
6 witness to be asked that question. Who do you have  
7 that can answer that question?

8 MS. BOONE: Here's the thing, we have  
9 been answering it over the course of these  
10 proceedings. Eric Lampert said he made inquiries to  
11 PGW about the various properties and the different  
12 problems. We just had Mr. Pulley testify that Eric  
13 Lampert sent him information.

14 JUDGE VERO: Do we have anyone on board  
15 to answer this question?

16 MS. BOONE: To answer the questions back  
17 to 2005?

18 JUDGE VERO: We're talking Colonial 2005  
19 to the present.

20 MS. BOONE: Mr. Lampert testified about  
21 specific inquiries he made about the properties prior  
22 to 2005. I can bring him back to talk about Colonial  
23 again. I just thought you wanted us to shorten it.

24 JUDGE VERO: Are you willing to leave it  
25 at what Mr. Lampert said?

1 MS. BOONE: I can bring him back. I'd  
2 be happy to bring him back. We may be able to call  
3 him to get him to come this afternoon.

4 JUDGE VERO: If you don't want him this  
5 afternoon, we can make provisions for having him  
6 tomorrow. I do not want to force anything on the  
7 parties if it's not doable, but I think we can have  
8 him back tomorrow.

9 MS. BOONE: Thank you.

10 JUDGE VERO: Can we have him first thing  
11 tomorrow?

12 MS. BOONE: Sure. Thank you, Your  
13 Honor.

14 JUDGE VERO: You may proceed,  
15 Mr. Farinas.

16 MR. FARINAS: Thank you.

17 BY MR. FARINAS:

18 Q. As to the explanation itself, I don't recall  
19 if it was included in your testimony that you  
20 received that explanation from Mr. Holman in 2005 or  
21 earlier, that would have been satisfactory?

22 A. No, it wouldn't have been satisfactory.

23 Q. And the explanation included in the Email from  
24 Mr. Savage in 2011, you said you didn't understand  
25 it?

1 A. Can you direct me; where do you want me to  
2 look?

3 Q. Page 68. PGW correspondence page 68.

4 A. I'm there. Thank you.

5 Q. Did you ever try to walk through it to see  
6 the derivation of the bill?

7 A. When this would have come in, I would have  
8 given this to accounting. I would have read it, been  
9 skeptical of it, gave it to accounting and said,  
10 here, you read this. What do you think.

11 Q. When it came in in 2011 in October from  
12 Mr. Savage, did you give it to accounting?

13 A. Yes, I would have.

14 Q. Did they have a take on it?

15 A. They questioned it also.

16 Q. They questioned it in the same way that you  
17 questioned most explanations from PGW; did they try  
18 to walk you through it?

19 A. PGW never makes a mistake, yet here's a  
20 clerical error.

21 Q. That's not the question. You're commenting on  
22 what your answer would have been, but you didn't give  
23 me an answer. What's your answer?

24 A. You want me to tell you I think PGW is full of  
25 crap, I'll tell you I think they're full of crap.

1 Ill tell you that right now on the record.

2 Q. Did you ever attempt to call Mr. Savage and  
3 say, I just got your Email; I see your bullet points;  
4 you broke it down; can you walk me through it?

5 A. I don't know if I did or didn't. I don't  
6 think I did. I gave it to accounting and just threw  
7 our hands up.

8 Q. Accounting's answer was exactly again?

9 A. Excuse my words, full of crap, and you'll ask  
10 Mr. Lampert tomorrow. He can tell you what his  
11 recollection is.

12 Q. Coming to that conclusion, again, you never  
13 called back PGW and say, please walk me through this;  
14 help me understand this?

15 A. I don't know.

16 Q. Coming to this conclusion, immediately, you  
17 were dissatisfied in 2011, correct?

18 A. Yes.

19 Q. Wouldn't you try to file -- if you were that  
20 dissatisfied, wouldn't you have tried to file a  
21 complaint at that point?

22 A. No, didn't, and it probably was part of one of  
23 our meetings with Kerry Schuman and Dan McCaffrey.

24 Q. Again, regarding the liens?

25 A. Yes, exactly.

1 MR. FARINAS: No further questions.

2 JUDGE VERO: Redirect?

3 MS. BOONE: Yes. Redirect, please.

4 JUDGE VERO: Okay.

5 REDIRECT EXAMINATION

6 BY MS. BOONE:

7 Q. Did you personally file with BCCS on Colonial  
8 Garden?

9 A. I don't even know what BCCS means.

10 Q. Thank you. Could someone else at SBG have  
11 done that without your knowledge or explanation?

12 A. Maybe Eric Lampert. I don't know.

13 Q. I'd like to turn your attention to page 89 in  
14 the SBG Colonial Garden binder. It's my  
15 understanding that this debt was generated in March  
16 of 2005; is that correct?

17 A. That's correct.

18 Q. The fax number that Mr. Farinas referred you  
19 to, please state the date of the fax that's listed on  
20 page 89 of SBG Colonial?

21 A. May 17, 2007.

22 Q. How far in time was that from when this debt  
23 occurred? The debt was March 2005?

24 MR. FARINAS: Objection, Your Honor.

25 JUDGE VERO: Grounds.

1 MR. FARINAS: Leading. I know it's  
2 redirect, but ...

3 JUDGE VERO: I understand. I'll allow  
4 it just so we can move on. It's not going to affect  
5 the testimony, the fact she provided him with the  
6 date of the debt. We've already covered it on the  
7 record. This time around, I will allow her to lead.  
8 It's redirect. Move on.

9 THE WITNESS: The billing date of the  
10 statement is March 3, 2005. The initiation of  
11 service of when they're saying the billing period is  
12 from is from December 31, 2004; so the statement is  
13 more than a year later.

14 BY MS. BOONE:

15 Q. And what's the time span between the statement  
16 and the fax that Mr. Farinas referred you to?

17 A. Roughly, two years. More than two years.

18 Q. From 12/31/04 to May 17, 2007, what is the  
19 time span?

20 A. Three and a half years.

21 Q. I'd like to direct your attention to PGW  
22 correspondence page 68. Please identify this  
23 document for the record?

24 A. It's the Colonial Garden bill explanation.

25 Q. If you would just read the last sentence in

1 the second paragraph?

2 A. Based on PGW records, a bill transaction and  
3 meter reading history was faxed and mailed to the  
4 customer on 3/21/05.

5 Q. If you would take a look at that explanation,  
6 please tell me, if you can, where it mentions a fax  
7 dated May 17, 2007?

8 A. It doesn't.

9 Q. The fax that's at page 89 of the SBG Colonial  
10 Garden binder, does it say who the fax was sent to?

11 A. No.

12 Q. Is there a fax cover page?

13 A. No, but peculiarly enough, there's two page  
14 lls. It appears to be there were multiple faxes sent  
15 that day, May 17, 2007.

16 Q. What does the fax cover sheet say that this  
17 fax was sent to, about who the fact fax was sent to?

18 A. There's no fax cover sheet.

19 Q. You said you had an employee named Gretchen in  
20 the office, I guess, in 2007; was that your  
21 testimony?

22 A. I don't know the time frame. We did have an  
23 employee named Gretchen.

24 Q. Was she your only employee in 2007 or around  
25 the time she worked there, were there other

1 employees?

2 A. In the office?

3 Q. Yes.

4 A. There was only like five of us in the office.

5 Q. Including yourself?

6 A. Yes.

7 Q. So, this cover page, could it have gone to  
8 anyone? Who could it have gone to at SBG around that  
9 time, 2007?

10 A. I don't know, and the fax number here is not  
11 our fax number. That's PGW's fax number; so, I don't  
12 even know if this was faxed to us.

13 Q. So, what's your testimony about who it could  
14 have been faxed to?

15 A. No idea who it really got faxed to.

16 Q. Thank you. How does this affect your opinion  
17 on the response given in 2007, that PGW responded in  
18 2007?

19 A. I don't know if they did or they didn't.

20 Q. You mentioned that on the document identified  
21 at SBG Colonial Garden binder page 89, the address  
22 listed there under the word Colonial Garden Realty  
23 Company, can you identify that address?

24 A. Colonial Garden Realty Company 5425 -- 7 Wayne  
25 Avenue, Philadelphia PA 19144.

1 Q. There's been a lot of discussion about billing  
2 address, location address. What property does that  
3 address refer to?

4 A. That's the physical address for Colonial  
5 Garden.

6 Q. What is the office address of your company?

7 A. Today?

8 Q. Yes. What is the mailing address of your  
9 company today?

10 A. It's PO Box 549, Abington, Pennsylvania  
11 19001. Prior to that, it was PO Box 121 in Abington,  
12 Pennsylvania 19001 and we still today maintain both  
13 PO Boxes.

14 Q. When was the first PO Box maintained, what  
15 date, approximately did it start?

16 A. 1996 or 1997.

17 Q. Until what time?

18 A. We still have it today.

19 Q. And the second box, when was that started,  
20 approximately?

21 A. I'm not exactly sure.

22 Q. Was it before May of 2007?

23 A. I believe so, yes.

24 Q. To the best of your knowledge or in your  
25 dealings, what is the mailing address for SBG

1 Management Services?

2 MR. FARINAS: Asked and answered.

3 JUDGE VERO: I'll allow it.

4 THE WITNESS: PO Box 549, Abington,  
5 Pennsylvania 19001.

6 BY MS. BOONE:

7 Q. You're an officer; you're a director. You  
8 instruct employees. What address have you instructed  
9 employees to use for mailing as a mailing address?

10 A. PO Box 549.

11 Q. Have your employees noted bills arriving at an  
12 address other than the PO Box address?

13 A. I don't know.

14 MR. FARINAS: Your Honor, I object.

15 MS. BOONE: I'll scratch it. I think  
16 it's already been answered.

17 JUDGE VERO: She already asked it be  
18 stricken off the record.

19 MR. FARINAS: I didn't hear her, okay.

20 BY MS. BOONE:

21 Q. You testified there was a meeting with  
22 Mr. Schuman about liens?

23 A. Yes.

24 Q. In that meeting, what other topics were  
25 discussed about the SBG account?

1 A. In the case of Colonial Garden, since that's  
2 what we're talking about, we were discussing the  
3 liens, what we had to do to stop PGW from sheriff  
4 sales and that stuff. I forget what they call it.

5 Q. What, if anything, was discussed about  
6 payments on current balances?

7 A. I don't remember.

8 Q. Were there questions about the current  
9 balance?

10 A. I don't remember.

11 Q. What about LPCs, late payment charges, the  
12 calculations, was any of that part of it? Could it  
13 have been part of it?

14 A. Yes, we did talk about late charges. We did  
15 talk about getting breakdowns and billings with Dan's  
16 efforts through PGW and our efforts, all to no avail.

17 Q. Even after that meeting, what resolutions did  
18 you have?

19 MR. FARINAS: Your Honor, I'm objecting.

20 MS. BOONE: I'm done.

21 MR. FARINAS: On the grounds it goes  
22 beyond.

23 JUDGE VERO: Do you want this particular  
24 question answered on record or do you want it  
25 stricken off.

1 MS. BOONE: I think he answered it.  
2 It's fine.

3 MR. FARINAS: I ask it be stricken  
4 because it goes beyond the scope of my cross-  
5 examination. I only talked about liens.

6 MS. BOONE: I did have one question. I  
7 apologize.

8 JUDGE VERO: Bear in mind, this is your  
9 redirect based on his cross.

10 MS. BOONE: Yes, it will be.

11 JUDGE VERO: All right.

12 BY MS. BOONE:

13 Q. On cross-examination, there were questions  
14 about who at PGW responded to questions. Did  
15 Mr. Dunn respond to your questions about the  
16 property's gas usage issues at Colonial Garden?

17 MR. FARINAS: Your Honor, I'm  
18 objecting. It's very general to say who at PGW  
19 responded to questions.

20 JUDGE VERO: Was that your question?

21 MR. FARINAS: I did not ask that  
22 question directly. I discussed who was he speaking  
23 with, but not responded to questions.

24 MS. BOONE: Exactly. I wanted to narrow  
25 that to identify it for the record.

1 JUDGE VERO: I'll allow it. Just don't  
2 take too long. It's your redirect. Sustained.  
3 Okay.

4 BY MS. BOONE:

5 Q. How did Mr. Dunn respond those questions about  
6 gas usage and the relationship between PGW for the  
7 property at Colonial Garden?

8 JUDGE VERO: When?

9 MS. BOONE: Prior to him leaving PGW in  
10 2009.

11 THE WITNESS: We were trying to work  
12 through the issues. We were having good dialogue.

13 BY MS. BOONE:

14 Q. Did he provide answers on penalties, late  
15 payment charges, calculations?

16 A. No.

17 Q. Did he provide information on payments, on how  
18 meter reading questions may have been --

19 JUDGE VERO: Very general. Again, we  
20 had Mr. Dunn. We had Mr. Pulley go in general. We  
21 need more specific Colonial Garden.

22 BY MS. BOONE:

23 Q. So, you have said he didn't answer. Did  
24 Mr. Dunn tell you that they were done considering the  
25 questions and the inquiries of PGW regarding the SBG

1 account?

2 A. No. Our main meeting was like a fact finding  
3 meeting. It was pretty detailed in what we went  
4 over, but, no, we had great dialogue.

5 Q. What information did Mr. Dunn deliver to you  
6 before he left in 2009 about you filing a PUC  
7 complaint?

8 A. Nothing.

9 MS. BOONE: Thank you.

10 JUDGE VERO: I would love to give all of  
11 you a lunch break, but I noticed that since testimony  
12 is long, if I take a lunch break, I won't be able to  
13 get back on track myself with my questions; so, just  
14 bear with me, then we'll go on lunch break.

15 At one point during your direct  
16 testimony, you stated there was a meeting that  
17 occurred with Mr. Savage, with yourself and with  
18 Mr. Lampert at PGW. You didn't state when. Do you  
19 know when that occurred? It was Mr. Savage, you,  
20 Mr. Lampert at PGW.

21 THE WITNESS: August 4, 2011.

22 JUDGE VERO: And I understand at the  
23 same meeting, Mr. Lampert and you represented SBG.  
24 You had presented a rundown or a total of what you  
25 think you owed to PGW, and Mr. Savage came with his

1 own total, and I understand that the figures were  
2 \$115,000 to \$116,000. That was the total presented  
3 by Mr. Lampert and yourself as owed by SBG to PGW;  
4 whereas, Mr. Savage had a total of \$180,000. Was it  
5 just liens or was it outstanding with regard to  
6 Colonial properties?

7 THE WITNESS: Mr. Lampert's number was  
8 approximately \$116,000. Mr. Savage's number was  
9 approximately \$180,000. That was just for debt now  
10 going back to the confusion.

11 JUDGE VERO: Debt as in outstanding  
12 balance?

13 THE WITNESS: Outstanding balance. The  
14 liens Ted had given us that date were approximately  
15 \$180,000, \$185,000; so, in theory, if you owe us this  
16 amount, that should be somewhere close to the liens  
17 or something like that; so, that was where the  
18 amounts of money were.

19 JUDGE VERO: At that point in time, had  
20 you received a statement of accounts for the Colonial  
21 Garden by PGW, a statement of accounts which is the  
22 entire history, payments, late payment charges,  
23 everything?

24 THE WITNESS: No.

25 JUDGE VERO: So, how did you come up

1 with the total amount of --

2 THE WITNESS: 116,000?

3 JUDGE VERO: Yes.

4 THE WITNESS: Eric Lampert had taken the  
5 bills and done calculations, and he provided those to  
6 PGW.

7 JUDGE VERO: So, I understand that Eric  
8 Lampert has all the monthly bills for PGW, right, he  
9 has received them so that he is able to do a tally  
10 and come up with the total; am I correct?

11 THE WITNESS: Yes and no. The reason  
12 being is because the bills have these late charges  
13 and overcharges in them that you can't get your hands  
14 around; so, you don't know what they are. So, if PGW  
15 was to send a bill saying here's your bill, here's  
16 your gas usage, here's your interest, you can work  
17 down to it, but you don't have the ability to do  
18 that, because when they go back and say here's your  
19 past due, that number doesn't add up, and tomorrow,  
20 he can explain that to you more than I can.

21 JUDGE VERO: I know that from our  
22 previous hearings, we had Mr. Ted Savage testify that  
23 he sent a statement of accounts for Colonial Garden  
24 to SBG and the statement of account is that table  
25 with the multiple columns. Mr. Farinas, we have an

1 example of statement of accounts. Here it is. This  
2 is what it would like. I'm showing you what the  
3 statement of accounts would look like. It would look  
4 like this.

5 THE WITNESS: Okay.

6 JUDGE VERO: Did he ever provide it to  
7 SBG, provide a statement of accounts to SBG for  
8 Colonial Gardens at any point in time?

9 THE WITNESS: Not that I know of.  
10 Ma'am, Mr. Lampert's calculations are here; so, this  
11 is what he created when he came up with that number  
12 of 115,000, \$116,000. This is what he created and he  
13 developed off the information that he could derive as  
14 to what is and what isn't and so forth.

15 JUDGE VERO: Let the record show Mr.  
16 Pulley is referring to PGW correspondence binder page  
17 17. I understand that part of your earlier testimony  
18 this morning was about the liens and how you had  
19 requested through the title company -- the title  
20 company had listed the liens that PGW had placed on  
21 colonial Garden; am I correct?

22 THE WITNESS: That's correct.

23 JUDGE VERO: And that you are  
24 confronting PGW's attorney I understand as well as  
25 employees with this list trying to find out what was

1 going on; am I correct?

2 THE WITNESS: That's correct.

3 JUDGE VERO: On PGW correspondence  
4 binder page 30, Gerald Clark's Email to you, August  
5 24, 2011, it has two liens listed, two lien dockets  
6 listed as vacated. There was some testimony with  
7 regard to the lien for \$66,062.14 as being vacated.  
8 I didn't hear anything about the other lien that was  
9 supposed to be vacated. Did the parties sort it  
10 out?

11 THE WITNESS: No, we didn't sort it  
12 out. Mr. Clark reports that that was vacated August  
13 26, 2009, but the title report from July of 2011  
14 lists that lien number still in effect and, moreover,  
15 he has down that it was vacated August 26, '09, but  
16 it was filed June 26, '09; so, it was still in the  
17 record as per the title company in July of '11.

18 JUDGE VERO: Do you know why Mr. Clark  
19 would say that that particular lien, the one for  
20 \$135,983.18, do you know why he said it was vacated?

21 THE WITNESS: I don't know, but I was  
22 always suspicious because that he lists as \$135,983,  
23 but the actually filed lien was only 131,983. I  
24 didn't know why the numbers didn't match up.

25 JUDGE VERO: So, you don't know why it

1 was vacated?

2 THE WITNESS: Well, as far as I know, it  
3 wasn't vacated in '09. The title company proved that  
4 it was still a record in '11.

5 JUDGE VERO: I have no further  
6 questions. Thank you.

7 MR. FARINAS: Your Honor, I do have one  
8 question in response to yours.

9 JUDGE VERO: Okay. Go ahead.

10 MR. FARINAS: Thank you, Your Honor.

11 RE-CROSS-EXAMINATION

12 BY MR. FARINAS:

13 Q. Mr. Pulley, you testified a moment ago that  
14 you did not recall whether or not Mr. Savage sent you  
15 any kind of statement of account regarding the  
16 Colonial Garden property; is that your testimony?

17 A. We got something at some point in time late,  
18 which was the one document, but not prior to our  
19 meeting what I thought she was talking about, that  
20 August 4, '11 meeting. We got nothing prior to that.

21 Q. But after August 4th?

22 A. There was something we had gotten and I can go  
23 back through the documents.

24 Q. Can I direct your attention to PGW  
25 correspondence page 36?

1 A. Yes. There you go. It's after the meeting,  
2 September of '11.

3 Q. And the subsequent pages?

4 A. Yes.

5 Q. So, PGW did send you information, a statement  
6 of account?

7 A. Right, after the August 4th meeting, right.

8 Q. And your statement was never, I believe?

9 A. I thought we were talking about before.

10 MR. FARINAS: Thank you.

11 JUDGE VERO: With that question from  
12 PGW, can we take a break for lunch, and how long of a  
13 break are we going to take?

14 Off the record.

15 (Whereupon, a recess was taken.)

16 JUDGE VERO: Good afternoon. We are  
17 back on the record after taking a brief lunch break.  
18 We are ready to proceed with SBG's case in chief.  
19 Ms. Boone, you may call your next witness.

20 MS. BOONE: Yes. May I call Kathy  
21 Treadwell to the stand please.

22 JUDGE VERO: Good afternoon,  
23 Ms. Treadwell. Will you, please, raise your right  
24 hand.

25 Whereupon,

1 KATHY TREADWELL

2 having been duly sworn, testified as follows:

3 JUDGE VERO: Please take a seat.

4 Ms. Treadwell, will you please state your name and  
5 spell your last name for the record.

6 THE WITNESS: My name is Kathy  
7 Treadwell, T-R-E-A-D-W-E-L-L.

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

9 DIRECT EXAMINATION

10 Q. Ms. Treadwell, please state your address and  
11 birth date for the record please?

12 A. My business mailing address is PO Box 549 in  
13 Abington, Pennsylvania and the Zip code is 19001.

14 Q. Ms. Treadwell, will you state where you're  
15 employed?

16 A. SBG Management.

17 Q. What is your job position?

18 A. I'm the senior accountant.

19 Q. What do you do in that position; what are your  
20 responsibilities?

21 A. My day-to-day responsibilities involve  
22 receiving invoices, payables. I overseeing our  
23 payables clerk and I have to make sure that bills are  
24 recorded accurately and payments are issued.

25 Q. Will you explain what receiving payables

1 involves?

2 A. It means we receive an invoice for goods of  
3 services.

4 Q. What do you with the invoices?

5 A. We usually record it in a system called Quick  
6 Books, and we would make sure the bill is correct,  
7 look at the bill, see if it was a correct bill. In  
8 many cases, if it's an invoice for a property which  
9 we manage, we might need to contact the property  
10 manager to make sure the goods of services were  
11 delivered.

12 Q. What kind of bills do you review?

13 A. I get all kinds of invoices. I get invoices  
14 for utilities. I get invoices for suppliers  
15 providing us with, you know, let's say some type of  
16 maintenance job. If someone came out and provided  
17 brick laying services, I would get an invoice for it.

18 Q. The bills you receive for utilities, have you  
19 had an opportunity to review gas usage bills for SBG  
20 Management properties?

21 A. Yes.

22 Q. What properties do you review gas usage bills  
23 for PGW for?

24 A. Currently, I review all the gas bills.

25 Q. For which properties?

1 A. You want me to name them all?

2 Q. Yes.

3 A. For Fairmount, Marshall, Elrae, Colonial,  
4 Simon, Oak Lane, Marchwood, Admiral, Dorsett,  
5 Cresheim Valley, C-R-E-S-H-E-I-M.

6 Q. Did you also say Fern Rock?

7 A. And Fern Rock.

8 Q. Oak Lane?

9 A. Yes.

10 Q. And Marchwood?

11 A. Yes.

12 Q. As well as the one we're here for today, for  
13 Colonial Garden; is that correct?

14 A. Yes.

15 Q. In doing your job, you said that you look at  
16 the gas usage bills; is that correct?

17 A. Yes.

18 Q. When did you become an employee of SBG?

19 A. In late December of 2011.

20 Q. At that time, what were your responsibilities?

21 A. When I first became employed by SBG  
22 Management, I was hired on and asked did I have any  
23 experience working with utility companies. I had  
24 previously worked for the water department; so, I  
25 expressed that I had experience working with utility

1 companies. I worked for a water company for a short  
2 stint, and Mr. Pulley explained to me he had various  
3 problems with the PGW gas account and he was looking  
4 for someone who could reconcile the account and  
5 payments that have been issued on each respective  
6 account.

7 Q. What does reconcile the account mean?

8 A. It means essentially account for every dollar  
9 that has ever been issued or has ever been charged.

10 Q. How did you go about doing that?

11 A. When I first started, I was provided with a  
12 list of liens at a particular property, actually 3  
13 properties, Fairmount, Elrae, Marshall. If you turn  
14 to, I'll use the Colonial Garden binder as an  
15 example. If you look at the SBG Colonial binder page  
16 142, there's a title report which has a listing of  
17 gas service claims filed at any given point.

18 Q. For the record, would you state the page  
19 number again?

20 A. SBG Colonial Garden 142.

21 Q. On this page, what were the liens that you  
22 reviewed and why did you review them?

23 A. My understanding was that Mr. Pulley received  
24 very conflicted information from PGW in terms of what  
25 they owed and what they paid off. I was asked to

1 take a look at the list of liens and see if I could  
2 trace those amounts back to the account, back to the  
3 bills.

4 Q. What documents did you review to do that?

5 A. First, I started with this list from the title  
6 company.

7 Q. Is that the list from SBG Colonial Garden page  
8 142?

9 A. Page 142. This is a sample of a list. This  
10 is not the exact list I started with. This is a  
11 sample of a list like that, then for each lien, I  
12 went to the Philadelphia Civil docket access and  
13 tried to pull more information regarding that  
14 particular lien. So, if you look at SBG Colonial  
15 Garden page 142, if you look down half of the page  
16 under mechanics and municipal claims, section B or  
17 item B says, December 2009, there was a claim for gas  
18 service for \$66,062.14.

19 Well, I took the docket number, which it's not  
20 a full docket number here, but I was experienced  
21 enough to understand how to find a docket. I went to  
22 the Civil court docket web site and I tried to look  
23 up the information regarding the lien. If you look  
24 at SBG Colonial Garden page 140, this is an example  
25 of the kind of information that the Civil docket

1 access web site gives you.

2 Q. Please identify that document on SBG Colonial  
3 Garden page 140; please identify that for the record?

4 A. It is a printout from the Civil docket web  
5 site which states the docket number.

6 Q. When you say Civil docket number, will you  
7 please identify the court system?

8 A. Philadelphia court, Civil docket access, and  
9 it has a description under where it says case ID,  
10 there's a docket number which starts with 120130680.  
11 I put the corresponding docket number provided by the  
12 title report to find information about that  
13 particular lien.

14 If you turn to the very next page on SBG  
15 Colonial Garden page 141, in the middle of the  
16 document, it shows the date of the lien, to who the  
17 filing party is, the docket type. In this case, it's  
18 gas service claim for a judgment filed and the amount  
19 of the lien.

20 Q. What does it say the amount of the lien is?

21 A. In this particular example, on SBG Colonial  
22 Garden 141, it shows an amount of 1,942.52.

23 Q. Does this docket number give you the  
24 particular account number for this property?

25 A. No, it does not.

1 Q. Does it give you an SA number for this  
2 property, any of the SA numbers?

3 A. No, it does not.

4 Q. Does it give you the period that's covered in  
5 terms of charges underlying lien?

6 A. No.

7 Q. Does it give you a distinction between late  
8 payment charges that were assessed on the account  
9 before the lien was filed?

10 A. No, it does not.

11 Q. What information does it give you?

12 A. It gives me the date and filing. It looks  
13 like the date and filing time of this particular  
14 lien, the docket type in which in this case is gas  
15 service claim judgement filed. Filing party, which  
16 in this case is the City of Philadelphia; the  
17 disposition amount, which in this case is 1,942.52.

18 Q. What can you do with this information?

19 A. I can make a conclusion that there's a  
20 judgement on a property for Colonial Garden in this  
21 particular case.

22 Q. How did you use this information in your job  
23 looking at Colonial Garden utility bills?

24 A. This document wasn't very helpful in  
25 determining the source of the debt; so, immediately,

1 as I began to reconcile this account, I started  
2 contacting PGW directly.

3 Q. How did you do that?

4 A. I called the telephone number on the bill.

5 Q. Do you have a copy of a bill for Colonial  
6 Garden?

7 A. I don't, but off the top of my head,  
8 considering I spent a lot of time calling the number,  
9 it's 215-235-1000.

10 Q. That's the number you called?

11 A. I believe.

12 Q. Who were you calling at that number?

13 A. That is the general PGW telephone number, I  
14 believe.

15 Q. When you say general PGW number, what do you  
16 mean?

17 A. It's the telephone number I believe that is  
18 listed on the bill.

19 Q. What information were you looking for when you  
20 called that number?

21 A. I was looking for an account number for which  
22 this debt was related to. I also needed the debt.  
23 Let me just explain, the dates of service also for  
24 which this lien related to; so that I could confirm  
25 this amount was billed to SBG Management.

1 Q. Did that docket tell you if the lien was only  
2 for charges within the last three years?

3 A. No. It has no dates of service.

4 JUDGE VERO: So far, we've been on  
5 liens. Can we bring it back to --

6 MS. BOONE: Sure.

7 BY MS. BOONE:

8 Q. How does this information affect your ability  
9 to figure out payments for the current account  
10 balance?

11 A. Mr. Pulley asked me to do a reconciliation of  
12 the account; so, first, I needed to determine that  
13 any payoffs that had been paid on the account number,  
14 one, satisfied the liens and, number two, did reflect  
15 what was billed to Mr. Pulley to this particular  
16 property.

17 Q. Why do you need to know whether those payments  
18 were applied in the past?

19 A. So I can reconcile the balance to make sure  
20 what was currently due was actually due.

21 Q. What conclusion would you reach if you  
22 assessed more for the balance than was actually due?

23 A. That we may have possibly been overcharged on  
24 the account.

25 Q. What's the problem with that?

1 A. From a cash flow perspective, it's not  
2 productive to apply additional cash where it's not  
3 due. That's the best way I can explain it. We have  
4 other bills we need to pay. We should be using that  
5 money due to other accounts.

6 Q. What rules of accounting were justified paying  
7 more than your reconciliation showed was due?

8 A. None that I'm aware of.

9 Q. Are there any other state laws or regulations  
10 or statutes or tariffs that say a gas usage customer  
11 would pay more than the amount due?

12 A. Not that I'm aware of.

13 Q. The issue you've brought up with Colonial,  
14 this example where you actually addressed an account  
15 where you discovered something and traced it through  
16 back to the bill, you looked at the bill, you tried  
17 to find the information. Can you just reiterate the  
18 course you took with one account to try to reconcile  
19 it?

20 A. I tried to get the information from PGW  
21 regarding the account number. I called PGW. I was  
22 then transferred to at some point, the Commercial  
23 Resource Center, and I was told I could only talk  
24 about four accounts during one conversation; so, if I  
25 had multiple liens on one account number, I can only

1 talk about four leans, get account number and attempt  
2 to give correct information regarding the dates of  
3 service and then I would have to hang up, call back  
4 again and try again later.

5 Q. So, then what did you do here?

6 A. Ultimately, the client ended up filing a PUC  
7 complaint.

8 Q. When was that complaint filed?

9 A. In May of 2012.

10 Q. Were you involved in the analysis of what  
11 accounts would be involved in that complaint?

12 A. Yes.

13 Q. How did you determine?

14 A. What we did, we took a list of the liens. We  
15 started to compare the information.

16 Q. What list of liens did you use?

17 A. The list of liens from the title report.  
18 Compare to the list of liens to the actually bill.  
19 Since there was discrepancies, I couldn't reconcile a  
20 particular period to a particular bill, I contacted  
21 PGW. PGW attempted to give me dates of service, but  
22 I found there was overlapping dates of service.

23 I didn't understand how Colonial Garden was  
24 being charged twice on one account for the same dates  
25 of service. We couldn't reconcile the account. I

1 know amounts were paid off. I couldn't determine if  
2 what we paid off satisfied the debt at a given time.  
3 So, we struggled and we contacted PGW.

4 Q. If you paid off a debt earlier, how would that  
5 affect the bill today?

6 A. I don't understand.

7 Q. If the bill failed to reflect a prior payment,  
8 how would that affect the balance today?

9 A. We would have an overexaggerated balance, an  
10 exaggerated balance.

11 Q. The particular issue you're discussing with  
12 Colonial, is that the kind of issue you saw at other  
13 PGW properties?

14 A. Yes.

15 Q. Every property that is the subject of this  
16 complaint?

17 A. Yes.

18 Q. What about Fairmount, the gas bills for  
19 Fairmount Manor?

20 A. Yes. I struggled with tying out that  
21 information, what was provided from the CRC.

22 Q. What about gas bills for Elrae?

23 A. I also struggled trying to confirm the amount.  
24 I struggled in general just trying to reconcile for  
25 all the accounts. I just didn't have all the

1 information.

2 Q. What about for Marshall Square?

3 A. Yes.

4 Q. For the two Colonial cases that are the  
5 subject of this hearing today?

6 A. Yes, I struggled.

7 Q. For Simon?

8 A. Yes.

9 Q. As well as for Marchwood?

10 A. Yes.

11 Q. Oak Lane?

12 A. Yes, I struggled in general.

13 MR. FARINAS: Your Honor?

14 MS. BOONE: I'm trying to give general  
15 background information so she doesn't have to repeat  
16 this.

17 JUDGE VERO: I understand both of you.  
18 You are both correct to some extent. She testified,  
19 Ms. Treadwell did testify that she had the same  
20 difficulty, experienced the same difficulty  
21 throughout the accounts for other properties. That's  
22 sufficient, because she will come back, I understand,  
23 for Fairmount, Elrae and Marshall; so, why go over  
24 and she will come back for the other three  
25 properties; so, we're fine. Continue.

1 BY MS. BOONE:

2 Q. Were there other problems at Colonial in  
3 particular?

4 A. Yes. My understanding was there was an  
5 exaggerated bill from 2005 that Mr. Pulley had  
6 disputed and never received, I guess, a full  
7 explanation of.

8 Q. In reviewing the Colonial records, what  
9 information did you find in the books and records of  
10 SBG?

11 A. Can I take a step back?

12 Q. Yes.

13 A. We filed our complaint in May of 2012. We  
14 started to receive information from PGW.

15 Q. When did you receive that information?

16 A. The first response from PGW came when they  
17 responded to the preliminary objections. They  
18 attached a document.

19 JUDGE VERO: PGW did not respond. They  
20 filed.

21 THE WITNESS: I'm sorry. They filed.  
22 I'm not familiar with this process. PGW sent with  
23 their preliminary objections, a list on page, SBG  
24 Colonial Garden 39. This list was in response to the  
25 list that I sent to PGW originally with the

1 complaints.

2 BY MS. BOONE:

3 Q. What do you mean by that? Can you explain it?

4 A. Maybe I'll show it to you.

5 Q. Okay.

6 A. The complaints are in section 1 of the binder.

7 Q. And this is SBG Colonial Binder?

8 A. That's correct.

9 Q. Under tab 1.

10 A. Under tab 1, there's the original complaints  
11 filed by SBG, and in this document on page 2 of the  
12 SBG Colonial Garden, we list the account number and  
13 the fact that we had a billing dispute. At this  
14 time, I had no information besides this account  
15 number. I tried to reconcile the open liens, but I  
16 could not reconcile; so, I just listed the account  
17 number in this complaint, then PGW filed original  
18 answers with preliminary objections, I guess, and  
19 attached to their response in Exhibit A, which starts  
20 on page 29, they gave us an account number and I  
21 think this is just a typo. The account number is  
22 incorrect on this page.

23 If You look at the first one, it's the account  
24 number ending in 0245, then it goes 464748, I think  
25 that's like a typo or Microsoft Excel error because

1 the account number is 0245. In general, at Colonial,  
2 there's only one account number. They gave me an  
3 account number, produced a listing of docket and  
4 indicated amount billed for that period.

5 Q. What amount is listed on SBG Colonial Garden  
6 page 29? What's the grand total?

7 A. \$15,642.60.

8 Q. That's for one account?

9 A. That's correct. Can I continue?

10 Q. Yes.

11 A. Subsequently, PGW sent us a list, and I  
12 believe the day it was received was in June 28th and  
13 to confirm that, everybody can turn to SBG Colonial  
14 Garden page 32. There was a filing by PGW for the  
15 original filing and supplemental information  
16 regarding preliminary objections and motions to  
17 strike the complaint in the above captioned matter.

18 Q. Will you please state for the record the date  
19 of that document listed in SBG Colonial Garden binder  
20 at page 32?

21 A. Can I clarify? Are you talking about the date  
22 it was received or the date it was sent?

23 Q. The date that it was sent.

24 A. June 25, 2012.

25 Q. When was it received?

1 A. June 28, 2012.

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

3 A. Yes. It's a supplemental information, I guess  
4 PGW supplemental information regarding their  
5 preliminary objections and the motion to strike the  
6 complaint in the above captioned matter.

7 Q. Then on the next page?

8 A. So, if I continue, attached to that document,  
9 which is on page SBG Colonial Garden 39, is a similar  
10 list from PGW with the same account numbers, even  
11 though it's a typo here with the docket number, the  
12 customer record, the disputed lien amounts, as well  
13 as dates of service. When I got this information, I  
14 was confused as to how we could have two liens on a  
15 property for the same dates of service.

16 So, for example, if you look at --

17 Q. Why were you confused?

18 A. I just don't understand how you would be able  
19 to -- I didn't understand at the time how you would  
20 be able to place two liens on a property for the same  
21 dates of service. I mean, I would suspect if you're  
22 collecting debt for a period of given time, that the  
23 next period should go through -- it shouldn't  
24 represent the same period. It just didn't make sense  
25 to me.

1 Q. What are the periods covered by each lien?

2 A. For example, item number one which has an  
3 account number 6128000245 of a docket number of  
4 120130680 for Colonial Garden and a disputed lien  
5 amount of 1,942.52. The dates of service state  
6 November 2, 2011 through January 4, 2012.

7 Q. And the second lien, what's the issue with  
8 that one?

9 A. Example number two has a different account  
10 number, but I suspect it's for the account number  
11 ending in 0245. It has a separate docket number  
12 which is 120130682 for Colonial Garden with the  
13 disputed lien amount of 2,623.99 and the dates of  
14 service would be November 4, 2011 through January 4,  
15 2012.

16 Q. What was your concern with these two pieces of  
17 information?

18 A. Once again, I did not understand how there  
19 were two liens placed on a property for the same  
20 dates of service.

21 Q. What did you think were the components of each  
22 lien in terms of the charges?

23 A. I thought there were charges for principal  
24 debt, plus late payment charges.

25 Q. What's the next piece of information you

1 received from PGW that might explain some of the  
2 questions about Colonial?

3 A. Eventually, PGW sent SBG specific statements  
4 of accounts for Colonial Garden. An example of that  
5 is in the SBG Colonial Garden binder page 62 which  
6 states, the customer name, which is Colonial Garden  
7 on this example. It has dates of service from 5/1  
8 2008 through June 1, 2012. It has a service address  
9 of 5425 through 7 Wayne Avenue, Apartment M1 in  
10 Phila., PA.

11 Q. Does it have the billing address on this  
12 document?

13 A. No. I just know the service address based on  
14 this information.

15 Q. Thank you. Just to confirm, when you were  
16 making your calls to PGW, what information similar to  
17 this did you receive?

18 A. I received dates of service for the billing  
19 periods, and I received the same information that was  
20 provided in Exhibit A that we already went over. I  
21 was not explained at that time or no one explained to  
22 me at the time that there were two SAs on this  
23 account. So, if you look at the account number in  
24 the middle of this page on page 62, it has an account  
25 number 6128000245 and then right next to the account

1 number, it has an SA number. That number is  
2 1375369694.

3 Q. This document, what's the first date that a  
4 transaction is listed on this document?

5 A. May of 2008.

6 Q. What is that transaction listed there, what  
7 type?

8 A. It starts with a current balance as well as a  
9 late payment charge that was assessed at that given  
10 date of May 5, 2008.

11 Q. Thank you. This document that provides  
12 information about May 5, 2008, when did you receive  
13 it, approximately?

14 A. I believe it was submitted to us as an exhibit  
15 to -- I'm not exactly sure, but I'm sure it was  
16 sometime after we filed the complaint.

17 Q. Was it before January of 2012? I'm sorry.  
18 Was it before January of 2013?

19 A. Yes.

20 Q. Was it after September -- was it after October  
21 of 2012?

22 A. We filed a complaint in May of 2012; so, it  
23 would have been somewhere between May of 2012 and  
24 December of 2012.

25 Q. Did you receive it before Mr. Scott DeBroff

1 was hired as outside counsel on this matter?

2 A. No, we did not.

3 Q. When was he hired, approximately?

4 A. December of 2012.

5 Q. In looking at this document, there are several  
6 transactions that are reported. What did you do with  
7 this information when you received it?

8 A. Well, first I tried to identify the lien that  
9 was in place on this particular account number;  
10 however, I did not have a breakdown of that lien by  
11 SA in order to determine that. So, if you go back to  
12 the listing provided by PGW, which is on page --  
13 actually, I'm going to go to another example. It's  
14 on SBG Colonial Garden page 137.

15 Q. We'd like to take the same issue if we can.

16 A. It's the same list.

17 Q. Thank you. Please identify the document  
18 listed at page SBG Colonial Garden 137 for the  
19 record?

20 A. It was a document that on January 29th was  
21 Emailed to SBG via counsel that listed the Colonial  
22 Garden account numbers, the docket number, the  
23 customer of records name, the disputed liens and the  
24 dates of service.

25 Q. Who was the counsel that sent this to SBG?

1 A. Scott DeBroff.

2 Q. What does this document tell us about the  
3 payment history of this utility?

4 A. It doesn't tell you anything about the  
5 payments. It just tells you there were outstanding  
6 liens for these dates of service for this particular  
7 account number.

8 Q. Who did Mr. DeBroff get this information from  
9 to the best of your recollection?

10 A. Someone at PGW. I'm not sure who forwarded it  
11 to him.

12 Q. Now you have that piece of information, the  
13 statement of account; what did you do with this  
14 information?

15 A. I tried to reconcile. I tried to trace these  
16 amounts listed to the account statements in question  
17 and I can't because the statements, the list here on  
18 page 137 doesn't give me a breakdown of the lien by  
19 SA.

20 Q. So, what did you do then when you couldn't do  
21 it yourself?

22 A. We eventually contacted PGW.

23 Q. When you say we, who?

24 A. Our attorney at that time.

25 Q. What information was received after your

1 outside counsel contacted PGW?

2 A. I expressed to my attorney at that time, which  
3 was Scott DeBroff, that I was unable to reconcile  
4 these amounts to the account statements. I know he  
5 sent several requests to the opposing counsel  
6 requesting information as part of discovery saying  
7 the information that was provided by PGW wasn't  
8 sufficient to reconcile.

9 Q. What response did you receive?

10 A. From what period?

11 Q. Well, the periods that are in question are the  
12 periods that are at least listed on page 62 of SBG  
13 Colonial Garden; that was the first statement of that  
14 that you received. What additional information did  
15 you receive on those accounts?

16 A. To date?

17 Q. Yes.

18 A. I have not received a breakdown by SA of the  
19 liens listed on page 137, SBG Colonial binder.

20 Q. Were there other issues in this account you  
21 were concerned with?

22 A. Yes. As I reviewed the account, there were  
23 some meter reads that did not make sense to me.

24 Would you like me to go over those?

25 MS. BOONE: Your Honor, if at this time,

1 we can move to the specifics of the Colonial issue?

2 JUDGE VERO: Okay.

3 MS. BOONE: But we would reserve the  
4 right to recall her if we needed to get general  
5 information about others.

6 JUDGE VERO: She is your witness. You  
7 can call her if you want. If it was a witness for  
8 PGW you wanted to recall, you might have some  
9 difficulty. With your witness, you can call as you  
10 want.

11 MS. BOONE: Thank you, Your Honor.

12 THE WITNESS: Can I ask a question?

13 MS. BOONE: Yes.

14 THE WITNESS: The transactions I  
15 reconciled I went through to perform my analysis on,  
16 they go back to 2005. May I talk about those  
17 disputes?

18 MS. BOONE: She's providing some  
19 background information for SOL issue.

20 JUDGE VERO: What is SOL?

21 MS. BOONE: Statute of limitations, just  
22 to explain why.

23 JUDGE VERO: Just a moment.

24 MR. FARINAS: Your Honor?

25 JUDGE VERO: Yes.

1 MR. FARINAS: Your Honor, I thought that  
2 the order of the day was to discuss matters that were  
3 2008 forward until the decision is made. Not in this  
4 case?

5 JUDGE VERO: Did we say that would apply  
6 to this case as well, because if we do, the further  
7 hearings in all three cases would be a given.

8 MR. FARINAS: Never mind.

9 JUDGE VERO: Off the record for a  
10 moment.

11 (Whereupon, a discussion was held off  
12 the record.)

13 JUDGE VERO: Back on the record. While  
14 we were all off the record, counsel for both parties,  
15 myself and Ms. Treadwell discussed the number of  
16 transactions that were involved and any potential  
17 customers that would go beyond the statute of  
18 limitations.

19 Since it's a rather small or a rather  
20 contained number of transactions, I think we can deal  
21 with it during this hearing without having to  
22 necessarily wait for my ruling on the issue of the  
23 statute of limitations and estoppel. I think we can  
24 do it without too much prejudice to PGW. Would you  
25 agree, Mr. Farinas?

1                   Hold on. And, of course, if after the  
2 parties have had an opportunity to brief the issue of  
3 statute of limitations and estoppel as we discussed  
4 before and my ruling is that statute of limitations  
5 cannot be told, then this portion of Ms. Treadwell's  
6 testimony will be disregarded when I make a ruling as  
7 to the bills.

8                   MS. BOONE: Likewise, I wanted to ask  
9 this week and to conserve time, I haven't brought up  
10 every transaction outside of the statute. I've tried  
11 to pick and choose those witnesses who can give  
12 examples; so, I'm asking that the example that  
13 Ms. Treadwell provides today, if that can apply to  
14 all nine cases as an example of the kind of behavior  
15 and actions by PGW?

16                   JUDGE VERO: I'm not going to  
17 consolidate the record for all these hearings. We  
18 had this discussion.

19                   MS. BOONE: I just want to confirm that  
20 it's an exhibit.

21                   JUDGE VERO: We had this discussion  
22 during the first prehearing conference with regard to  
23 how we could make a record that was manageable. This  
24 was my preference that we have the cases separated  
25 and that consolidated in groups of three because I

1 felt I could deal with such a record, but the parties  
2 didn't object to that.

3           There was a lot of going back and forth,  
4 but there wasn't any actual objection that was raised  
5 to say that's unacceptable because, and that's the  
6 understanding I have continued with that, that we  
7 will have the groups of cases presented three by  
8 three by three, but each of these cases will have its  
9 own transcript. There cannot be that much cross  
10 over.

11           I understand with Fairmount, it is the  
12 largest case and we already discussed we're going to  
13 use that transcript over these other cases, but I  
14 cannot go in the reverse direction and have this  
15 transcript apply to Fairmount; do you understand what  
16 I'm saying?

17           MS. BOONE: Unfortunately, I don't.

18           JUDGE VERO: Let's keep it contained.

19           MS. BOONE: It's a compromise. One of  
20 the things I tried to do was to have Ms. Treadwell,  
21 who has the day-to-day experience of looking at the  
22 PGW bills, I wanted her to build on what Mr. Lampert  
23 testified to, what Mr. Pulley testified to and not to  
24 be redundant.

25           So, instead of having her come in on

1 Monday to talk about Fairmount and what she did and  
2 what the issues are that she herself can testify to;  
3 I mean, her coming to Colonial and saying this is  
4 evidence of violations.

5 JUDGE VERO: I do not agree with your  
6 characterization of what happened. You didn't get a  
7 chance to bring Ms. Treadwell to testimony in  
8 Fairmount, Marshall and Elrae because you didn't get  
9 to Ms. Treadwell.

10 MS. BOONE: That's true.

11 JUDGE VERO: But you weren't prevented.

12 MS. BOONE: Excuse me, if I might  
13 finish.

14 JUDGE VERO: Yes.

15 MS. BOONE: One of the things that was  
16 discussed was that we were going to go through  
17 various statutes of limitations issues this week so  
18 we would have a transcript we could use to write our  
19 briefs from. If I were to wait to talk about  
20 Ms. Treadwell's statute of limitations issues, then  
21 that would not occur until afterwards. That's why  
22 I'm bringing her for Colonial. I thought that was  
23 the most expeditious way.

24 JUDGE VERO: That's why I deemed your  
25 witness methods to fail and not be in compliance with

1 my order at the second prehearing conference when I  
2 asked you specifically to identify what issues each  
3 witness would cover and what day would each witness  
4 appear, because if you had done that, you would have  
5 been bound by that order of witnesses, Monday, three,  
6 four witnesses; Tuesday, three, four witnesses, and  
7 you would have been bound by that to a certain  
8 degree. The way it came, it was a surprise, and I  
9 also didn't know Ms. Treadwell was going to testify  
10 on the statute of limitations.

11 MS. BOONE: Because there are disputed  
12 transactions that go back.

13 JUDGE VERO: No. First of all, I never  
14 said you had an entire week to establish one single  
15 issue. You said we're going to use the record this  
16 week to establish that issue. You cannot have one  
17 week on one issue, no. You had four or was it five  
18 witnesses testify on the limitations.

19 There is plenty of record, and if you  
20 are not able to establish your case in terms of  
21 statute of limitations with the witnesses you  
22 selected to go first, I would assume by order of  
23 relevance is what their testimony would give toward  
24 the issue of statute of limitations and estoppel.

25 If you cannot do it with four or five

1 witnesses, you're not going to achieve it with  
2 Ms. Treadwell. I'm going to allow Ms. Treadwell to  
3 testify with regard to transactions that occurred in  
4 2005. If that doesn't go against statute of  
5 limitations, I don't know what does. That's the  
6 extent of what Ms. Treadwell is going to do. I'm not  
7 allowing the transcripts to cross over.

8 MS. BOONE: I object, and I'd like the  
9 objection noted. I'd also like the record to reflect  
10 that there were numerous discussions outside the  
11 courtroom that were told to be off record where  
12 counsel was told what could be put on, what could not  
13 be put on. Those conversations were not on the  
14 record. I also would like the record to reflect that  
15 a transcript of the prehearing conference should be  
16 issued to the parties. We are ordering that today so  
17 we can all review it and see what was required.

18 JUDGE VERO: The transcripts, usually,  
19 they take 30 days to be produced. The second  
20 prehearing conference, if you may recall, occurred on  
21 August 13th of 2013; so, no one asked for an  
22 expedited delivery of the transcript of the second  
23 prehearing conference. So, that's why it hasn't been  
24 produced. The understanding once it has been  
25 produced by the court reporting agency, of course,

1 both parties will get a copy of it. No one asked for  
2 expedited service. I wasn't aware an expedited  
3 service on the transcript was necessary. I think if  
4 you need it, you can still put in a request for it.

5 MS. BOONE: Yes. I requested it this  
6 morning. They said they should have it shortly. I'm  
7 just reserving this objection to review what the  
8 prehearing conference required and to also request  
9 that instead of things being off the record as to  
10 what counsel can and cannot produce as far as  
11 evidence or witnesses, that all of those  
12 conversations going forward are on the record so we  
13 will have a transcript that we can refer to.

14 JUDGE VERO: All right. That's doable.

15 MS. BOONE: Thank you.

16 MR. FARINAS: Your Honor, am I to  
17 understand that counsel has requested that when the  
18 three of us talk, we can never talk except by being  
19 on the record going forward?

20 MS. BOONE: That's right. That's my  
21 request from now on.

22 JUDGE VERO: So, you don't want any more  
23 sidebar discussions?

24 MS. BOONE: No, Your Honor.

25 JUDGE VERO: That's quite all right.

1 MR. FARINAS: May the record note that  
2 I'm opposed to that. I feel that you provide  
3 guidance to us both and in an expeditious deciding of  
4 this matter.

5 MS. BOONE: I agree that you do as well,  
6 and I think that the entire record would benefit from  
7 knowing the kind of advice and the way you have given  
8 us that advice and how we have, all parties have been  
9 benefited by it in this proceeding.

10 JUDGE VERO: I have absolutely no  
11 problem making do without sidebar discussions, and  
12 that also goes to all other issues that were  
13 discussed during sidebar. I have no problem doing it  
14 before counsel's clients.

15 MS. BOONE: Thank you, Your Honor.

16 JUDGE VERO: No problem. With that  
17 understanding, you may proceed with the questioning  
18 of Ms. Treadwell. And, yes, Ms. Treadwell, the  
19 answer to your question is, yes, you will be allowed  
20 to cover transactions that predate 2009.

21 THE WITNESS: Thank you.

22 BY MS. BOONE:

23 Q. Ms. Treadwell, will you turn to Colonial  
24 Garden SBG binder page 78?

25 A. Yes, I'm there.

1 Q. Will you identify this document for the record  
2 please?

3 A. This is our, and when I say our, I'm talking  
4 about SBG Management's list of account disputes. To  
5 explain to you how the document is created, I just  
6 have to say what we did in our accounting department,  
7 we took PGW's account statements and we recreated  
8 them electronically so that we can start to get the  
9 numbers. There's no other way for me to start to  
10 reconcile accounts by hand. It's too many accounts,  
11 multiple transactions; so, I had to recreate the  
12 document electronically to start.

13 Upon my review of this particular account on  
14 page 78, which is the account number 6128000245 with  
15 the SA number of 1375369694 and a meter number of  
16 1987516, I started to look at the transaction or the  
17 transactions listed.

18 The very first thing that jumped out at me, of  
19 course, and it probably jumps out at you as well, is  
20 on February 18, 2005, there was a series of bills  
21 issued. The first few; in fact, first nine of them  
22 are zero, then the next ten which I just highlighted  
23 with dispute numbers one through ten are all on the  
24 same date, all with Rs and a series of amounts that  
25 were charged to SBG or Colonial in this case for a

1 particular meter read.

2 Q. Please explain what the reading code R means?

3 A. My understanding upon having a discussion with  
4 both Dan Fullerton and Linda, I believe it's -- I  
5 don't know how to pronounce the name, Preery or Perry  
6 at PGW that the R represents actual reads.

7 Q. And the column that's identified as dispute  
8 code on page 78 of the SBG Colonial Garden binder,  
9 where did that dispute code title come from?

10 A. This dispute code came, it was basically a  
11 document that I created. It was a label or a way for  
12 me to label documents or transactions that I disputed  
13 or that I found to be disputable and I labeled them  
14 with a code. We created like an A through K matrix  
15 that we provided PGW in the amended complaints in  
16 December of 2012.

17 Q. What does code J mean?

18 A. Code J means we have a dispute regarding the  
19 meter reads.

20 Q. In these next ten transactions that are in a  
21 box on this page 78, please explain?

22 A. I can't determine what PGW did at this date,  
23 but what I can tell is that a series of meter reads  
24 took place and billings took place on the same date.

25 Q. Why is that a problem? What's wrong with

1 that?

2 A. Because it did not represent a normal read  
3 for, like example, if you look at the next bill on  
4 March 3rd of 2005, there was a bill issued for  
5 \$3,762.26. If you look at the CCF usage at 61, I  
6 can't remember what it stands for. I think it's  
7 cubic something feet.

8 Q. But CCF usage, what essentially does it mean?

9 A. It's gas consumption.

10 MR. FARINAS: I didn't hear that. You  
11 said it was 61 for that?

12 THE WITNESS: I'm sorry. I was looking  
13 at the wrong column. I apologize. Let the record  
14 reflect I made a mistake. I'm looking at the CCF  
15 usage in the next column 2236, 2,236 represents the  
16 CCF usage for that given period, and when I sum the  
17 total of the transactions, all dated 2/18 2005, it  
18 was a large consumption of gas in that particular  
19 period when compared to all of the other periods  
20 listed on this account statement.

21 BY MS. BOONE:

22 Q. Now, these entries one through ten, are they  
23 for different accounts or different SAs?

24 A. No. This is for this one particular SA, this  
25 one particular meter that relates to the account

1 number listed on the top of document 78 in the SBG  
2 Colonial binder.

3 Q. What did you do to try to understand what  
4 happened with this bill?

5 A. I highlighted them and I gave it a dispute  
6 code; meaning, I disputed the meter read. I  
7 continued my analysis.

8 Q. What do you mean you continued your analysis?

9 A. Well, my job, what Mr. Pulley told me to  
10 reconcile the accounts from beginning to end, and  
11 when I did that, I reviewed the gas consumption for  
12 each billing period and compared it to the historical  
13 usage.

14 Q. What did you do to get an answer to your  
15 questions beyond that?

16 A. This dispute binder or the document was  
17 provided to PGW on March 22nd of 2013.

18 Q. Why was it provided then?

19 A. This is the follow up with regard to the  
20 complaints that were filed regarding the billing  
21 disputes. These were the specific disputes that we  
22 had at that given time or at least that I was aware  
23 of at that given time.

24 Q. Was there another name for this document that  
25 was used by counsel? Snapshots, was that a word that

1 was used?

2 A. That was a term that Scott DeBroff pawned  
3 out. It was never my term. This is just an account  
4 statement.

5 Q. You received the statement of accounts. You  
6 did an analysis, identified what was the problem and  
7 then what did you do?

8 A. Well, I continued my analysis, because another  
9 thing Mr. Pulley asked me to do was to make sure that  
10 SBG had been assessed the current amount of late  
11 payment charges for the account; so what I did is, I  
12 created a formula in the spread sheet which showed  
13 each given late payment charge that was issued. I  
14 took essentially the current balance of that account  
15 and I divided the late payment charge on that account  
16 by the current balance to get a percentage of what  
17 the actual LPC, which I was also told by Dan and  
18 Linda Perry at PGW meant late payment charge.

19 Q. Is there a column that reflects where that  
20 calculation is inserted in this spread sheet?

21 A. Yes. It is the far right column, and if you  
22 look at the very top, it has a box around it. It  
23 says percentage calculated and it shows a formula,  
24 the LPC assessed at a given time divided by the  
25 current balance.

1 Q. What page are you referring to?

2 A. Referring to the document of SBG Colonial  
3 Garden binder page 78?

4 Q. Can you explain the first number in that  
5 column in terms of payments, what you would pay on  
6 this bill?

7 A. Payments or the late payment charge?

8 Q. Just explain the first number, what that has  
9 to do?

10 A. In the far right column?

11 Q. Yes.

12 A. I see that on March 3, 2005, this particular  
13 account had a late payment charge of 195.28. The  
14 previous account balance, which is one line up, which  
15 you can get that from the February 18, 2005  
16 transaction was \$13,018.95; so, I created a formula,  
17 divided 195.28 divided by 1301895, and that resulted  
18 in a 1.50 percent interest rate.

19 Q. What did you determine from that analysis and  
20 that resulting percentage?

21 A. Well, my understanding is that PGW is allowed  
22 to charge late payment charges of 1.5 percent or they  
23 applied 1.5 percent to this balance.

24 Q. Since this document was returned to PGW, what  
25 information have you received about the disputed

1 meter reads from PGW?

2 A. None. Not on this. Not on these first ten  
3 transactions, I did not get an explanation.

4 Q. In your dealings with Mr. DeBroff, did he  
5 tender any documents he received from PGW to explain  
6 or an investigation or a high meter investigation for  
7 any of these transactions?

8 A. Not that I'm aware of.

9 Q. What about a high bill investigation, what  
10 documents did he give you that showed PGW may have  
11 done that?

12 A. I have not received or seen a high meter  
13 investigation regarding these particular transactions  
14 from PGW.

15 Q. If we can turn to the next pre 2008 document  
16 in the next SA?

17 A. Okay. The next SA starts on SBG Colonial  
18 Garden binder number 83.

19 Q. You mean the binder at page?

20 A. Page 83, yes.

21 Q. Okay. Can you please identify this document  
22 for the record, what's shown on page 83 of the SBG  
23 Colonial Garden binder?

24 A. Similar to the first document we just  
25 reviewed, this another statement of account for

1 Colonial account number 6128000245.

2 Q. On page 83 of the SBG Colonial Garden binder,  
3 what period does it say is covered by this particular  
4 account statement?

5 A. At the top?

6 Q. Yes.

7 A. This document was from 7/1 2004 through 8/26  
8 2011.

9 Q. In looking at that document, was there a  
10 transaction on this page that raised certain  
11 concerns?

12 A. Similar to the same procedures of reviewing  
13 the entire history of usage, there was a transaction  
14 dated March 3, 2005 for 3,062.12 which had a high or  
15 to me what I would call an unusual CCF usage of 1,797  
16 on this particular date.

17 Q. What led you to the conclusion this was high?

18 A. Again, when looking at the historical usage,  
19 this amount stood out and was abnormal in terms of  
20 the history usage at this particular meter.

21 Q. So, what information did you use to determine  
22 that this was high as for historical usage?

23 A. What we did, we did what we call a CCF  
24 analysis. If you turn to SBG Colonial Garden page  
25 150.

1 Q. Under what tab?

2 A. That is tab number 11.

3 Q. Is it tab number 12?

4 A. I'm looking at the number upside down. I'm  
5 sorry.

6 Q. It's 12?

7 A. No, it's 11.

8 Q. Okay. Under tab 11 of the SBG Colonial Garden  
9 binder at page 150, would you please identify that  
10 document?

11 A. This was a document prepared by SBG. We,  
12 again, looked at the statement of accounts by SA,  
13 which means if you look at the first top of this  
14 matrix, it has a property, which we didn't write in,  
15 but it has an account number which is the same  
16 account number for which we looked at the account  
17 statements for. It has an SAID number and a meter  
18 number; so, this particular matrix corresponds with  
19 one of the statements of accounts, and if you look at  
20 page 151, that schedule relates to the other SA for  
21 this property.

22 Q. With respect to the first SA in the first ten  
23 transactions that you discussed on page 78 of the SBG  
24 Colonial binder under tab 7, what historical  
25 information did you use to consider?

1 A. Well, if you look at 2005, column 2005 under  
2 the month of February, you will see there was a large  
3 consumption of gas for 8,647.

4 Q. Okay.

5 A. When comparing that to periods prior and every  
6 period after, that particular gas consumption is not  
7 within normal range.

8 Q. This CCF information, is this information  
9 available to just you or what parties are able to  
10 obtain this CCF information?

11 A. This CCF information was calculated by me.  
12 This was not provided to me by PGW.

13 Q. Are other parties other than you able to  
14 obtain this information?

15 A. I suspect if you request this information, you  
16 can get it from PGW, I suspect.

17 Q. Just to confirm, what years did you consider  
18 in determining the CCF usage was a problem?

19 A. I looked at the CCF usage in February of 2005  
20 and I compared it to the periods prior to February  
21 2005.

22 Q. Can you identify them by month and year?

23 A. I got 1999 through 2004, then I have 2005  
24 through 2012.

25 Q. Please tell us -- Mr. Pulley has described the

1 tenants at Colonial Garden. Can you give us some  
2 background information on how frequently it turns  
3 over or the tenants at that particular location who  
4 are using gas?

5 A. My understanding at these properties is that  
6 consistent usage is there with the tenants. They use  
7 it for cooking gas.

8 Q. What about the property during this period,  
9 did the tenants at the property stay pretty much the  
10 same?

11 A. I can't speak to that. I wasn't there.

12 Q. But this is used for cooking gas?

13 A. Yes.

14 Q. So, based on this analysis, what would this  
15 tell you about the cooking gas usage for the periods  
16 you compared?

17 A. For the most part with exception of the 2005,  
18 the February transaction, the gas consumption is  
19 relatively consistent with the exception of that  
20 transaction.

21 Q. In December of 2005, what's the weather like  
22 then?

23 A. I don't know.

24 Q. December is a winter month. What's the  
25 weather generally like in winter months?

1 A. It's not relevant because they only use it for  
2 cooking gas.

3 Q. Do some people use their ovens for other  
4 purposes other than just cooking?

5 A. I don't know.

6 Q. What about if somebody uses their oven for  
7 heat?

8 A. I don't know.

9 Q. But even if they did, the usage in December,  
10 how would you compare that to what it was in January?

11 A. It should be consistent. It's cooking gas.

12 Q. And instead when you look at the January '05  
13 and you look at the December '05, even though they're  
14 both winter months, what's the percentage of  
15 difference between the two?

16 A. In terms of the usage?

17 Q. Yes.

18 A. It's almost six times higher or six and half  
19 than what it is listed there.

20 Q. And if you look at the usage for February of  
21 2005, how does that compare with the usage for  
22 January of 2005?

23 A. January of 2005 information was not available  
24 considering that this transaction started in February  
25 of 2005.

1 Q. Okay. Thank you. Just going to the next SA.  
2 Why was that a problem?

3 A. If you want to go to the second SA, if you  
4 turn to SBG --

5 JUDGE VERO: Hold on. Was there a  
6 question coming with regard to the second SA?

7 MS. BOONE: Yes.

8 BY MS. BOONE:

9 Q. In terms of the second SA before 2008 that had  
10 a disputed transaction, will you please describe what  
11 the dispute is there.

12 A. For the record that is for, and I don't have  
13 to say the account number. There's only one account  
14 number. I'm going to say the SA number. The SA  
15 number is 40187. Actually, I'm going to say the  
16 meter number because the SA number is messed up. The  
17 meter number is 2115477 which also is the SA number.

18 Q. That is found on what page in SBG Colonial  
19 Garden binder?

20 A. The CCF usage is in page 151 of the SBG  
21 Colonial binder.

22 Q. Under disputed transactions?

23 A. Right. So if you look at, I believe it's page  
24 83, but I'm confirming. If you look at page 83 of  
25 the disputed transaction, the dispute number one,

1 which is dated March of 2005 correlates to the month  
2 and the year for SBG Colonial page 151. You'll see  
3 that their CCF usage on March of 2005 is 1797.

4 Q. What's the problem with that transaction?

5 A. Again, looking at the historic usage at this  
6 property, this gas consumption seems abnormally high.

7 Q. How would you describe the historic usage for  
8 December for the two months for the period prior to  
9 that?

10 A. You're talking December of 2004?

11 Q. Yes.

12 A. The usage in was 698 and in January of 2005,  
13 it was 779.

14 Q. Then the month that you're disputing is what  
15 again?

16 A. 1797.

17 Q. What's the difference between the January and  
18 the March?

19 A. It's about 1,000 CCFs.

20 Q. Why would that be a problem or question? Why  
21 would that raise a question?

22 A. Again, it seems the usage is abnormally high  
23 given the consistent usage throughout the history of  
24 this meter.

25 Q. You said the CCF usage, what about in the

1 years going forward, what do you see?

2 A. I see that for the most part, the usage, it  
3 fluctuates. It goes down a little. In the same  
4 period you're referring to?

5 Q. Just as you go across for that March and you  
6 go forward, does that usage ever hit the 1797 again?

7 A. No.

8 Q. What about in the months going forward even  
9 after, before or after?

10 A. I'm confused.

11 Q. So, for example, you said for the year 2006,  
12 2007?

13 A. Yes.

14 Q. Also, if you look at January of 2005, is the  
15 usage within ten percent of that?

16 A. No.

17 Q. Now, you said that you didn't -- you said this  
18 was some information that you conducted on your own?

19 A. Yes.

20 Q. What did you do to get additional information  
21 to confirm whether there was a problem or not?

22 A. Regarding these particular transactions?

23 Q. Yes. What other data did you seek?

24 A. To get answers to these questions, we filed a  
25 PUC complaint and these transactions were listed as a

1 dispute.

2 Q. In looking at the books and records, what did  
3 you see that SBG had done in prior years to get  
4 information about these?

5 A. My understanding is Mr. Eric Lampert sent  
6 Emails directly to PGW regarding gas consumption.  
7 There was Email exchange between Phil and various  
8 people at PGW trying to understand the nature of the  
9 bills.

10 Q. In reviewing the books and records of SBG,  
11 what responses did you see that answered why this  
12 meter had this reading that seemed to be so different  
13 from readings around that period either after or say  
14 months following?

15 A. Based on today's testimony alone, my  
16 understanding was there was some type of faulty meter  
17 at this property?

18 Q. How does that help you determine what to do  
19 with the bills having that information?

20 A. It doesn't help me determine what to do with  
21 the bills. I'm still trying to reconcile the liens  
22 that have been placed on the property, any payments  
23 that have been issued to these respective accounts  
24 and I'm also trying to determine if they're  
25 calculating the appropriate rate of interest or late

1 charges.

2 Q. If you were to receive information that there  
3 was a faulty meter and that meter was fixed, would  
4 that help you in terms of figuring out the principal  
5 amount due? If there was an adjustment, would that  
6 help you understand if there was an adjustment on the  
7 account?

8 A. No. Actually, it wouldn't. It would explain  
9 the transactions, but it wouldn't explain the  
10 calculation of late payment charges and the  
11 calculation of the bill.

12 Q. If you could just explain why it wouldn't  
13 explain the late payment charges, why that's a  
14 problem?

15 A. Well, first, based on John Dunn's testimony,  
16 to date, I still don't understand how PGW applies  
17 their payments. Mr. Dunn testified earlier this week  
18 his understanding is when a payment comes in, it's  
19 applied to arrears and then applied to late payment  
20 charges, and then I just recently saw in an SBG  
21 document -- I'm sorry, not an SBG document, a PGW  
22 document. I'll have to look at my notes to find out  
23 where it is, that they applied the payments to the  
24 late payment charges first and then to the principal,  
25 and if I was to try to calculate principal usage at

1 any given date, I first need to know how they apply  
2 payment. I haven't gotten that information.

3 Q. Are you saying that one former PGW employee  
4 provided information at this hearing that was  
5 contradicted by another PGW employee?

6 A. Yes, I am saying that.

7 Q. So, who do you rely on?

8 A. I don't know who to rely on because I haven't  
9 gotten correct information.

10 Q. You contacted PGW yourself on the phone. Did  
11 that provide you with the information?

12 A. No.

13 Q. You received a statement of accounts which you  
14 have analyzed; is that correct?

15 A. Yes.

16 Q. Have you had a chance to analyze the late  
17 payment charges?

18 A. What I did was, I asked PGW at a meeting in  
19 December how they calculate late payment charges and  
20 they told me you can determine that by looking at the  
21 statement of accounts. I looked at the statement of  
22 accounts and all I see is dollar amounts associated  
23 with for late payment charges, not percentage  
24 calculated to each respective late payment charge.

25 Q. So, what did you do?

1 A. I did my own calculations; so, I recreated the  
2 documents as I said electronically. I put a formula  
3 and I started calculating late payment charges.

4 Q. What did you discover as you went through?

5 A. I actually found out that PGW, according to my  
6 analysis, their late payment charges seem to  
7 fluctuate. They go from 1.5 as far as down to .9.

8 Q. It looks like you're referring to some pages.  
9 Could you, please, direct us to those pages for the  
10 record?

11 A. If you look at SBG Colonial Garden page number  
12 78.

13 Q. Is this under tab 7?

14 A. Yes. I already stated the account and SA  
15 number and the meter number. I can state it for the  
16 record if you like.

17 Q. That's okay. You said you're looking at SBG  
18 Colonial Garden binder page 78?

19 A. Yes. If you look at the March 3, 2005  
20 transaction, there's a late payment of 195.28.  
21 Again, the previous balance at that given date -- I  
22 mean, before, which at 2/18 2005 was 13,815.95 and I  
23 did a formula that calculated \$195.28 divided by  
24 \$13,018.95 and came up with a rate of 1.5 percent.

25 Q. Just for the sake of brevity, please go down

1 this list and tell us when the column you created  
2 that's called percentage calculated of LPC assessed  
3 current balance, when you were actually concerned?

4 A. I'm concerned when you get down to, let's say,  
5 in the transaction at February 6, 2006 where they're  
6 applying now a 1.46 percent interest rate.

7 Q. Why is that a problem?

8 A. According to PGW, they charge 1.5 according to  
9 their tariff.

10 Q. So, someone with an accounting background or  
11 who is responsible for making payments, why does that  
12 raise a red flag?

13 A. What it tells me is PGW is not being  
14 consistent with their application of late payment  
15 charges. They tell me they charge you 1.5, but in  
16 this instance, they're charging 1.46 percent. It  
17 concerns me because I don't know at any given date on  
18 this particular page, which is page 78, if a lien was  
19 placed on the property on this particular SA at any  
20 given date here.

21 Q. How does a lien being placed on the property  
22 affect what bills you pay?

23 A. It's my understanding that once a lien has  
24 been placed that it is also a judgment. It's  
25 converted into a judgment and the judgment should be

1 charged at a .5 percent interest rate monthly, which  
2 is 6 percent annually.

3 Q. So, what's the impact of that information on  
4 looking at the statement of account?

5 A. I don't quite honestly know what interest rate  
6 PGW is charging. I don't know at any given point if  
7 there was a lien in place and that the interest which  
8 should have been applied at 1.5 percent should have  
9 turned into .5 percent on a monthly basis.

10 Q. Looking at the document beginning on page 78  
11 until the account statement ends on page 82, how  
12 frequently does this deviation from 1.5 percent  
13 occur?

14 A. Do you need me to count? Would you like me to  
15 count?

16 Q. It might be faster if you were to go than if  
17 you were to go through each one. If there's a page  
18 where all of the calculations are different than 1.5,  
19 you can say all of them on that page?

20 A. In the total count, I got 76 late payment  
21 charges that were assessed of which they do not total  
22 to 1.5 percent.

23 Q. With pages do these appear on?

24 A. They appear on pages 78, 79, 80, all of which  
25 on page 80 is not 1.5 percent. Page 81, most of them

1 for this particular SA.

2 Q. Any other page?

3 A. If I were to go to the other SA which starts  
4 on SBG Colonial Garden page 83, I get 73  
5 transactions.

6 Q. And in those transactions, what pages are they  
7 on?

8 A. They are starting on page 83, 84, 85, all of  
9 which did not calculate to 1.5 percent.

10 Q. If I could direct your attention to SBG  
11 Colonial page 137, we've heard testimony that if a  
12 lien is not paid, interest is continued to be applied  
13 to the open, to the unpaid lien; is that correct?

14 A. I heard testimony this week that said that  
15 once a lien is imposed, that PGW continues to charge  
16 a 1.5 percent interest charge for late payment  
17 charges. I think I'm correct. I think they said  
18 when the account is open.

19 Q. Looking at the liens that are set forth on SBG  
20 Colonial Garden Binder page 137, what's the impact of  
21 having these liens placed on the property? How would  
22 that affect that open, that statement of account in  
23 terms of what would be charged for interest on the  
24 balance due?

25 A. I can't confirm what impact it would have on a

1 particular SA because, again, to date, I haven't  
2 received a breakdown of these liens by SA, but I can  
3 say that the liens that exist at this property, if  
4 they were converted to municipal liens which are also  
5 judgments, as an example, on page SBG Colonial page  
6 140, which shows if you look at this document from  
7 the Philadelphia courts, the Civil docket access, it  
8 has a case ID which is also the lien number, and if  
9 you look right down the middle, it says court and it  
10 says judgement; so, my understanding is that when a  
11 lien is imposed, it's also known as a judgment, and  
12 when that judgement has become imposed that the  
13 interest rate should stop calculating at a 1.5  
14 percent rate of interest on a monthly basis which is  
15 18 percent annually and converted to a post judgment  
16 interest rate, which is 6 percent annually, which  
17 turns out to be .5 percent monthly.

18 Q. Is the date that the municipal lien was  
19 placed, is that important?

20 A. Yes.

21 Q. Why?

22 A. Because that's the date the interest rate  
23 would change.

24 Q. Go back to the document you refer to as the  
25 account statements for these two SAs, page 83 of the

1 SBG Colonial binder. Please take a moment to look at  
2 this document and tell me where it says the date the  
3 municipal lien was placed on the SA for this  
4 particular account?

5 A. It doesn't say.

6 Q. Look at all the pages that are assigned to  
7 this particular SA between pages 83 and 86. Please  
8 let me know where it shows up?

9 MR. FARINAS: Sorry. She's identifying  
10 what?

11 BY MS. BOONE:

12 Q. Please identify where any of the liens that  
13 are set forth on page 137 --

14 MR. FARINAS: I stipulate that there are  
15 none.

16 BY MS. BOONE:

17 Q. -- where they show up, the date they were  
18 filed, the date of service that's covered, the  
19 principal amount?

20 JUDGE VERO: Did you hear Mr. Farinas;  
21 he is willing to stipulate that there are none.

22 MS. BOONE: Okay. Thank you. Would he  
23 also stipulate there is no breakdown of the interest  
24 charge on the balance? There's no difference charged  
25 when it becomes a municipal lien versus before the

1 debt is a municipal lien?

2 MR. FARINAS: I don't understand what  
3 you're asking. That's all I'm willing to stipulate  
4 at this time.

5 MS. BOONE: Maybe I should hear the  
6 stipulation again. What will you stipulate to?

7 MR. FARINAS: The fact there is no  
8 designation on these documents which are statements  
9 of accounts which indicate when a lien was filed.

10 MS. BOONE: Okay. Thank you.

11 BY MS. BOONE:

12 Q. Where on the document does it indicate the  
13 interest charged on a balance before a debt is  
14 liened?

15 A. On this particular statement or PGW statement  
16 of account?

17 Q. On this particular statement account for this  
18 particular property?

19 A. These late payment charges assessed at every  
20 month only have a dollar amount of which I've  
21 calculated the late payment charge percentage. They  
22 do not stipulate at any given date what amount is  
23 liened and what amount is not liened, nor do they  
24 stipulate the two rates of interest that should apply  
25 to this debt.

1 Q. If you were to refer back to that page 137 of  
2 the SBG Colonial Garden binder, the first two liens,  
3 can you look at the statement of account for this  
4 property and say where these liens show up on that  
5 statement of account?

6 A. As previously testified, I cannot do that  
7 because there are two SAs for this account and PGW to  
8 date has not been able to or I have not received  
9 information regarding which liens represented here  
10 relate to what particular SA.

11 Q. I don't understand, because aren't dates of  
12 service provided on page 137?

13 A. They are, but they don't give me the  
14 particular SA that's associated with it.

15 Q. There are only two SAs here. Can't you figure  
16 it out?

17 A. I tried.

18 Q. What did you do to figure it out?

19 A. I looked at the statement of accounts and  
20 tried to look at the date that was applied, the  
21 services through 1/4 2012.

22 Q. What do you see on the statement of account  
23 for that period where it might have shown up?

24 A. Let me check. On 1/4 2012, I'm in the second  
25 SA on SBG Colonial Garden 81, if I look at the

1 transaction that has the number 43 next to it, I see  
2 a late payment charge of \$84.19. I don't see the  
3 amount listed on the document that you referred to.

4 Q. In the transactions for that period for that  
5 property?

6 A. That's correct.

7 Q. What about under the second SA, it's only two  
8 SAs. Maybe it's there.

9 A. That is on page 86 of the Colonial Garden  
10 binder. If you look at the transaction dated 1/4  
11 2012, I see a late payment charge of \$114.72.

12 Q. What is the late payment charge percentage  
13 associated with that transaction?

14 A. On 1/4 2012?

15 Q. Yes.

16 A. The percentage is 1.5 percent.

17 Q. Even after the lien is placed on or about that  
18 time, what LPC is being charged?

19 A. 1.5 percent.

20 Q. Which is the late payment charge for what kind  
21 of debt?

22 A. As far as my understanding, it would  
23 constitute the debt that has not yet been converted  
24 to a municipal lien.

25 Q. Why is that a problem?

1 A. Because if PGW has converted the debt through  
2 1/4 2012 to a lien, then they should start charging  
3 us on that amount a .5 percent monthly charge or a 6  
4 percent annual charge.

5 Q. Were there other late payment charges issued  
6 that you had with either of these SAs?

7 A. Yes.

8 Q. What were they?

9 A. All late payment charges within the statute.

10 Q. Was this part of the complaint that was filed  
11 against PGW?

12 A. Yes.

13 Q. What information did you receive that would  
14 have cleared this up?

15 A. Let me confirm. If you look at our amended  
16 complaints in section 4 of the SBG Colonial Garden,  
17 page 44 of the Colonial Garden under tab 4, in item  
18 number 7, it states SBG significant concerns with  
19 regard to accuracy of billing, validity of the meter  
20 readings and/or estimates and a calculation of  
21 interest and penalties assessed by PGW.

22 Am I looking at the right place? I want to  
23 make sure. I'm sorry. It's further up. It's on  
24 page 44, and it's the item that's labeled B: SBG  
25 also disputes the calculation and imposition of the

1 interest and penalties assessed by PGW on the  
2 accounts PGW claims to be late.

3 Q. So, in the amended complaint, you're asking  
4 for what?

5 A. PGW show us their calculation of interest and  
6 penalties.

7 Q. When was this complaint filed?

8 A. This amended complaint was filed on December  
9 10, 2012.

10 Q. What have you received that would explain  
11 that?

12 A. To date, I have not received an explanation of  
13 each late payment charge listed.

14 MR. FARINAS: To date, you have not  
15 received what?

16 THE WITNESS: An explanation of the late  
17 payment charges listed.

18 MR. FARINAS: Did you say each late  
19 payment charge?

20 THE WITNESS: Yes, I did.

21 BY MS. BOONE:

22 Q. For the record, can you identify the dates  
23 you're concerned about or the pages where those  
24 transactions can be found?

25 A. To be honest, I'm concerned with all of them.

1 Q. When you say all of them, what do you mean?

2 A. Every late payment charge.

3 Q. For which property?

4 A. For colonial Garden, both accounts, one  
5 account, two statements of account.

6 Q. What about the other properties, Fairmount and  
7 Elrae and Marshall?

8 A. This applies to each consolidated or each  
9 complaint we filed with the PUC.

10 Q. And the pages for Colonial Garden in  
11 particular, what pages are covered, the pages that  
12 are found at the SBG Colonial Garden binder?

13 A. They start on page 78, the late payment  
14 charges.

15 Q. Under tab 7?

16 A. Yes.

17 Q. Are there any other concerns about Colonial  
18 Garden?

19 A. Yes. I went over the late payment charges.  
20 There was on page 82 of tab 7 a transaction dated  
21 October 22, 2006, a one-time invoice of \$53.50.

22 JUDGE VERO: What's the date that you're  
23 referring to?

24 THE WITNESS: It's on page 82.

25 MS. BOONE: The SBG Colonial Garden

1 binder page 82.

2 THE WITNESS: It is the transaction  
3 that's outside the statement of accounts. It's  
4 labeled dispute number 50.

5 JUDGE VERO: Thank you.

6 THE WITNESS: It's dated October 22,  
7 2006. We dispute this one-time invoice which we were  
8 charged \$53.50. Upon my review of this account, I  
9 found no explanation of this charge.

10 BY MS. BOONE:

11 Q. What did you do to investigate it?

12 A. We asked PGW about it.

13 Q. What response did you receive?

14 A. I did not get a response.

15 Q. When you looked at the bills, was there a  
16 statement or explanation on any of the bills around  
17 the time this charge was imposed?

18 A. I wasn't around when this charge was imposed.  
19 I don't know if there was an explanation sent, but I  
20 did not understand it upon my reconciliation.

21 Q. Looking at the bills from that period, was  
22 there a statement that explained it?

23 A. I did not see one. Also, on page 86, which  
24 item is labeled dispute number 34 at 11/2 2011, there  
25 was another high meter read.

1 Q. Just for the record, identify what that this  
2 is at SBG Colonial Garden binder page 86?

3 A. Yes.

4 Q. The document you're referring to?

5 A. Is a statement of account that we recreated  
6 and reviewed for Colonial account number 6128000245  
7 for the meter number 2115477.

8 Q. And the problem that you mentioned?

9 A. It was another meter read for CCF usage of  
10 2,815. We labeled it J, which corresponds to our  
11 legend of a meter read dispute, again, when looking  
12 at the historical usage on this --

13 Q. Will you please cite the tab?

14 A. I'll give it to you. Let me look at my notes  
15 here.

16 If you go to SBG Colonial Garden 151 and you  
17 follow November of 2011, there's a CCF usage of  
18 2,815, which looking historically back, compared to  
19 2010, 2009, 2008 and 2007, the same period which is  
20 abnormally high.

21 Q. Why did you go in that direction instead of  
22 going backward?

23 A. I didn't have information for November of 2012  
24 at that date.

25 Q. What does your analysis tell you?

1 A. It shows me this is abnormal consumption, gas  
2 consumption at this particular date for this  
3 particular month.

4 Q. What would you define as normal?

5 A. Something that's consistent with the prior  
6 read.

7 Q. For what period?

8 A. For the same period in prior years or  
9 afterwards, depending on what information is  
10 available.

11 Q. By period, do you mean the months?

12 A. That's correct.

13 Q. Why is this relevant?

14 A. Because if there is a faulty meter in November  
15 of 2011, we need to know that so we're not  
16 over-billed going forward.

17 Q. Besides the CCF usage, how else would you  
18 obtain information about what's going on with this  
19 meter and this account?

20 A. PGW would have to provide me with the history  
21 of the meter.

22 Q. How do you get that information?

23 A. You have to request it.

24 Q. In reviewing the books and records of SBG,  
25 what did you find out in terms of the correspondence

1 between the parties?

2 A. I saw that in 2011, there was a lot of  
3 disputes going back and forth regarding Colonial  
4 account.

5 Q. What resolution did you see by reviewing the  
6 books and records of SBG?

7 A. I'm not aware that a resolution was made.

8 Q. Going back to the two SAs, were there other  
9 individual disputes for other transactions?

10 A. Yes, the late payment charge calculation that  
11 I already went over.

12 Q. If you could turn to page 85 in the SBG  
13 Colonial Garden binder, please identify the  
14 transaction identified as number 2 on that page?

15 A. In May of 2009, there was a late payment  
16 charge applied of \$716.03.

17 Q. Under the column titled dispute, what letter  
18 is stated there?

19 A. An F.

20 Q. What does an F mean?

21 A. F means I'm disputing the late payment charge  
22 assessed.

23 Q. How does that differ from the J late payment  
24 charge?

25 A. The J wasn't a late payment charge. J was a

1 meter dispute and F is a late payment charge.

2 Q. Are there any other kinds of dispute other  
3 than J and F?

4 A. Yes. It would be the I that I reviewed on  
5 page 82.

6 Q. Okay. So, for the Colonial Garden account,  
7 from start to finish or rather from 2004, 2005  
8 through August 3, 2013, this account has two SAs?

9 A. Yes.

10 Q. You've reviewed the transactions for that  
11 period for those SAs. Other than the transactions  
12 you've identified, are those the sum total of your  
13 dispute with the account and the SA?

14 A. Honestly, until I am able to determine how PGW  
15 applies its payments, because I've gotten conflicting  
16 information, I can't determine what exact amounts I  
17 dispute because I don't know the basis for which  
18 they're calculating late payment charges. If that's  
19 not provided to me, I can't confirm if it's accurate  
20 or not.

21 Q. So, as a person charged with looking at the  
22 bills for SBG, what do you do?

23 A. We file a PUC complaint requesting the  
24 information.

25 Q. What are you asking the Commission to do now?

1 A. I'm asking them to impose a penalty on PGW for  
2 not providing us with the information and/or possibly  
3 violating the calculation of interest, the two rates  
4 of interest that apply to these balances.

5 Q. What are you asking them in terms of  
6 information to be provided?

7 A. I've already asked them for a calculation.

8 Q. What are you asking the Commission to obtain  
9 from PGW?

10 A. I would like an explanation of late payment  
11 charges in calculations, not the dollar amount. I've  
12 been provided with the dollar amount of the late  
13 payment charges.

14 Q. You want a calculation for the percentage  
15 applied before -- if you would explain a bit more,  
16 when you say late payment charges, are you saying you  
17 want to know the particular percentage applied for  
18 before the debt is liened and after the debt is  
19 liened?

20 A. I suspect if I ask PGW to provide me with a  
21 calculation of their exact late payment charges, the  
22 two interest rates applied, that that would be in the  
23 calculation provided.

24 Q. You also need to know the dates as well?

25 A. If I need an explanation of the late payment

1 charges, I would suspect they would be able to give  
2 that information to me, and the other part of it is  
3 that at any given date, I don't know what amounts are  
4 liened on these properties and the dates the late  
5 payment charges are being applied. I would need to  
6 know the liens that were applied on this particular  
7 account number. I would need the dates of service  
8 that apply to those particular liens so I can  
9 reconcile the bills, then I would also need to have  
10 the SA that the lien applies to.

11 Q. You were hired in December of 2011?

12 A. Correct.

13 Q. What percentage of your work responsibility  
14 has this just trying to find out the calculations,  
15 how much time has this taken?

16 A. Believe it or not, I do have another job  
17 responsibility, which is a true accounting function  
18 outside of PGW, and I have spent a significant amount  
19 of time trying to work on reconciling the PGW account  
20 and trying to calculate their interest.

21 Q. Since you were employed, would it be more than  
22 50 percent, more than 40, 60?

23 A. I hate to admit it, it's roughly 70 percent of  
24 my time working on PGW in addition to my true  
25 accounting function of paying out other bills and

1 working on commercial properties.

2 Q. If you had received this information a year  
3 ago, what would you be doing with your time now as an  
4 employee?

5 A. I would be more efficient at my day-to-day  
6 job.

7 Q. Why is that?

8 A. Because I get Emails all day long. I'm  
9 constantly getting calls. I could be able to  
10 reconcile these accounts if I got the appropriate  
11 information. I'd be able to confirm to  
12 Mr. Pulley whether or not he paid the appropriate  
13 amount during the payments.

14 Q. To the best of your knowledge, how many other  
15 employees of SBG have been working on trying to  
16 resolve these PGW matters?

17 A. I know Eric Lampert has spent some time on  
18 it. I know my associate, Artem, has spent some time  
19 working on it.

20 Q. Will you say his first and last name please  
21 and spell it.

22 A. Artem, A-R-T-E-M.

23 Q. And his last name please for the record.

24 A. G-U-M-E-N-Y-U-K.

25 Q. Any other points you believe the Commission

1 would benefit knowing about PGW, SBG?

2 A. I just want you to know I have an extensive  
3 background in accounting. I spent five years in  
4 public accounting working for Price Waterhouse, which  
5 is one of the large accounting firms. At that job, I  
6 spent significant time doing audit work, which is  
7 tracing documentation, financial transactions; so,  
8 I'm pretty efficient at tracing transactions  
9 financially and I understand how to reconcile  
10 accounts.

11 Unfortunately, to date, I haven't been  
12 provided with the whole picture as to how PGW has  
13 calculated their charges and I'm just looking for  
14 some assistance with this since we can't get  
15 information. I spent time on the phone. I've met  
16 with PGW representatives in December and an example  
17 of the type of information that doesn't come from PGW  
18 is, you know, we asked for this information. It was  
19 requested during discovery. It was not provided to  
20 us at the time. It was not provided to us when we  
21 requested the information and it's just been really  
22 difficult, in general, just trying to get to the  
23 bottom of this whole thing.

24 MS. BOONE: Thank you. I don't have any  
25 further questions.

1 JUDGE VERO: Thank you. All right. It  
2 is too late. I have 30 minutes to 5:00 and we cannot  
3 complete the entire testimony of Ms. Treadwell today.  
4 Cross-examination, can it be completed in the next  
5 ten minutes.

6 MR. FARINAS: Your Honor, I can go to  
7 5:15, stop at 5 o'clock, whatever you want to do. I  
8 do have some questions.

9 JUDGE VERO: I do understand you have  
10 some questions. Is it something that can be  
11 completed today without us going back tomorrow to  
12 cross-examination?

13 MR. FARINAS: No.

14 JUDGE VERO: Then we won't even start  
15 with the cross-examination. We'll leave it until  
16 tomorrow. Before we complete for today, I do have  
17 some questions for you.

18 Is it your understanding that when you  
19 ran down the calculations and figured out exactly  
20 what percentage of the balance the LPC constituted,  
21 and I see you ran it down and it's very helpful and I  
22 know it varies; it is not always 1.5 percent. Do you  
23 do it with the expectation that it will be that same  
24 percentage that will be applied to the entire  
25 outstanding balance or did you do it with the

1 understanding that a different percentage would be  
2 applied to principal as opposed to late payment  
3 charges?

4 Did you do it with an expectation that  
5 once the lien is filed, that combined, it would be  
6 two percentages combined?

7 THE WITNESS: I think I understand your  
8 question. I didn't have an expectation originally.  
9 My job was to confirm what amount they applied to  
10 late payment charges. So I did a formula which  
11 calculated what they were applying, then it was my  
12 understanding trying to understand, okay, why do  
13 these amounts fluctuate. You know, PGW said they  
14 charge 1.5. That's what's on the bill. Why is it  
15 changing, and then my understanding became there's  
16 two rates of interest that should be applied. How do  
17 I know what they were doing at any given day. I just  
18 didn't know.

19 JUDGE VERO: I didn't know, because the  
20 Commission is not concerned with these and I didn't  
21 know the moment the lien is placed. It's SBG's  
22 position through your testimony, it's a judgment,  
23 right?

24 THE WITNESS: Correct.

25 JUDGE VERO: And it's your testimony

1 that you found out that as a judgment, you should be  
2 under a -- is it .5?

3 THE WITNESS: The 6 percentage annually  
4 and .5 percent monthly.

5 JUDGE VERO: Yes?

6 MS. BOONE: I would be happy to show you  
7 the statute that says that and the case that's  
8 referred to in the statute.

9 MR. FARINAS: Your Honor, relevant to  
10 that, I believe there's some misinformation going on  
11 and that would be the basis for my --

12 JUDGE VERO: What type of  
13 misinformation?

14 MR. FARINAS: As explained as recently  
15 as three days ago and previously, we made it clear to  
16 SBG that the municipal interest rate for municipal  
17 liens does not apply to PGW's liens because it must  
18 have specific authorization under municipal code. The  
19 property taxes are authorized to do that. Water  
20 charges are not and gas is not, and as we've  
21 explained to SBG previously, obviously our  
22 explanation was not accepted, that there is no  
23 interest charged in municipal liens.

24 JUDGE VERO: Counsel, as I just stated  
25 on the record my ignorance when it comes to this

1 facet of liens. Liens are fully outside the  
2 Commission's jurisdiction. I am not familiar with  
3 the details of how they're filed, what the procedure  
4 is, what statutes regulate them, et. cetera. I admit  
5 I have no idea. It turns out that in this case, that  
6 particular law, regulations, municipal act, whatever  
7 that is, may have some bearing on this proceeding.

8 Would the parties be willing to brief it  
9 so I can be enlightened?

10 MS. BOONE: Yes, Your Honor.

11 JUDGE VERO: Very good. We have already  
12 one proposal for a brief going on and I'm asking help  
13 with another issue. I'm asking the parties to brief  
14 another issue.

15 MS. BOONE: In fact, Your Honor, I would  
16 be perfectly happy to hand up the case known as  
17 Equitable Gas Company versus Wade, which is actually  
18 cited in the tariff that covers the 1.5 percent  
19 imposition, the 1.5 percent interest rate  
20 calculation.

21 MR. FARINAS: That's the late payment  
22 charges.

23 MS. BOONE: Yes, the late payment charge  
24 you mentioned, and in this case, it says that post  
25 judgement interest trumps the tariff, because what

1 happens essentially is, once the municipal lien is  
2 placed, then it becomes a judgment, and tariffs  
3 govern debts before they become judgments, but once a  
4 lien becomes a judgment, you're now outside title 66,  
5 and if you look at the municipal lien law, it says it  
6 applies to matters in title 66.

7 This says that once it becomes post  
8 judgement interest, then it's subject to the rules of  
9 post judgement interest. The case you may want to  
10 see, and I'd be happy to hand it up is, Equitable Gas  
11 Company, and I'll give you a copy too.

12 JUDGE VERO: Thank you.

13 MS. BOONE: Here, Mr. Farinas.

14 MR. FARINAS: Thank you.

15 JUDGE VERO: Ms. Boone, have you  
16 concluded your little argument?

17 MS. BOONE: I have one other document  
18 I'm looking for, but he can speak.

19 JUDGE VERO: Okay.

20 MR. FARINAS: Your Honor, as I stated,  
21 and I can bring a witness tomorrow that will testify  
22 as to how interest is charged. My witness will state  
23 that municipal interest is not charged on municipal  
24 liens and we can explain the scheme in which the  
25 tariff rate is continued to be charged, because it is

1 not a finalized account.

2 We can explain our scheme for that, and  
3 I believe it is consistent with both the municipal  
4 lien code and with the tariff.

5 JUDGE VERO: Both counsel, give me a  
6 moment to look through this case in the Superior  
7 Court of Pennsylvania Court of Pennsylvania,  
8 Equitable Gas Company versus Wade so I can see what  
9 the case is about.

10 (Whereupon, the document was reviewed.)

11 JUDGE VERO: Is this the entire history  
12 of this case?

13 MS. BOONE: Yes. I shepardized it. I  
14 can give you the shepard's page if you like. Here's  
15 the shepard's page for it.

16 It might help us in our briefing if  
17 Mr. Farinas would say what part of the tariff he's  
18 relying on for the one and a half percent.

19 JUDGE VERO: Do you have the tariff? I  
20 remember I asked you yesterday to bring a copy of the  
21 tariff?

22 MR. FARINAS: Yes, I do.

23 MS. BOONE: May I have a copy of it as  
24 well or at least the applicable section?

25 JUDGE VERO: Ms. Boone, do we know that

1 this is a lien case?

2 MS. BOONE: Yes. There's a line of  
3 cases which I will put in my brief, and the way I  
4 even found this case is because I looked up under  
5 Public Utility Commission, title 52, the accrual of  
6 late payment charges, how they're imposed, and it's  
7 my understanding the tariff that applies is 52  
8 Pennsylvania code, section 5622, title 52, chapter  
9 56.22. It's titled accrual of late payment charges,  
10 and if you look at the back of the sheet, it says a  
11 conflict with the statute.

12 JUDGE VERO: I'm familiar. It's a  
13 notation under that. That's why this particular  
14 case, it sounded familiar, the citation of the Wade  
15 case, it sounded familiar. I couldn't recall the  
16 details of it. That's why I ask whether you had  
17 shepardized it.

18 MS. BOONE: There are a line of cases  
19 that also follow and some other cases where  
20 essentially, the court is saying that a tariff while  
21 it has the force of law, it does not trump a statute  
22 for post judgment interest, that you can't charge the  
23 one and a half percent until the lien, until it  
24 becomes lien debt. A lean is a judgment. If you are  
25 in a trial in Court of Common Pleas and you get a

1 judgment against someone, even if you under your  
2 contract are allowed to charge 25 percent interest up  
3 until the date of the judgment, once a judgement is  
4 fixed, that debt is now set. It goes into post  
5 judgement category and now interest is charged at the  
6 rate of 6 percent. It's post judgement.

7 So, what this case says and some other  
8 cases in Pennsylvania is, once the lien is set, you  
9 now have a judgment and the interest rate drops from  
10 one and a half percent to .5 percent. We needed to  
11 know if there's a settlement, if there's a lien, if  
12 there's a payout, what category or what bucket are  
13 you putting this late payment charge, if you're doing  
14 it at one and a half or .5. That's the kind of  
15 information, frankly, we're asking the Commission to  
16 have PGW give to us so we'll know if our books are  
17 right.

18 MR. FARINAS: I believe that is not  
19 absolutely correct. When an account is an active  
20 account, it continues to be not a judgment. A lien  
21 is just a marker to state, on this date, we have said  
22 this amount is owed to PGW. If the account is  
23 active, it continues to accrue interest under the  
24 tariff. Under no circumstances is the municipal lien  
25 interest rate applied at all, whether or not the

1 account has been finalized and remains as a lien or  
2 while it remains an active account, and part of it is  
3 just as a marker lien.

4 JUDGE VERO: Ms. Treadwell, you may step  
5 down.

6 (Whereupon, the witness was excused.)

7 MS. BOONE: With all due respect, I  
8 believe the tariff you're referring to for liens by  
9 City gas distribution companies is actually found in  
10 title 66 of the PAC section 14, 14; is that correct?

11 MR. FARINAS: That's correct.

12 MS. BOONE: If you look at that title  
13 and, you will see it really refers to --

14 JUDGE VERO: Did you say 14, 14?

15 MS. BOONE: Yes, 14,14, lien by that  
16 natural gas distribution operations.

17 JUDGE VERO: Title 66 of the  
18 Pennsylvania Consolidated Schedules, Section 14, 14?

19 MS. BOONE: Yes, as well as if you look  
20 at 66 PACS, Section 22, 12, which talks about  
21 collections. They're all referring to this section  
22 or this part of the statute or this title. Over and  
23 over again, you hear this title. Nothing in this  
24 title. Well, this title is 66. It's not post  
25 judgment lien; so, that's why I think that Equitable

1 Gas case is so important because you have a  
2 definitive statement by an Appellate court in  
3 Pennsylvania that says, this is what the tariff says;  
4 this is what the law that governs post judgement  
5 interest says and which one applies. There are also  
6 cases as you probably know when there's a conflict  
7 between two statutes, the court is to harmonize the  
8 statutes, and the court analyzed these two and made a  
9 determination, that a tariff, while it's very  
10 important, once you become a lien, you've now moved  
11 from the PUC. As you have said Mr. Farinas yourself,  
12 you have now moved from the PUC and you've entered  
13 into the court system. So, that court judgement,  
14 that lien now becomes a judgment and you are at the 6  
15 percent annually.

16 Now, where this kind of gets mixed up or  
17 messy, for lack of a legal term, is that PGW is  
18 keeping a statement of accounts that's a running  
19 tab. Because the account isn't closed, it's a  
20 running tab, and instead of having documents that say  
21 a lien was placed on this day, this portion of a debt  
22 is now at 6 percent, we just get boom, LPC. That's  
23 it. We tried to figure it out ourselves. We can't.  
24 We really need the Commission to order PGW to explain  
25 to make sure we're not overpaying.

1 JUDGE VERO: Would it be beneficial to  
2 the parties to brief this issue, because first of  
3 all, I need to know for certain that when a lien is  
4 just filed with the Court of Common Pleas of  
5 Philadelphia County, does it become a judgment.

6 This is what I need to know for certain,  
7 and once I know that, I can go and look at Equitable  
8 Gas versus Wade and use that case, but I don't know  
9 the status of a lien because I'm not familiar with  
10 liens; so, I need to know when does it exactly turn  
11 into a judgment and when does SBG expect it to be  
12 charged a different percentage rate than what the  
13 tariffs and the Commission regulation requires. Are  
14 we clear?

15 First, I want to know the status, how  
16 does it proceed, when it becomes what is recognized  
17 by the law as a judgment so that different percentage  
18 rates will kick in. Also, I would like to know,  
19 because I understand, Mr. Farinas, that you had your  
20 own argument with regard to why in this case of PGW,  
21 this particular ruling of the Superior Court of  
22 Pennsylvania.

23 MR. FARINAS: I understand.

24 JUDGE VERO: You had your own  
25 explanation as to why PGW is allowed to continue with

1 the 18 percent annual interest rate on late payment  
2 charges, as late payment charges. You just started.  
3 You were talking about the Municipal Act, et cetera;  
4 so, what was it?

5 MR. FARINAS: Using your analysis, it is  
6 not the judgment that Ms. Boone is characterizing it  
7 to be. It is an active account. It is simply a  
8 marker in time for when a certain amount was billed  
9 and unpaid at a property.

10 JUDGE VERO: That's why I need the  
11 parties to brief that for me.

12 MR. FARINAS: That's fine. I'm sure it  
13 has something to do with when a lien is executed, but  
14 we will brief it.

15 JUDGE VERO: One more issue to brief.  
16 Okay. How can we have it done?

17 MS. BOONE: Do you want to issue an  
18 order on both questions to be briefed.

19 JUDGE VERO: I can do that.

20 MS. BOONE: Thank you.

21 MR. FARINAS: Right now we're scheduled  
22 to do a main brief and reply on one issue, but do you  
23 want two main briefs and two replies on the other  
24 issue?

25 JUDGE VERO: Yes. So, this changes the

1 dynamics and the requirements. Let's think it over.  
2 It's too late in the day. I'm not functioning in all  
3 capacity here; so, let's think it over and discuss it  
4 some more tomorrow, just how to organize the briefs,  
5 when is the best time to have them. Should we have  
6 this issue sorted out before we go on or is it  
7 something that can be briefed and something I just  
8 use for the initial decision; you understand what I  
9 I'm saying?

10 MR. FARINAS: Yes.

11 MS. BOONE: Yes.

12 JUDGE VERO: Just as a normal brief  
13 would be. I just use it as an initial decision  
14 section and I make a decision on the brief, the  
15 initial decision stage and I issue my determination  
16 through that decision rather than having an interim  
17 order as we were planning in the statute of  
18 limitations. Is it something we can do? Let's all  
19 three of us think it over and come up with some  
20 alternative and we'll pick the best one tomorrow.  
21 It's just a matter of I thought we only had one or  
22 two issues and more are coming up.

23 MR. FARINAS: Okay.

24 MS. BOONE: Thank you, Your Honor.

25 JUDGE VERO: Okay. This concludes

1 today's hearing on these consolidated cases. I thank  
2 you very much for your effort and participation here  
3 today. I will see you tomorrow. Thank you.

4 MR. FARINAS: Thank you, Your Honor.

5 MS. BOONE: Thank you, Your Honor.

6 (Whereupon, at 5:10 p.m., the hearing  
7 was adjourned.)

8 \* \* \*

9 C E R T I F I C A T E

10  
11 I hereby certify, as the stenographic  
12 reporter, that the foregoing proceedings were taken  
13 stenographically by me, and thereafter reduced to  
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15 this transcript is a true and accurate record to the  
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