

COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION

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

ORIGINAL

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

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

Further Hearing :

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Pages 686 through 936 Hearing Room
801 Market Street
Philadelphia, Pennsylvania

Friday, January 30, 2015

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

BEFORE:

ERANDA VERO, Administrative Law Judge

APPEARANCES:

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C O N T E N T S

	<u>WITNESSES</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>
3	Bernard Cummings				
	(By Mr. Farinas)	718	--	776	--
4	(By Ms. Ross)	--	735	--	--
5	Wendy Vacca				
	(By Mr. Farinas)	777	--	--	--
6	(By Ms. Ross)	--	822	--	--
7	Diane Rizzo				
	(By Mr. Farinas)	841	--	873	--
8	(By Ms. Ross)	--	852	--	--
9	Ralph T. Savage				
	(By Mr. Farinas)	882	--	911	--
10	(By Ms. Ross)	--	894	--	912

E X H I B I T S

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13	<u>SBG CG/SG</u>		
14	3 (Calculations)	--	918
15	7 (Lien Sheet)	854	923
16	8 (Parts of testimony)	928	928
17	<u>PGW</u>		
18	1 (Customer Contacts	780	916
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P R O C E E D I N G S

ADMINISTRATIVE LAW JUDGE ERANDA VERO:

1
2
3 Good morning. This is the time and place for the
4 further hearing in the matter of SBG Management
5 Services, Inc./Colonial Garden Realty Company, LP
6 versus Philadelphia Gas Works at Docket Number
7 C-2012-2304183 which is one of a set of three
8 consolidated cases, SBG Management Services Inc./
9 Simon Garden Realty Company, LP versus Philadelphia
10 Gas Works, Docket Number C-2012-2304324 and SBG
11 Management Services Inc./Colonial Garden Realty
12 Company, LP versus Philadelphia Gas Works, Docket
13 Number C-2012-2334253.

14 My name is Eranda Vero. I'm presiding
15 administrative law judge in this matter. I will note
16 for the record that pursuant to a conversation we had
17 on the record yesterday, the conversion matter on one
18 of the Colonial Garden complaints that's been
19 consolidated, the complainant has indicated they wish
20 to withdraw that particular complaint, and that falls
21 under Docket Number C-2012-2334253.

22 I know that the complainants completed
23 their direct testimony yesterday. PGW also completed
24 their cross-examination, but upon reflection, I do
25 have a couple of questions for Ms. Treadwell, just

1 two questions; so, it will be brief.

2 From you, Mr. Farinas, I will need for
3 you to take some time and look at the witness matrix
4 you submitted and you need to approximate the time
5 for each of your witness' testimony so I can time you
6 just as I timed Ms. Ross yesterday. As I said, we
7 will be finished today with these cases, at least
8 these three cases.

9 Ms. Treadwell, I do have a couple of
10 questions in regard to your testimony in these
11 cases. You testified on SBG CG/SG Exhibit 3 and we
12 also had -- rather, you were here when the
13 complainant's expert witnesses provided testimony in
14 terms of late payment charges and interest rates, et
15 cetera. I understand that it is now -- let's
16 approach this in a different way.

17 Ms. Ross, yesterday you asked permission
18 to make an opening statement because you said I'm a
19 new attorney and you indicated that possibly the
20 legal theory of the complainants might have changed.
21 You started. What you presented, it didn't seem like
22 it had changed and then you stopped.

23 MS. ROSS: At your direction.

24 JUDGE VERO: No. I said, so far, you
25 haven't directed me to what the change is and I was

1 looking for what the change was. What you gave me
2 was identical.

3 MS. ROSS: You didn't let me complete my
4 opening.

5 JUDGE VERO: No. I said, go directly to
6 the change and you said, okay, and you sat down.
7 Now, would you like to attempt it one more time and
8 going directly to the change if there is any, not a
9 summary of the struggles, et cetera, et cetera. I
10 need, this is what it was, this is where we are or
11 even just this is where we are in our new legal
12 theory. Is your take on the case as an attorney
13 different from that of what the previous SBG attorney
14 was?

15 MS. ROSS: I think the theory is a
16 little more developed.

17 JUDGE VERO: Okay. Take me to the
18 developed part. How has it developed? Just go to
19 the developed part.

20 MS. ROSS: In 2013 and in 2012 when the
21 complainants first filed these matters -- and I'm
22 sorry if I'm not standing. I should address the
23 Court appropriately.

24 Good morning. I'm Donna Ross, for the
25 record, and I represent the complainants. What we

1 did allege in our pleadings and we have maintained
2 through all of our questions pertaining to discovery
3 is that we have had an ongoing 14 year dialogue with
4 the company to find out the application of our
5 payments, the breakdown, how they are applied. That
6 being said, we were never fully informed. We were
7 never informed. It was never provided, any
8 information was never provided to us as to how the
9 late payments were actually as our expert testified
10 reordered to and applied to our principal balances;
11 thus, leaving an exaggerated principal balance.

12 I don't think that was directly defined
13 initially because it was undisclosed to us, and it
14 wasn't until we received discovery in September of
15 2014 when we had that full analysis and we could
16 actually see the way in which those moneys were
17 applied to the accounts.

18 Obviously, it is most evident when
19 partial payments are made on the account and,
20 therefore, you can see how PGW wipes out late payment
21 charges first. They don't and it's not clear from
22 the statute. As a matter of fact, it's silent in the
23 statute, but what we also were not putting forth is
24 as per Chapter 5662.74, the hierarchy of payments.
25 That was never made crystal clear and we think it is

1 pivotal to this particular --

2 JUDGE VERO: Don't tell me what is
3 pivotal. Tell me what your theory is right now, what
4 you want me to see.

5 MS. ROSS: That basically PGW increases
6 --

7 JUDGE VERO: How is it different from
8 before? This is the part I need to see, how it has
9 developed. You told me it has developed. It has
10 evolved; so, from the last words that was said back
11 in August of 2013, just take me from that day to
12 today or from that day to yesterday, how it has
13 evolved, just the different part. So, now we're
14 saying this ...

15 MS. ROSS: That PGW failed to disclose
16 to any of its customers the manner in which they
17 apply their payments to their accounts, the way in
18 which they reorder the payments to the accounts that
19 leaves an under-funded principal balance due, and to
20 the extent that I have asked and I know you have
21 denied it, but it's for the record, I am looking at
22 the rules of the Commission under 5.92B.

23 I am making an oral motion to amend the
24 pleading as necessary to conform to the evidence and
25 the new issues raised and I think that have been

1 presented in the testimony pertaining to the manner
2 in which these accounts are receiving payments and
3 the payments are being applied out of order of what
4 is allowed by the tariff and the increase in interest
5 rates, and that is my motion.

6 The motion is basically to amend the
7 complaint to allow us to go beyond what your ruling
8 is, and I believe, and I'm going to quote inclusive,
9 the date that you are allowing for us to present
10 evidence as I understand it is limited to December
11 2012.

12 JUDGE VERO: Yes.

13 MS. ROSS: And we filed our initial
14 complaint in May of 2012, and you have now directed
15 us to file complaints that would reflect -- is it
16 December or is it May? Pick one because I'm not
17 sure.

18 JUDGE VERO: No.

19 MS. ROSS: Well, it depends on whether
20 or not the --

21 JUDGE VERO: No, it was filed -- all the
22 complaints -- not all of the complaints. Eight of
23 the complaints that are now before me, because the
24 Colonial conversion, I understand you want to
25 withdraw it. That's fine, but it's eight complaints

1 if I'm not mistaken or five of them were filed by
2 Mr. Phil Pulley back in April of 2012 and then they
3 were refiled once he obtained an attorney.

4 They were amended first on order on
5 preliminary objections that PGW had filed on those
6 original complaints and they were amended; so, I am
7 taking the amended complaints as the cutoff date,
8 because that's when the complainant was represented
9 by an attorney. I believe that's a better cutoff
10 date.

11 MS. ROSS: On all of them?

12 JUDGE VERO: They were represented by an
13 attorney.

14 MS. ROSS: You said five of them.

15 JUDGE VERO: I think the original ones
16 were five that were filed by Mr. Pulley, and then
17 there were several others. I don't remember when,
18 but I think what we have today, the amended
19 complaints, what we have today were filed by
20 Mr. DeBrauf(ph) in December of 2012, at least the
21 complaints that are still in this set of consolidated
22 complaints, the one Colonial Garden and the one Simon
23 Garden, those were filed as amended complaints by
24 Mr. DeBrauf; so, that's my cutoff date.

25 Let me go a little further, but you're

1 done in terms of your answering as to what the
2 development of your theory was, not the motion part.
3 Your answer as to my question what has changed in
4 terms of the complainant's legal theory, you're done
5 with that, right?

6 MS. ROSS: Actually, this information
7 has been concealed from the complainant throughout
8 and it has detrimentally affected their account from
9 the beginning, because that information, despite
10 repeated requests since 2002 has never been provided
11 to the complainant in full until September 2014 and
12 ongoing as recently up until December 2014.

13 JUDGE VERO: I want to know your answer
14 so I can move on and ask Ms. Treadwell a question.

15 MS. ROSS: I think I've answered that
16 and also, as for my motion to amend the pleadings --

17 JUDGE VERO: I will address your motion
18 as well. I asked you a question. You answered my
19 question, then you started to move to the motion; so,
20 I need to know when the answer to my question ended
21 so I can pick it up again with Ms. Treadwell, but I
22 understand your motion. I will get back to you,
23 okay.

24 Now, Ms. Treadwell, I believe you said
25 in your testimony that you started working with the

1 company in December of 2011?

2 MS. TREADWELL: Yes. I actually started
3 with SBG in December of 2011 and we have information
4 on liens and you can see in the contacts that I
5 contacted PGW for information; so, yes, that's
6 correct.

7 JUDGE VERO: Yes. I just wanted to know
8 that you started working in December of 2011?

9 MS. TREADWELL: Yes.

10 JUDGE VERO: And you started looking on
11 this account, the Colonial and Simon, I understand,
12 as of August of 2013. Correct me if I'm wrong, but
13 the complainant issued the late payment charges, a
14 slightly different one was that the monthly amount
15 was not always 1.5 percent, right?

16 MS. TREADWELL: Yes.

17 JUDGE VERO: And now are you still
18 pursuing that line or are we at a more evolved stage
19 or a different problem?

20 MS. TREADWELL: We're at a different
21 problem.

22 JUDGE VERO: Is it in addition to that
23 one? Is it a symptom of that one or was that one a
24 symptom of this one?

25 MS. TREADWELL: It's not a symptom. You

1 know, gaining an understanding, you have to have all
2 the relative facts.

3 JUDGE VERO: Are you still saying it's
4 not 1.5 percent per month?

5 THE WITNESS: We see PGW scales it as
6 1.5 a month. The problem is we don't agree with the
7 dollar amount that was assessed. They may apply the
8 one and a half percent, but we don't agree with the
9 dollar amount.

10 JUDGE VERO: I have an exhibit prepared
11 by you back in August that has a breakdown where it
12 wasn't always showing 1.5 percent. We're moving away
13 from that which is no longer what you are
14 challenging, the particular 1.5 percent. It's the
15 dollar amount or it's methodology, et cetera, but
16 it's not that 1.5 percent anymore?

17 MS. TREADWELL: At that particular time,
18 I was unfamiliar with the formula.

19 JUDGE VERO: When did you discover the
20 problem that has evolved? You're saying now we know
21 more.

22 MS. TREADWELL: Once we saw the late
23 payment analysis. Once we saw the cumulative
24 principal versus the unpaid LPCs and the cumulative
25 principal.

1 JUDGE VERO: How about the 1.5 percent
2 issue you had, when did you first discover it?

3 MS. TREADWELL: The original
4 calculations?

5 JUDGE VERO: Yes, the original
6 calculations when you were uncomfortable with the
7 late payment charge.

8 MS. TREADWELL: When did I come to the
9 understanding that it changed to one and a half
10 percent?

11 JUDGE VERO: No. You had the
12 calculations and you had a problem. When did you
13 have that problem?

14 MS. TREADWELL: Early on when I
15 started.

16 JUDGE VERO: Give me a date for early
17 on?

18 MS. TREADWELL: When I prepared those
19 exhibits, which was prior to the hearing, which was
20 August 2013.

21 JUDGE VERO: You were preparing the
22 exhibits and you noticed it?

23 MS. TREADWELL: That's correct.

24 JUDGE VERO: Anybody else that picked up
25 on it before you?

1 MS. TREADWELL: I can't speak for
2 anybody else.

3 JUDGE VERO: And we don't have anybody
4 else. All right. I'll look at what I have. My
5 questions go to the issue we had with statute of
6 limitations; it's the matter of when did you discover
7 it. When you discovered it goes to how far back I
8 can go; so, I need to know when you discovered it and
9 the process, because in this case, it was a process
10 of discovering something, but I need to know when you
11 discovered it.

12 Those are the only questions. I had one
13 for Ms. Ross and one for you. Those were the only
14 two questions that I had.

15 I said yesterday I was going to let you
16 know I was taking official notice of a fact, and the
17 fact is that Mr. Pulley has filed previous complaints
18 to the Commission back in 2008 and 2009, filed by
19 Mr. Phil Pulley back in 2008 and 2009. I can give
20 you docket numberers because I intend to consider
21 them. One complaint was filed December 11, 2008,
22 Docket number C-2009-2082365.

23 MS. ROSS: Could you repeat that?

24 JUDGE VERO: C-2009-2082365. The
25 caption of that case ultimately was: York Road

1 Realty Company, LP Ice Skating Rink versus PECO
2 Energy Company.

3 The other case I'm taking notice of is
4 filed by Mr. Phil Pulley, signed by him as director
5 of operations, for what it is worth, bearing an email
6 address containing @ SBG Management.com, but this
7 complaint was filed January 30th -- I'm sorry, June
8 30, 2008. It was a formal complaint filed with the
9 Commission and bearing docket number C-2008-2051797.
10 The parties in that complaint are York Road Realty
11 Company, LP Ice Skating Rink. It was a complaint
12 made against PECO Energy Company. Both are formal
13 complaints. Both are signed by Phil Pulley as
14 director of operations for the complainant in those
15 cases.

16 If you want more information so that you
17 can go and verify, I can provide you that as in what
18 the status of those complaints are, how they
19 developed, et cetera, but I don't think it's relevant
20 for my purposes at least, but if you want me to
21 provide you copies, if you want anything else from
22 me, I can give it to you, but for my purposes and the
23 extent of what I think is reasonable for this notice
24 is just the date and Mr. Pulley's signature, the date
25 of those complaints, the fact they're formal

1 complaints filed with the Commission and the date
2 they bear and, of course, that they are signed by
3 Mr. Phil Pulley.

4 MS. ROSS: Your Honor, may we have
5 copies and could you provide that to us?

6 JUDGE VERO: Yes.

7 MS. ROSS: Thank you.

8 JUDGE VERO: You can take a look at it
9 and let me know whether or not you wish for these
10 documents to be a Commission exhibit. I can make
11 them into a Commission exhibit or I can just leave it
12 at my statement on the record that I'm taking
13 judicial notice of this fact. Let me know.

14 As you review them, let me know. All
15 right.

16 MS. ROSS: Thank you.

17 JUDGE VERO: I have copies for PGW and I
18 have copies for complainants. As I said, I have
19 additional documents that go under these dockets. If
20 there's a question in terms of what this document
21 entails or if there's a question on the form, shape
22 of the document, I have other documents. I just
23 thought for my purposes, at least, the text of the
24 complaint was sufficient, but if you have questions,
25 let me know.

1 MS. ROSS: May I approach?

2 JUDGE VERO: Yes, you may.

3 MS. ROSS: May I respond?

4 JUDGE VERO: Yes. I was going to say
5 you have the opportunity now to request or rather to
6 show that the facts are not properly noted or the
7 alternative facts should be noted.

8 MS. ROSS: To the extent that you are
9 taking judicial notice, I can't speak to the context
10 of these complaints. I can't speak to the outcome of
11 the complaints. I am not aware of the complaints,
12 but to extent they have been filed, I would imagine
13 they are a matter of public record.

14 With that being said, Mr. Pulley is not
15 here to obviously talk about the context, talk about
16 his relationship with PECO, talk about the dialogue
17 that went along; so, I think that there's facts that
18 we are not --

19 JUDGE VERO: I can explain --

20 MS. ROSS: So, to take judicial notice
21 of the fact --

22 JUDGE VERO: I can explain why I'm
23 taking judicial notice of the fact; although, I
24 thought it was obvious, but I will explain the reason
25 behind me taking judicial notice of the fact or

1 rather official notice. The reason I'm taking it is
2 because there were statements made from Mr. Pulley in
3 the initial hearings that he did not know we existed,
4 and we being the Public Utility Commission, and he
5 did not know he could raise a complaint, file a
6 formal or informal complaint with us.

7 We asked him, rather I asked him with
8 regard to formal complaints filed with the PCS, which
9 is a branch, a department of the Commission. I
10 believe the extent of his testimony was that he
11 wasn't aware or didn't know anything. He directed me
12 to Mr. Lampert. Mr. Lampert said he was shoved into
13 that. It doesn't matter. It was an informal
14 complaint filed in 2013.

15 I'm just giving you a background why I
16 think this is relevant information and one that I
17 will consider when I make my decision; so, I have
18 testimony on the record from Mr. Pulley himself that
19 he did not know we existed.

20 He brought forth his attorney who now I
21 understand is a judge, Mr. Daniel McCafferty, and he
22 said over and over and over again that Mr. McCafferty
23 spoke for himself, that he didn't know we existed,
24 that he did not advise Mr. Pulley to file a complaint
25 with us until it was directed or instructed to do so

1 by a judge in the Court of Common Pleas of
2 Philadelphia during the proceedings; I understand.

3 MS. ROSS: Foreclosure.

4 JUDGE VERO: Right, the foreclosure
5 proceedings.

6 MS. ROSS: And I'm familiar with the
7 portion of the testimony you're referring to.

8 JUDGE VERO: So, you know why I'm
9 bringing this up. I have it on the record, both
10 during my questioning of Mr. Pulley and during cross-
11 examination by Mr. Farinas, a question with regard
12 to, why didn't you file a complaint; why didn't you
13 file a complaint, and I understand his testimony to
14 be: I did not know or part of his testimony --
15 scratch that. Part of his testimony. I stand
16 corrected. Part of his testimony to be: We did not
17 know. He did not know. Possibly his employees did
18 not know that the Commission existed and was there
19 for him as a forum to adjudicate disputes; so, that
20 is the reason I'm bringing it forward. I'm not
21 bringing it for any disputes he has with PECO.

22 I understand your realty company is a
23 separate and distinct entity from what we have in any
24 one of those consolidated cases. I'm not taking this
25 for any evidentiary value apart from that portion of

1 Mr. Pulley's testimony that goes to his knowledge of
2 the Commission's existence as a forum to adjudicate
3 dispute and the implication that he thought PGW was
4 the end-all of any disputes as a customer and his
5 methods of approaching.

6 MS. ROSS: I think the transcript is a
7 little deeper in that he explains --

8 JUDGE VERO: I did say this goes to part
9 of his testimony and that addresses that one
10 particular part, the type of particular questions
11 that were posed to him.

12 Do you need any more information, any
13 questions, any objections? Do you want me to take
14 under consideration alternative facts? Do you have
15 an issue with this particular fact?

16 MS. ROSS: I think what I would say is
17 that to the extent that -- and, obviously, we are
18 still going on in the other hearings. Maybe that
19 could be addressed because it was testified in the
20 Fairmount, is in the Fairmount, and it may be a
21 matter of Mr. Pulley being able to explain that
22 testimony.

23 Again, I think you have to look at it in
24 the total context of the dealings he has had with PGW
25 and the past dealings that Mr. Lampert had in filing

1 his informal complaint and looking at the record as a
2 whole and whether or not I understand you're speaking
3 to a line. I vaguely remember reading that. I know
4 I read it, and whether or not it was in context along
5 with the discussion with Mr. McCafferty about the
6 value of filing disputes, and his attorney at the
7 time did not practice Public Utility law, and I think
8 he also had other attorneys that were dealing with
9 that.

10 JUDGE VERO: Let's not rehash the entire
11 testimony.

12 MS. ROSS: So, it's fact sensitive.

13 JUDGE VERO: It is fact sensitive, but
14 it is a fact that I will consider. I'm not saying
15 this is the only fact I will consider. It is a fact
16 that I will consider because I have that statement
17 over and over and over again and I understand it's
18 not the only statement in terms of his dealings with
19 PGW and his attempt to resolve his disputes.

20 MS. ROSS: And rather than litigate it,
21 trying and resolve it on his own as he's directed
22 to.

23 JUDGE VERO: Yes. As I said, it's a
24 part of his testimony, but it's a part that presented
25 a problem for me and I understand the sort of --

1 MS. ROSS: And we don't know whether or
2 not PECO told Mr. Pulley to do that. We don't know.

3 JUDGE VERO: I have other cases. Do you
4 want me to bring other cases that do not go beyond
5 the statute of limitations for the current case, but
6 that are before he filed a complaint with us. I have
7 one from 2011. I did not bring it here because that
8 particular one falls within the statute of
9 limitations. These two fall outside, but that one is
10 also a case against PECO. I can look for more, but
11 this goes to the fact that he has filed with the
12 Commission before, not only that maybe PECO directed
13 him, but I have a prehearing order issued by an ALJ
14 here in Philadelphia, Charles Rainey; who happens to
15 be the chief ALJ now. He issued a prehearing order.
16 That case was going to a hearing. As you know,
17 before it goes to hearing, there is some dealing, I
18 believe, in that case, it was some dealing. It goes
19 back and forth. It was some dealings. There was
20 some filings made. So, it wasn't just one sole
21 document or two sole documents. It was a notice of
22 complaint filed issued by the Commission, et cetera,
23 et cetera. So, there was back and forth.

24 MS. ROSS: Duly noted.

25 JUDGE VERO: So, the Commission's

1 presence came over and over and our very name is
2 Public Utility Commission. It doesn't say Electric
3 Commission. Like the City has a Gas Commission. I
4 don't you wouldn't go there for Electric Commission.
5 We are called the Public Utility Commission. The
6 form bears Pennsylvania Public Utility Commission
7 Formal Complaint Form. So, let's not go into that
8 direction of what PECO told him, et cetera, et
9 cetera. There have been quite a few dealings, a few
10 documents filed. I can even pull, as I said, a 2011
11 case. That could be a little bit problematic; so I
12 left that out.

13 All right. Mr. Farinas, about that
14 witness matrix?

15 MR. FARINAS: Your honor, PGW will be
16 calling four witnesses today. The first, Bernard
17 Cummings. I estimate he will require only 30 minutes
18 of direct testimony. I'm changing the order from
19 what was previously given to you. I'd like to call
20 second, Wendy Vacca, who will also require 30 minutes
21 as what we envisioned to be her testimony originally
22 as disputes have been withdrawn, several categories
23 of disputes; so, I really only require 30 minutes,
24 and for the two remaining witnesses, third, Ms. Diane
25 Rizzo, 45 minutes. She's the one that prepared the

1 late payment charge analysis on behalf of PGW.

2 Although, I did mention 45 minutes,
3 however, with the admissions to 1.5 was correct as
4 calculated, I don't suspect I would need that much
5 time. Finally, Mr. Ralph T. Savage, Ted Savage, 45
6 minutes.

7 JUDGE VERO: So, Mr. Savage will go
8 last?

9 MR. FARINAS: Yes.

10 JUDGE VERO: Before we start PGW's case,
11 I want to go back to your motion, Ms. Ross. My
12 decision on the cutoff date, I would like for it to
13 stand because I need a cutoff date. Are you
14 proposing a different cutoff date?

15 MS. ROSS: I mean for judicial economy
16 --

17 JUDGE VERO: Are you proposing a
18 different cutoff date. You have in your Exhibit
19 Number SBG's Exhibit Number 3, last date was December
20 2014.

21 MS. ROSS: I would be comfortable
22 proposing that date and that we wouldn't submit
23 anything beyond that at this point for judicial
24 economy.

25 JUDGE VERO: I have an issue with a

1 cutoff date in terms of you challenging, you being
2 the complainant challenging any other transactions
3 for ongoing transactions in terms of methodology of
4 accounting; you know?

5 MS. ROSS: Yes.

6 JUDGE VERO: It kind of makes sense, but
7 if I allow that cutoff date of December, then I fear
8 I would open the door for the complainant to jump on
9 the wagon and tell me, oh, incidentally, we have
10 another meter dispute. I have a billing dispute and
11 et cetera, et cetera, and I don't want to open that
12 door to have additional transactions challenged. Do
13 you understand, additional incidents, not a
14 methodology, an ongoing breakdown of how accounting
15 works, but I'm just saying incidents; for example,
16 there was that whole conversion issue. God forbid
17 there's another one that happened from the date of
18 December 10, 2012 to December of 2014. We're talking
19 two years. That would leave it severely open for me,
20 but I'm taking your motion under consideration. I
21 understand what you're saying. Do you understand
22 what I'm saying?

23 MS. ROSS: I think so.

24 JUDGE VERO: It would be clear if we
25 keep a cutoff date, but I understand what you're

1 saying and I am willing to consider it if we stick to
2 the issues only as to the actual payments were
3 applied.

4 MS. ROSS: I think that's all our issues
5 are at this point regarding those. That would be the
6 rational, because we do have those calculations up to
7 that date.

8 JUDGE VERO: It's so easy for me to use
9 a different cutoff date. I can just take the CDs
10 that you provided me and use that spreadsheet, do the
11 same function that Ms. Treadwell did and I can get
12 that calculation for a different cutoff date; so,
13 that is not an issue for me and it doesn't make this
14 exhibit unusable, at least as far as I am concerned.
15 I am just saying I know what you are saying. I like
16 my cutoff date of December 10, 2012.

17 MR. FARINAS: Your Honor, if I can --

18 JUDGE VERO: But my decision, the actual
19 decision in those issues that are how the payments
20 are applied, methodology of payments, methodology of
21 calculating late payment charges, in terms of
22 accounting method issues, I think it's something I
23 can do without hindering the process. I'm not
24 comfortable, but it is in the realm of possibilities
25 for me to do without opening any doors, but that

1 might present problems that I haven't considered yet.

2 MR. FARINAS: Your Honor.

3 JUDGE VERO: Yes.

4 MR. FARINAS: The record is not replete
5 with SBG's dispute with those transactions regarding
6 the application of payment beyond December of 2012
7 and we can duly note that there is preserved; so,
8 Ms. Ross doesn't have to run out and file new
9 complaints to cover this time period. We stipulate
10 to the fact that we know that this methodology is now
11 under dispute even after December 2012.

12 JUDGE VERO: Will it work?

13 MS. ROSS: That works for me. And could
14 we then allow our exhibits to stand as of those
15 cutoff dates? Give us the cutoff dates of what, do
16 you have, December 2014?

17 MR. FARINAS: That defeats the purpose
18 of having the cutoff date.

19 MS. ROSS: Ending December 2014, because
20 I guess we got the bill. If we had a bill that was
21 due January, we would not -- let's just do December
22 2014.

23 MR. FARINAS: Your Honor, that doesn't
24 comport with your potential concerns with anything
25 beyond December 2012.

1 JUDGE VERO: Can I hold my ruling on
2 that until I make my initial decision? If I were to
3 make a decision right now, the one I'm comfortable
4 with, to work with is December 10, 2012. I know what
5 you're saying. I understand what you're saying. As
6 of today, I think I can do it, but there might be
7 complications that I'm unable to consider right now.

8 MS. ROSS: What assurances would you
9 need from me?

10 JUDGE VERO: I'm giving you the
11 assurance that I will consider it in the ongoing
12 issues caused by accounting methodology. Would that
13 work for you?

14 MS. ROSS: I would think so. I guess
15 I'm not 100 percent clear on how we would determine
16 -- well, I guess, if you had to order them to go back
17 and recount or recalculate or whatever, it would be
18 ultimately through present considering it's an
19 ongoing issue. Is that what we're saying, preserving
20 the right to --

21 MR. FARINAS: No. It's just preserving
22 your right to file that you don't lose on your
23 statute. It's sort of arbitrary if a decision is
24 based on --

25 JUDGE VERO: It's not an issue of

1 statute because they already have a complaint.

2 MR. FARINAS: I'm talking about any
3 bills beyond December of 2010 -- I'm sorry, 2012.

4 MS. ROSS: Because right now, I'm
5 running up on my statute of limitations,
6 unfortunately. I'm planning to file my --

7 JUDGE VERO: We're not going backward.

8 MS. ROSS: I would have to if we didn't

9 --

10 JUDGE VERO: The cutoff date was the
11 bottom cutoff date, not the top cutoff date. We're
12 not talking statute of limitations. We're talking
13 cutoff date as of the bottom part of the
14 calculations; so, I can take that outstanding number.
15 Okay?

16 MS. ROSS: Right.

17 MR. FARINAS: To preserve her rights on
18 any new complaints, she's saying she would need to
19 either extend the cutoff date or as I suggested, we
20 duly note that she has a dispute with the methodology
21 after your cutoff date. So, her rights to file
22 subsequent are preserved, and even if you extend it
23 to the end of this year, the final decision will be
24 months from now and then there will also be
25 subsequent bills that you would need to back up on

1 and file. So, the cutoff date seems to be arbitrary.

2 JUDGE VERO: Yes. You could file a new
3 complaint, but you wouldn't need to file a new
4 complaint because there will be a ruling somewhere.
5 There would be a final ruling from the Commission to
6 say, this is what we think the outcome of this case
7 is or this is right or this is wrong. So, you
8 wouldn't even need, if you were found to be correct,
9 you meaning the complainant and your methodology is
10 found to be correct as opposed to PGW's methodology,
11 you wouldn't even have to file a new complaint. It
12 would be automatic, just a request.

13 You would be required to file just a
14 request with them; although, the Commission's ruling
15 would require them to fix it. They call it cease and
16 desist from doing such a thing; so, the moment they
17 get that final order, they have to cease and desist
18 from doing something.

19 MS. ROSS: Right, unfortunately, we stop
20 at 2012, it doesn't take into consideration what has
21 happened subsequent to that.

22 JUDGE VERO: What has happened
23 subsequent to that?

24 MS. ROSS: The methodology continues.

25 JUDGE VERO: But you're challenging the

1 methodology. If there is a Commission's final order
2 in this case saying, yes, the methodology is wrong,
3 it will come with an order for them to cease and
4 desist, cease and desist from using the methodology,
5 and it will pretty much correct the methodology.

6 MS. ROSS: Right.

7 MR. FARINAS: Everything going forward.

8 JUDGE VERO: It would correct the
9 methodology from December of 2012. Statute of
10 limitations go backward and then to the date of the
11 final opinion and order going forward.

12 MS. ROSS: I'm just thinking in terms of
13 waiving my client's rights and just be subject to
14 caught under the statute of limitations. I would
15 still feel I would have to preserve, and maybe we
16 even end up having to withdraw them at that point.

17 JUDGE VERO: I have a statement on the
18 record from Ms. Treadwell that says when she
19 discovered it.

20 MS. ROSS: That is true.

21 JUDGE VERO: So, that helps you in terms
22 of statute of limitations.

23 MS. ROSS: It does. I understand that.
24 I'm not trying to do double work, trust me. I'm
25 trying to make it for judicial economy as well.

1 JUDGE VERO: I know, but judicial
2 economy, ultimately, is for me to make a concise,
3 fair, just decision. The more it gets complicated,
4 the less, the more the chances will be fair and just
5 and all inclusive. It affects all my work products
6 the more I have to consider. You know what I'm
7 saying? It doesn't make it clear. It has to be a
8 clear record, because as stated, it contains several
9 issues of first impression. So, crunching down
10 numbers is the least of our worries.

11 We have bigger worries in terms of
12 methodology, information included in the billing, et
13 cetera, just what was raised yesterday. You are
14 saying you're challenging information included in the
15 bills, their billing format, et cetera, et cetera;
16 so, I'm just saying, you have more issues, principal
17 issue. You have those types of issues, and the
18 numbers, yes, they will come, but once we solve the
19 legal issues, the numbers will fall in place
20 automatically.

21 MS. ROSS: I understand what you're
22 saying, but you have to understand from just
23 protecting my client, and I hear what you're saying.

24 JUDGE VERO: Okay. Once it becomes this
25 complicated, I stick to my original ruling, December

1 10, 2012.

2 MS. ROSS: Okay.

3 JUDGE VERO: Mr. Farinas, call your
4 first witness.

5 MR. FARINAS: Thank you, Your Honor.

6 PGW calls Mr. Bernard Cummings.

7 JUDGE VERO: Good morning, Mr. Cummings.
8 Please raise your right hand.

9 Whereupon,

10 BERNARD CUMMINGS

11 having been duly sworn, testified as follows:

12 JUDGE VERO: You may proceed,
13 Mr. Farinas.

14 MR. FARINAS: Thank you, Your Honor.

15 DIRECT EXAMINATION

16 BY MR. FARINAS:

17 Q. Good morning, Mr. Cummings.

18 A. Good morning, Laureto.

19 Q. First, I believe we have your information on
20 the record, but can you refresh all of our
21 recollections. Please tell me, are you employed by
22 PGW?

23 A. Yes, I am.

24 Q. What's your title?

25 A. I am the vice president of customer service

1 and collections.

2 Q. In that position, what do you have charge
3 over?

4 A. I have the Philadelphia Gas Works call
5 center. I have all of the Philadelphia Gas Works
6 customer service center, our quality assurance
7 group. I have the residential collections group, the
8 commercial collections group and the account
9 management group, and I'm also in charge of all
10 billings, remitting and payment processing.

11 Q. Although we have other witnesses to deal with
12 detail to that, I'm going to ask you some questions
13 about general, I don't want to say philosophy, but
14 the general paradigm of the collection process at
15 PGW.

16 Were you present and did you hear the
17 testimony of the SBG witnesses that were presented
18 yesterday?

19 A. Yes, I was present.

20 Q. Did you understand the SBG position concerning
21 the application of payments?

22 A. Yes.

23 Q. Can you just as a context tell us how PGW
24 applies payments?

25 A. It's my understanding that we apply payments

1 by first applying payments to basic charges.

2 Q. By basic charges, what do you mean by that?

3 A. Basic charges can be defined as late payment
4 charges, security deposits, commodity charges and
5 distribution charges.

6 Q. Are you familiar with any of the regs that
7 provide PGW the authority to do that?

8 A. I'm familiar.

9 Q. So, the paradigm of application of payments,
10 as you just stated, if you know, can you tell us the
11 section?

12 A. I believe it is Section 62.74.

13 Q. That was the section that was discussed or at
14 least mentioned?

15 A. Yes, it was referenced yesterday.

16 JUDGE VERO: Did you say 62.74?

17 MR. FARINAS: Yes. That's 52 PA code
18 6274.

19 JUDGE VERO: Can you repeat that number?

20 MR. FARINAS: 52 PA code section 6274.

21 JUDGE VERO: Okay.

22 BY MR. FARINAS:

23 Q. I'm not going to engage you in discussion of
24 the law, but your understanding of how this
25 regulation is implemented at PGW. The current

1 paradigm of application of payments that you
2 described, is it consistent with this section?

3 A. Yes.

4 Q. To your knowledge, has PGW ever been cited for
5 violating that section with the way it applies?

6 A. Not to my knowledge.

7 Q. To your knowledge, do you know if there are
8 other utilities that are of jurisdiction of the
9 Pennsylvania Public Utility Commission that --

10 MS. ROSS: Objection, irrelevant.

11 JUDGE VERO: Can you repeat the
12 question?

13 BY MR. FARINAS:

14 Q. To your knowledge, do you know if there are
15 any other utilities that are under the jurisdiction
16 of the Pennsylvania Public Utility Commission that
17 have been cited for violation of this section with
18 the paradigm or similar paradigm you operate under?

19 JUDGE VERO: I'll allow it; so, your
20 objection is overruled.

21 THE WITNESS: Not to my knowledge.

22 BY MR. FARINAS:

23 Q. You mentioned something about basic charges.
24 Are there nonbasic charges, something other than
25 basic charges that you understand to be covered by

1 this section?

2 A. Yes. Some examples of nonbasic charges are
3 what would be the parts and labor plan PGW offers,
4 meter change or meter repair charging and other types
5 of warranties or miscellaneous charges.

6 Q. So, do those represent the hierarchy as far as
7 your understanding of this section of payments?

8 MS. ROSS: Objection. Can he lay the
9 foundation please? Lack of foundation in terms of
10 hierarchy. He hasn't established what the hierarchy
11 of those payments are.

12 BY MR. FARINAS:

13 Q. Does PGW believe that -- which is paid first,
14 basic charges or nonbasic charges?

15 A. Basic charges.

16 Q. Does the payment of basic charges represent
17 the first in the hierarchy of payment application?

18 A. Yes.

19 Q. What represents the next in the hierarchy of
20 application of payments?

21 A. It would be nonbasic charges.

22 Q. To mention those again, the nonbasic charges
23 are?

24 A. Nonbasic charges could be, like I said
25 earlier, like parts and labor plan, meter exchange or

1 meter repair charges, anybody with miscellaneous
2 charges. That would be considered a nonbasic charge.

3 Q. And the basic charges in your understanding of
4 this regulation includes both gas charges and late
5 payment charges?

6 A. That is correct.

7 Q. The regulation itself does not contain the
8 hierarchy within the definition of basic charges?

9 MS. ROSS: Objection.

10 JUDGE VERO: Grounds?

11 MS. ROSS: I think that he is misstating
12 and he's also leading the witness and misstating the
13 code. We haven't established foundation as to the
14 specifics of the code to which he is referring.

15 JUDGE VERO: Can you not lead first and
16 rephrase your question.

17 BY MR. FARINAS:

18 Q. Mr. Cummings, based on your familiarity of the
19 section we were just discussing, can you tell us your
20 understanding of the hierarchy of payments with
21 respect to basic and nonbasic charges?

22 A. My understanding is that according to the reg,
23 payments must be applied in the hierarchy of basic
24 payments first and then nonbasic payments.

25 JUDGE VERO: You mean charges, basic

1 charges?

2 THE WITNESS: Sorry. Basic charges
3 first and then nonbasic charges.

4 BY MR. FARINAS:

5 Q. Let's switch gears and talk about late payment
6 charges. PGW, is it your understanding that under
7 the Commission's regulations, that all public
8 utilities are permitted to charge late payment
9 charges?

10 A. Yes.

11 Q. Are they permitted to waive late payment
12 charges?

13 A. We're permitted to waive late payment charges
14 at our discretion, yes.

15 Q. Can you tell us your thinking or your policy
16 about the purpose of late payment charges and how
17 they are used at PGW?

18 A. The policy or the way I view late payment
19 charges is really an incentive for customers to pay
20 their bill on time. At PGW, we do have certain
21 situations where we have customers who we actually
22 negotiate reductions in late payment charges or even
23 negotiate waive late payment charges. However, it's
24 a case by case basis and we use very different
25 criteria to determine if we're going to do so. Even

1 when we have, either reduced late payment charges or
2 waived them, often times there are provisions in the
3 agreement that we make that if any payments are not
4 made, then we actually set up a balloon payment of
5 some type of penalty for not paying those late
6 payment charges.

7 Q. You said late payment charges are an incentive
8 to pay your bill on time, right?

9 MS. ROSS: Objection. That's misstating
10 what the witness has stated.

11 JUDGE VERO: What was the question
12 again?

13 BY MR. FARINAS:

14 Q. Mr. Cummings, did you state earlier that late
15 payment charges is an incentive to pay your bill on
16 time?

17 A. Correct. It's an incentive to gear the
18 customer to pay their bill on time.

19 Q. I realize that may be sort of a common sense
20 thing, but can you explain further how it
21 incentivizes a customer to pay their bill on time?

22 A. If a customer pays their bill on time, then
23 the late payment charge would never be applied. PGW
24 is a business. We're not in the business of floating
25 business on residences with interest free loans; so,

1 if you pay your bills on time, the LPCs are never
2 applied.

3 Q. If I can give you a situation or ask, in
4 addition to paying your bill in full and on time, how
5 would one customer avoid paying late payment charges?

6 A. Outside of paying their bill on time?

7 Q. Well, suppose they haven't paid their bill on
8 time?

9 A. If they haven't paid their bill on time, they
10 would naturally accumulate late payment charges.

11 There are cases where customers have come to us
12 asking us for reduction or even elimination of late
13 payment charges. However, we only do that on a case
14 by case basis.

15 Q. Are there ways that if someone is carrying a
16 balance, they can stop the accumulation of late
17 payment charges?

18 A. The only way, if they're carrying a balance is
19 if they get into a payment arrangement.

20 Q. Is PGW obligated to provide all customers with
21 a payment arrangement?

22 A. No. Residential customers are required to be
23 offered late payment arrangements if they qualify
24 based on the rules that are set up by the PUC.
25 Commercial customers, no.

1 Q. Does PGW offer payment arrangements with
2 commercial customers?

3 A. We have offered payment arrangements under
4 certain negotiated circumstances.

5 Q. Without providing any specific customer
6 information or information about a particular
7 customer, can you tell me what would be the criteria
8 in which you would say, yes, this customer should get
9 a payment arrangement; thereby, stopping the
10 accumulation of late payment charges?

11 A. The first thing we look at is payment
12 history. A lot of times, we would look at also the
13 customer is willing to put up some type of good-faith
14 deposit, like payment, in order to securitize PGW's
15 position in offering the late payment arrangement,
16 but mainly, we look at credit. We look at maybe
17 payment history in the past. We look at the ability
18 to fulfill that small payment and we may look at some
19 other circumstances.

20 Q. Do you think the assessment of late payment
21 charges --

22 MS. ROSS: Objection, leading.

23 JUDGE VERO: Yes, it is leading.

24 Rephrase, Mr. Farinas.

25 BY MR. FARINAS:

1 Q. Going back to my question about incentive to
2 pay your bill on time, what would be the company's
3 goal with respect to the relationship with a
4 particular customer in assessing late payment
5 charges; what is the company trying to do?

6 A. First and foremost, the company is trying to
7 act, like I said earlier, incentivize a customer to
8 pay their bill in full on time.

9 Q. Why would you try to incentivize to do that?

10 A. Because we don't want to increase our bad debt
11 expense and put the burden on the rest of the
12 customer-base of PGW. When payments are not made on
13 time, the bad debt expense is uncollectibility and,
14 therefore, there are expenses that can be often
15 burdened upon other customers.

16 Q. And your thought is the incentivizing nature
17 does what to the customer's behavior?

18 A. It incentivizes the behavior for those
19 customers to pay their bill on time and in full.

20 Q. And if you were to waive late payment charges,
21 what would you expect to happen to the customer's
22 behavior, payment behavior as a result?

23 A. We would expect payments in the future if we
24 were to waive late payment charges to be in full and
25 on time on a regular basis.

1 Q. Can I ask you to comment on the testimony
2 given by the SBG witnesses yesterday, particularly
3 Mr. Colton, regarding the order of payments for
4 customers that are very very very payment troubled
5 and do not make payments?

6 MS. ROSS: Objection,
7 mischaracterization as to customers.

8 JUDGE VERO: You said what do you think
9 of Mr. Colton's testimony in terms of what the order
10 of obligation of payment would be for a customer with
11 a troubled payment history. So, why the last part;
12 why the characterization? Does it make a difference
13 whether or not the customer has a good payment
14 history or not? So, good payment history apart from
15 the late payment charges; how is that?

16 MR. FARINAS: I will clarify.

17 JUDGE VERO: Okay.

18 BY MR. FARINAS:

19 Q. Mr. Cummings, do you recall the testimony
20 given by Mr. Colton?

21 A. Yes.

22 Q. Do you recall the magnitude of late payment
23 charges assessed on SBG that he discussed in his
24 testimony?

25 A. I don't remember the exact.

1 Q. The specific?

2 A. The specific number, no.

3 Q. Is the magnitude of late payment charges large
4 in your view?

5 A. The magnitude of late payment charges, is it
6 large compared to what other commercial type entities
7 could generate?

8 Q. Yes.

9 MS. ROSS: objection. Irrelevant.

10 JUDGE VERO: I will allow it.

11 THE WITNESS: I would say that compared
12 to a residential customer, it is large, but compared
13 to commercial like entities, such as the properties
14 that we're talking about, I would say it's standard,
15 normal. You know, commercial properties can generate
16 late payment charges based on the balances that they
17 generate for the gas usage that they use.

18 BY MR. FARINAS:

19 Q. The impact of the order of payments as it
20 relates to the accumulation of late payment charges,
21 does it affect smaller usage customers?

22 MS. ROSS: Objection, foundation. I'm
23 not understanding where he's going.

24 MR. FARINAS: If I could finish my
25 question.

1 MS. ROSS: But he's not laying a
2 foundation as to the specifics of what he's going
3 towards. Impact of to who?

4 JUDGE VERO: I will allow it because I
5 don't know where you're going. I'm not sure what is
6 going to follow up. Make your follow-up question a
7 good one.

8 BY MR. FARINAS:

9 Q. Mr. Cummings, how does the impact on the order
10 of payments or how would the impact -- what would be
11 the impact on the order of payments with a customer
12 who is only occasionally late with payments?

13 A. I would have to expect it would be minimal
14 with an occasionally late payment, because the late
15 payment charge accumulations wouldn't be that large.

16 JUDGE VERO: You're asking him about the
17 order?

18 MR. FARINAS: Yes.

19 JUDGE VERO: Okay.

20 BY MR. FARINAS:

21 Q. I'm asking about the order, the phenomenon
22 that was described yesterday, if that's applied to a
23 customer that is not so payment troubled, that is not
24 so behind in their payments, the impact of that
25 paradigm of application of payments, how does that

1 compare to a customer that does, habitually does not
2 pay the gas bill?

3 A. It makes a difference. For example, payments
4 are applied towards basic charges and late payment
5 charges are considered a basic charge. So, if
6 someone maybe had been one time late with their
7 payment with their net payment, they could satisfy
8 the late payment charges and then direct the basic
9 charges in that order.

10 If you are habitually late on your bill, you
11 will have a tendency to accumulate more late charges,
12 which is a basic charge and, therefore, you would
13 have to pay more basic charges towards LPCs and the
14 rest of the hierarchy down to eventually wipe out the
15 underlying debt to PGW.

16 Q. Do you recall the testimony from Mr. Colton
17 regarding the application of partial payments?

18 A. Correct.

19 Q. Is there any comment that you'd like to make
20 about Mr. Colton's statement in rebuttal to his
21 position?

22 A. The only comment I would make is that the reg
23 does speak that all partial payments absent of any
24 type of written instruction by the customer should be
25 applied to basic charges first, and LPCs are basic

1 charges. So, if they make a partial payment, the
2 payment will be applied to late payment charges,
3 because per the reg, late payment charges are a basic
4 charge.

5 Q. To finish, it's your position that PGW is not
6 in violation of any Commission reg with respect to
7 its application of payments as it currently does?

8 A. Yes. I'm not aware of any violation that PGW
9 is in at the current time.

10 Q. If I can show you, Mr. Cummings, complainant's
11 Exhibit SBG GS/SG Exhibit 1.

12 MR. FARINAS: Your Honor, may I show
13 this to him?

14 JUDGE VERO: Yes.

15 BY MR. FARINAS:

16 Q. Is the formatting of the bill always under
17 your jurisdiction at PGW?

18 A. Correct.

19 Q. Is the formatting of the bill as it currently
20 is formatted, does it comply with Commission
21 regulations with respect to the amount of information
22 it contains?

23 A. Yes.

24 Q. Did you hear, I believe it was, Mr Colton's
25 statements regarding what's contained in the bill?

1 A. Yes, I remember it.

2 Q. Also, Mr. Gabell's statements regarding what
3 could be understood from the bill; do you recall
4 that?

5 A. Yes.

6 Q. Why does PGW's bill look like that?

7 A. Because we are in compliance with the reg.

8 Q. Basically, if you could summarize, what
9 information is provided for the customer in the bill?

10 A. The price of commodity, any type of charges
11 that are basic and nonbasic and any bill messages
12 that need to be placed on the bill.

13 Q. Has the Commission ever instructed PGW or any
14 utility that you know to provide the method of which
15 it applies payments or satisfies payments on the
16 bill?

17 A. Not to my understanding, no.

18 MS. ROSS: Objection.

19 JUDGE VERO: Grounds?

20 MS. ROSS: The question was, has the
21 Commission provided. I'm sorry. You said --

22 MR. FARINAS: You're objecting to the
23 wrong question. I asked him has the Commission ever
24 instructed PGW or any other utility to provide
25 information on how the application of payments are

1 made on its bill?

2 THE WITNESS: The only instruction that
3 the Commission has given us in terms of bill format
4 is per the terms of the reg.

5 JUDGE VERO: So, is that objection
6 withdrawn?

7 MS. ROSS: Withdrawn, please. Sorry.

8 JUDGE VERO: As an ongoing basis, when
9 you make an objection, state the grounds.

10 MS. ROSS: Yes, ma'am.

11 JUDGE VERO: Okay. Not just you,
12 Mr. Farinas as well.

13 MR. FARINAS: Your Honor, I have no
14 further questions of Mr. Cummings at this time.

15 JUDGE VERO: Cross-examination,
16 Ms. Ross.

17 MS. ROSS: Yes, ma'am.

18 CROSS-EXAMINATION

19 BY MS. ROSS:

20 Q. In the course of your business, you are vice
21 president?

22 A. Of customer service and collections.

23 Q. Do you ever have occasion to either attend
24 hearings or receive reports from the IRRC in terms of
25 promulgated rules and regulations and making

1 recommendations to that or do you at least receive
2 information regarding that?

3 JUDGE VERO: What does the IRRC stand
4 for?

5 MS. ROSS: The acronym, I believe is,
6 Interstate Regulatory. I don't have the exact. I
7 would assume that everybody would be familiar with
8 it, but it is the Independent Regulatory Review
9 Commission, which is the body that reviews any
10 proposed rules and regulations promulgated for public
11 utility.

12 BY MS. ROSS:

13 Q. So, are you?

14 A. I am not. At least I have never had an update
15 from the IRC?

16 Q. From the IRRC.

17 A. I have not.

18 JUDGE VERO: Ms. Ross, are you
19 challenging the regulations of the Commission?

20 MS. ROSS: No, ma'am.

21 JUDGE VERO: Okay. I just want to make
22 sure where you're going.

23 MS. ROSS: Not at all, no.

24 JUDGE VERO: Okay. Go ahead.

25 BY MS. ROSS:

1 Q. So, to the extent you heard Mr. Colton
2 testify, that when you apply late payment charges
3 first to a billing statement, that it leaves and it
4 does not properly reduce the principal gas charges
5 and, in fact, creates a higher rate and compounds the
6 interest on principal balance; you heard that,
7 right?

8 A. Yes.

9 Q. Is that really producing a rate that is most
10 favorable to the customer?

11 MR. FARINAS: Your Honor, I object.
12 Lack of foundation, as we have not really heard the
13 order of payments as I believe she's referring to,
14 because Mr. Cummings only referred to basic and
15 nonbasic charges.

16 MS. ROSS: But he said late payment
17 charges are part of the basic charges and he was also
18 responding to the fact that he was well aware of
19 Mr. Colton's testimony yesterday and what he said in
20 terms of the reordering of payment.

21 MR. FARINAS: Withdrawn. I didn't
22 understand the question.

23 BY MS. ROSS:

24 Q. Let's get back to, how long have you been with
25 PGW?

1 A. I have been with PGW for 11 years.

2 Q. So, you've seen the tariff change from time to
3 time?

4 A. Yes, from time to time, but I've been in my
5 current role for only two.

6 Q. Prior to that, what did you do?

7 A. Prior to my current role, I was the treasurer
8 of Philadelphia Gas Works.

9 Q. So, you've been involved with billing for a
10 number of years?

11 A. That is not correct. As a treasurer, you're
12 not involved in billing.

13 Q. You're aware of the intake in collection of
14 funds?

15 A. Yes, that I was aware.

16 JUDGE VERO: You were a treasurer with?

17 THE WITNESS: For PGW.

18 JUDGE VERO: Okay.

19 BY MS. ROSS:

20 Q. So, the billing format as it appears and
21 you're familiar with in this instance, it would be
22 Chapter 62.74 of the public utility code?

23 A. Yes. I don't know it by heart, but I'm
24 familiar.

25 Q. You have to. You have to know how to make a

1 bill?

2 MR. FARINAS: Your Honor, I object.
3 She's telling him what he has to and I'm not really
4 sure he understood the question.

5 JUDGE VERO: Maybe that's because the
6 foundation you laid for Mr. Cummings' testimony
7 wasn't in a lot of detail, details of what he does.
8 I'm hoping it was because you're counting on making
9 part of his testimony in Fairmount, Marshall and
10 Elrae part of the record in this case and you are
11 going to rely on the foundation you laid in that
12 transcript or in those cases.

13 MR. FARINAS: Yes.

14 JUDGE VERO: If that is what you plan to
15 do, apparently, it's presenting a problem, at least
16 for Ms. Ross in terms of her understanding exactly
17 what it is he does or what his role is.

18 Do you want us to go over it again,
19 shorten the questions or provide you with a clearer
20 picture of what Mr. Cummings role is in PGW?

21 MS. ROSS: I'm asking him a question
22 since he did said he is actually familiar with the
23 regulations and you brought it up; so, I was just
24 going to refer to that at this time.

25 MR. FARINAS: My objection is only

1 properly stating which regulation you're referring to
2 real clear.

3 JUDGE VERO: Okay. I misunderstood.

4 BY MS. ROSS:

5 Q. 52 PA code Section 62.74 which is the bill
6 format for residential and small business customers.

7 A. Yes.

8 Q. You're familiar with that?

9 A. I am familiar.

10 Q. And actually, is it your duty and obligation
11 when you are designing or setting up or approving the
12 way the billing is established and sent out to
13 customers, that's under your purview?

14 A. Yes and no. We have a regulatory compliance
15 group within PGW that I work closely with, and they
16 will give us guidance with their expertise on what
17 the format of a bill is to be and we would use that
18 guidance to make sure it complies with the reg.

19 Q. Excellent. So, it is in compliance with this
20 code?

21 A. Yes.

22 Q. So, when it says under B2, charges for basic
23 service shall appear before charges for nonbasic
24 service and appear distinctly, that is your
25 understanding of how a bill should look, basic

1 services before nonbasic services?

2 A. Correct.

3 Q. So, if we say B3, which is the next section,
4 customer bills shall contain the following charges.
5 If these charges are applicable, these charges shall
6 appear in distinct sections of the bill; that's
7 correct, right? Would you agree with that? It's in
8 the code.

9 A. I'm agreeing, assuming you're reading it word
10 for word. I have to take your assumption. You're
11 reading from a different place that I can't see.

12 MS. ROSS: May I approach so we can read
13 it together?

14 JUDGE VERO: Yes.

15 MS. ROSS: Let's read it together.

16 JUDGE VERO: You read it. He'll follow.

17 MS. ROSS: He's following along, okay.

18 BY MS. ROSS:

19 Q. The designation or label of each charge as
20 either a basic charge or nonbasic charge appears in
21 parentheses following the name of the charge.

22 Agreed?

23 A. Yes.

24 Q. This label of either basic or nonbasic is not
25 required to accompany the name on the charge of the

1 bill, right?

2 A. Okay.

3 Q. You do do it, don't you?

4 A. Yes.

5 Q. You include that in your bill, you label it?

6 A. Correct.

7 Q. That's wonderful, great. So, first, under 3i,
8 commodity charges are basic charges, right?

9 A. Correct.

10 Q. They appear first, right; I mean, on your
11 bill?

12 A. They appear first, yes.

13 Q. And it says capital A, commodity charges shall
14 be presented in the standard pricing needed for
15 natural gas of the NGDC in actual dollar or cents per
16 standard pricing unit or actual average of dollars or
17 cents per standard pricing unit, correct?

18 A. Yes.

19 Q. Capital B, commodity charges shall appear
20 first among the basic charges with one exception,
21 NGDCs. Are you an NGDC? Is PGW an NGDC?

22 A. We are an NGDC.

23 Q. PGW is an NGDC. May place the customer
24 charges first among the basic charges, right?

25 A. Okay.

- 1 Q. Your customer charge is how much, relatively
2 speaking?
- 3 A. \$18.
- 4 Q. So, you can switch B and A if you wanted to as
5 an NGDC?
- 6 A. And we have the commodity charge listed first
7 and the customer charge listed in the second section
8 of the bill that I'm holding right here.
- 9 Q. Then B, small ii, distribution charges are
10 basic, right?
- 11 A. Correct.
- 12 Q. 3 or B3 small iii, customer charge or basic
13 charge in parentheses charge for basic service in
14 section 5615 relating to billing information is
15 considered a basic charge, right?
- 16 A. Correct.
- 17 Q. And then we have capital B small in
18 parentheses iv, Roman numeral iv, gas costs
19 adjustment charges. They are basic charges, correct?
- 20 A. Yes.
- 21 Q. Next on the line in the hierarchy of this is B
22 Roman numeral small v, interstate transition cost
23 surcharges. They're basic charges too, right?
- 24 A. Correct.
- 25 Q. Now we're cooking with gas, capital B, Roman

1 numeral vi, small vi in parens taxes comply with
2 section 56.15, a basic charge, correct?

3 A. Yes, correct.

4 Q. Now we're going down to number 7, Roman
5 numeral vii in parens, late payment charges. They
6 are basic charges, correct?

7 A. Yes.

8 Q. And then we come down to Roman numeral viii,
9 small viii in parentheses, security deposit; basic
10 charges?

11 A. Correct.

12 Q. And then Roman numeral x, small x in parens,
13 reconnection fees; basic charges, right?

14 A. Yes.

15 Q. And then we come to Roman numeral x, small x
16 in parens, itemization of nonbasic charges; nonbasic,
17 right?

18 A. Yes.

19 Q. So, it's basically laid out as you said,
20 right?

21 A. Right.

22 Q. But what is really stated at the very
23 beginning in this whole thing --

24 JUDGE VERO: Are you testifying?

25 MS. ROSS: No.

1 JUDGE VERO: Ask him the question.

2 BY MS. ROSS:

3 Q. Would you confirm that among the first charges
4 would be either the commodity charge or the customer
5 charge?

6 JUDGE VERO: I need you to be more
7 specific. That question is just so vague. Would you
8 agree that one of the first charges would be; what do
9 you mean first charges?

10 MS. ROSS: It says here on --

11 JUDGE VERO: First where?

12 MS. ROSS: It says here.

13 JUDGE VERO: Says where; in the
14 regulation?

15 MS. ROSS: In the regulations, we read
16 that.

17 JUDGE VERO: As far as the bill in terms
18 of presentation.

19 MS. ROSS: In charge of the bill in
20 terms of presentation.

21 JUDGE VERO: Not application,
22 presentation. All right.

23 BY MS. ROSS:

24 Q. So, either commodity charges shall appear
25 first among the basic charges with the one exception

1 you may place the customer charges first among the
2 basic charges.

3 MR. FARINAS: Get to the question
4 please.

5 BY MS. ROSS:

6 Q. Now I am showing you -- are you familiar with
7 the tariff?

8 A. I don't know it word for word, but I'm
9 familiar.

10 Q. Were you familiar with the tariff in 2003?

11 A. 2003, I did not work for PGW in 2003.

12 Q. But in your experience in your role, are you
13 aware of the fact that the tariff has changed?

14 A. I'm familiar that it changes from time to
15 time, yes.

16 Q. As a result of the tariff changing, does your
17 billing practices change along with it?

18 A. We would comply with whatever is in the tariff
19 or in the reg.

20 Q. So, with respect to section 4, billing and
21 payments.

22 JUDGE VERO: Section 4 of what?

23 MS. ROSS: Section 4 of the tariff. I'm
24 looking at the tariff and I'm going to show there is
25 a distinction.

1 JUDGE VERO: Can I have a copy of that
2 tariff?

3 MS. ROSS: I believe I gave it to you
4 yesterday, Your Honor. I do have an extra copy for
5 what I'm going to be referring to and I am going to
6 make the distinction.

7 JUDGE VERO: I don't know that
8 regulations and the tariff were given to me to keep.
9 You showed it to me. You took it back. The only
10 thing I took and kept was SBG's exhibits.

11 MS. ROSS: I do have an extra copy of
12 it.

13 JUDGE VERO: I have from the initial
14 hearings, I have Philadelphia gas service tariff.
15 You have an older version.

16 MS. ROSS: I know. I'm going to make a
17 distinction between the two.

18 JUDGE VERO: Okay. I just thought I
19 would help you out. I thought I had a copy of what
20 you were going to show me, but I don't. Go ahead.

21 MS. ROSS: I would ask for a little
22 latitude, only because to the extent you may want to
23 bifurcate if we're on the statute of limitations
24 because the tariff has changed from 2003 to 2007.
25 I'm providing you with the information with the

1 acknowledgement that the tariff has changed and going
2 forward from 2007 to the present, Your Honor, it is
3 what it is. Okay.

4 JUDGE VERO: Hold on. Bifurcate; why do
5 you think I'm going to bifurcate?

6 MS. ROSS: Because that is the 2003
7 tariff and I'm going to go over that with
8 Mr. Cummings, there was a specific section that
9 related to the application of payments and partial
10 payments and how they were supposed to be imposed,
11 then in 2007, that section was eliminated. Okay?

12 JUDGE VERO: Okay. Again, what do you
13 think I'm going to bifurcate?

14 MS. ROSS: I mean, to the extent I think
15 that PGW was able to allow or persuade the PUC to
16 adjust their tariff in such a way to support what
17 they were doing in terms of the billing practices and
18 then they were able to because it was originally
19 scheduled and set in 2003.

20 JUDGE VERO: Okay. You've given me one
21 page. How do I know the rest of the 2007 tariff
22 doesn't include something else.

23 MS. ROSS: That is the 2007 tariff.

24 JUDGE VERO: This one page?

25 MS. ROSS: Yes. That is the one page

1 and the 2003 section is two pages.

2 JUDGE VERO: I'm with you, but how do I
3 know that what you said has been removed from the
4 2003 and 2007 is not somewhere else in PGW's 2007
5 tariff? You just gave me one page.

6 MS. ROSS: Because it was removed. It
7 was in existence from 2003 until 2007.

8 JUDGE VERO: This one page?

9 MS. ROSS: Yes, became 2007.

10 JUDGE VERO: This one page is
11 questionable because you gave me one page. Where is
12 the rest of the tariff?

13 MS. ROSS: That was it.

14 JUDGE VERO: It could be somewhere else.
15 You gave me one page. I'm just highlighting the
16 problem I have with it, but if this all you have, if
17 this is all you plan to give me, go ahead.

18 MS. ROSS: Well, to the extent they
19 eliminate a page.

20 JUDGE VERO: They eliminated a page?

21 MS. ROSS: Yes.

22 JUDGE VERO: I don't know that. Where
23 is the tariff? Is the tariff bigger than a page?
24 You're saying they removed a section?

25 MS. ROSS: Yes.

1 JUDGE VERO: For all I know, they placed
2 it somewhere else. They found a better place for
3 that particular content for all I know. I'm not
4 saying you're wrong. I'm not saying you're right.

5 MS. ROSS: I understand what you're
6 saying. It does say it was the original page, page
7 number 27. This was original page number 26.

8 JUDGE VERO: I understand what you're
9 saying. It says on top of this, the tariff states,
10 PGW just has page, effective October 19, 2007, the
11 one page I have, it says, first revised page number
12 26, consolidated original page number 26. There's
13 nothing in regard to page 27 or original page number
14 27, and there is more. Maybe they thought they
15 didn't need it there. They put it somewhere else
16 maybe. So, just one page out of the tariff, I have a
17 problem with it. You have a problem.

18 MS. ROSS: And I will provide it. I
19 will find it and provide it. I know what you're
20 saying. I understand and I will provide that in its
21 entirety, but I am making a representation that it
22 was eliminated.

23 BY MS. ROSS:

24 Q. So, in 2003, which is the gas tariff for the
25 PA PUC number 2, original page number 27, application

1 is 4.2.C, applications for partial payments. When a
2 customer remits a partial payment, the partial
3 payment shall be applied as follows and it goes to
4 4.2C.1 outstanding preSeptember 1, 2003 balance due
5 or the installment amount of a payment agreement on
6 this balance; would you agree with that, that's what
7 it says?

8 A. That's what it says.

9 Q. 4.2C.2, any balance due on prior PGW charges
10 or the installment amount of a payment agreement,
11 correct?

12 A. Yes.

13 Q. 4.2C.3, any balance due on any current PGW
14 charges, correct?

15 A. Correct.

16 Q. 4.C2C.4, balance due for prior supplier
17 charges, correct?

18 A. Correct.

19 Q. 4.2C --

20 JUDGE VERO: Where are you going with
21 this listing?

22 MS. ROSS: I'm just showing that there
23 was a hierarchy of payment established in 2003.

24 JUDGE VERO: Hold on a second. I need
25 to follow you.

1 Okay. You may continue. I'm with you
2 now.

3 MS. ROSS: If I'm not making myself
4 clear, I can go with --

5 JUDGE VERO: It's okay. I'm with you.
6 I understand your question. I understand your line
7 of questioning. Go ahead. Continue.

8 BY MS. ROSS:

9 Q. I'm going to stop this line of questioning at
10 this point and just ask one other thing. When it
11 comes to the billing, when it comes to the
12 application of payments, what authority does PGW have
13 to reorder the payments and apply late payment
14 charges, apply payments to the late payment charges
15 first before they apply it to a customer charge or a
16 commodity charge; what authority?

17 JUDGE VERO: Hold on. Can we establish
18 that is how they do it, that they apply -- did he
19 testify to that? Your witness testified to that.
20 Did he testify to that? He did not say this is how
21 they do it in terms of saying, yes, we do apply late
22 payment charges first.

23 Mr. Cummings, say you got a partial
24 payment and there have been late payment charges
25 assessed on that account, give me a breakdown of how

1 the partial payments would be applied, and please go
2 into as much specifics as you can because I've been
3 given the eldest first and the newest later, most
4 recent first or whatever. I don't like that. I want
5 you to tell me, this goes first, this goes second,
6 third, fourth, et cetera, et cetera.

7 THE WITNESS: My understanding is, we
8 apply first the basic charges.

9 JUDGE VERO: What is basic charges; what
10 is the hierarchy? Is there a hierarchy?

11 THE WITNESS: There's a hierarchy in
12 terms of the reg does not specifically say which one
13 has to go first or second.

14 JUDGE VERO: I understand that. I
15 understand your testimony that the regs don't
16 specifically say. What does PGW do?

17 THE WITNESS: We apply the late payment
18 charges first, Your Honor.

19 JUDGE VERO: So, late payment charges go
20 first and then?

21 THE WITNESS: I believe it's late
22 payment charges first. If there's any security
23 deposits that are required -- you know what, I'll go
24 with the late payment charges first. In my position,
25 I cannot speak to the precision of step 1 through 5,

1 but I do know that late payment charges are applied
2 first.

3 JUDGE VERO: Since late payment charges
4 are the issue of this case, I'm satisfied with that
5 response and with that on the record, you may ask
6 that question that I interrupted you.

7 MS. ROSS: I think that's fine.

8 BY MS. ROSS:

9 Q. You're responsible for the policies of PGW,
10 writing policies concerning collections? I believe
11 in set 2, number 9 of the discovery requests, you
12 were familiar with that?

13 A. I'm not familiar.

14 Q. You signed off on verifications?

15 A. As I sit right here, I can't. I would have to
16 see it.

17 Q. I'm showing you.

18 JUDGE VERO: He signed on every single
19 answer in set 2?

20 BY MS. ROSS:

21 Q. While we're waiting for that, Mr. Cummings, is
22 it the purpose of a late payment charge to be a
23 penalty to generate revenue for the company?

24 A. I wouldn't say it's a penalty just to generate
25 revenue. It's a late payment charge that's applied

1 when a customer does not pay its bill in full and on
2 time. It's a result of not paying your bill on time
3 and in full.

4 Q. Are late payment charges intended to generate
5 revenue for the company?

6 JUDGE VERO: No. Don't go there.

7 MS. ROSS: To the extent you know.

8 JUDGE VERO: Late payments are allowed
9 by statute, by regs, by tariff. Are you challenging
10 late payment charges as to their nature?

11 MS. ROSS: Not at all.

12 JUDGE VERO: They are what they are.
13 Late payment charges are what they are. I understand
14 common sense gives you what their purpose is, what
15 they achieve. Nowadays, I mean, everything has a
16 late payment charge if you don't comply with the
17 deadline. So, unless you make that question more
18 specific, change the direction. Indicate where the
19 direction is going with that question. Let's
20 rephrase it.

21 BY MS. ROSS:

22 Q. Are you familiar with Kubra, K-U-B-R-A system
23 that PGW uses?

24 A. Kubra is not a system.

25 Q. What is Kubra?

1 A. It's a vender that PGW uses for its bill
2 processing and payment processing. It's a
3 third-party vender that PGW uses. It's a bill print
4 provider and a payment processing provider.

5 Q. Tell me why do you need that vender?

6 A. For what I just said.

7 MR. FARINAS: Objection, Your Honor.
8 Relevance?

9 JUDGE VERO: Again, where are you going
10 with this?

11 MS. ROSS: It is a vender?

12 MR. FARINAS: Your Honor, I object on
13 the grounds of relevance.

14 JUDGE VERO: And I asked you where are
15 you going with this and I did not get a response
16 back.

17 MS. ROSS: Basically, because the Kubra
18 system is a system that does assist PGW with
19 collections.

20 JUDGE VERO: First of all, it's not a
21 system. He said it's a vender; so, right there, you
22 just misspoke and misstated what he testified to.
23 So, right there, it's a vender. Now, you tell me
24 where you're going with this question.

25 BY MS. ROSS:

1 Q. Can you access data through the Kubra system?

2 JUDGE VERO: It's not a system; so,
3 rephrase it.

4 BY MS. ROSS:

5 Q. What kind of service does the vender provide
6 to PGW?

7 A. At I stated earlier, they provide bill print
8 processing and they process remittance processing
9 services for PGW.

10 Q. Is it through a computer methodology that they
11 use?

12 A. It is through -- in terms of what are you
13 asking; for example?

14 Q. How does PGW communicate with the Kubra
15 system?

16 A. We have file systems that are uploaded every
17 night that are sent to Kubra, and all Kubra does is
18 take the files and print whatever bills or bill cycle
19 we are in. There are payment files that are updated
20 on a daily basis that are also processed and sent to
21 Kubra to update to update those files so the bills
22 can go out properly.

23 Q. So, it is a computer system that is utilized
24 by PGW to assist with bills and collections?

25 A. We operate just like any other modern

1 utility. We have payment systems and billing systems
2 that are interconnected between PGW and the vender,
3 Kubra, that help us facilitate our bill print
4 processing and our remittance processing. That's
5 simply what it is.

6 Q. Were you instrumental in helping to negotiate
7 and bring this system into place?

8 MR. FARINAS: Objection, Your Honor. I
9 reassert my position on relevance.

10 JUDGE VERO: PGW's relationship with
11 Kubra is that of a principal agent. Kubra I
12 understand is their a vender; so, anything that Kubra
13 does is under the agency of PGW. So, PGW will be
14 held responsible ultimately of its agent's actions;
15 so, I don't understand where you're going with this
16 line of questioning and I agree with Mr. Farinas.

17 I asked you to tell me where you were
18 going and you did not tell me. You continued with
19 the second question. I had high hopes it would give
20 me a hint. Still don't know. Still irrelevant. So,
21 tell me where you're going.

22 MS. ROSS: Basically, it's the idea of
23 the Kubra system. It is a financial performance and
24 profitability system that assists public utilities in
25 terms of maximizing their ability to collect

1 revenues, systematically send out billing statements,
2 and so they have an algorithm where they are, in fact
3 --

4 JUDGE VERO: They being Kubra?

5 MS. ROSS: Kubra. It's designed to
6 maximize the collections.

7 JUDGE VERO: Go to where you tell me
8 where you're going and then start cross-examination
9 because what you gave me is testimony. I hope you're
10 not going to leave it at that because I'm going to
11 strike it from the record if you leave it at that,
12 what you stated on Kubra.

13 You are supposed to tell me where you're
14 going. It could have been done with one sentence:
15 I'm going here. Are you afraid to reveal something?
16 Is it going to be a surprise question? What's it
17 going to be?

18 MS. ROSS: No, it's not a surprise
19 question.

20 JUDGE VERO: Well, tell me what it's
21 going to be.

22 BY MS. ROSS:

23 Q. Do they provide you with analytics that help
24 you improve your collection efforts?

25 A. No. We clearly use them just for bill print

1 processing and remittance processing. It's data
2 going to them from a bill print standpoint. They
3 just print our bills and they just collect our
4 electronic payment. There's no analytic support.
5 They're not a collection agency for us. So, whatever
6 you're reading could be on their web site that they
7 may provide services to other entities, but that is
8 not the contractual agreement and relationship that
9 we have with Kubra at all.

10 Q. So, that answers that question. Now, when it
11 comes down to, and I think your response was that
12 there is an algorithm.

13 A. No. I respond to an algorithm. You stated
14 the algorithm. You stated Kubra uses an algorithm.

15 JUDGE VERO: You stated Kubra uses
16 algorithm and that's why I said you have testimony
17 right there in your description of Kubra.

18 BY MS. ROSS:

19 Q. Let me just ask you, is there an algorithm
20 that is set up for how payments are applied and
21 collected in your computer system? Is there an
22 algorithm where you input data and then the computer
23 systematically figures out what the billing is?

24 A. I am not an IS expert so I cannot detect if
25 it's an algorithm. Is there logic in our payment

1 application system that follow the rules of the
2 tariff and the regs, I would say yes.

3 Q. And do you know what that algorithm is?

4 A. As vice president of customer services and
5 collections, I am not responsible for understanding
6 the algorithm as I just stated.

7 MR. FARINAS: I do have another witness.

8 JUDGE VERO: Okay. Ms. Ross,
9 Mr. Farinas just indicated he has another witness who
10 is better equipped to answer that question. What
11 witness will that be?

12 MR. FARINAS: Ms. Rizzo.

13 JUDGE VERO: All right, and we're moving
14 along so we can get to Ms. Rizzo today.

15 MS. ROSS: All right.

16 BY MS. ROSS:

17 Q. How would a customer know where their payments
18 are applied on the billing and how their payments are
19 applied on a billing statement?

20 A. My first response would be that a) that's not
21 required information per the tariff or the regs. My
22 second response would be that since the tariff and
23 the regs are public information, they could always go
24 to the web and read the tariff itself.

25 Q. But if you have a bill and I make a payment,

1 how do I know and I have, let's say, multiple SAs --

2 MR. FARINAS: Objection. Asked and
3 answered.

4 BY MS. ROSS:

5 Q. Multiple SAs, how would I know how much of my
6 payment is applied to each of my accounts and for
7 multiple SAs on the bill?

8 A. Are you referring to the actual rules of what
9 the payment is applied or would you just see the
10 balances that are left over on the bill.

11 JUDGE VERO: Could you provide him with
12 an example of a bill?

13 THE WITNESS: Your Honor, I'm not trying
14 to be smart. I'm just trying do understand.

15 JUDGE VERO: And I'm just trying to help
16 you. It might be easier for you to look at a bill.

17 THE WITNESS: That would be my basic
18 answer, to look at the bill.

19 JUDGE VERO: I'm telling you to Look at
20 the bill and see if you can provide an answer to that
21 question.

22 BY MS. ROSS:

23 Q. This bill is for Simon Garden. It's dated
24 7/08 2004. A check came in for \$6,057.22. This has
25 three SAs. How much of that money or how much of

1 that check \$6,057.22 was applied to each of these
2 SAs?

3 A. You can see where the adjustments -- this
4 6,000 right here?

5 Q. Right. How much was applied to each SA?

6 A. I couldn't tell you, but I know we apply it to
7 the rules we have in our commission.

8 Q. But as a consumer, how would I know?

9 A. I wouldn't know.

10 Q. So, as a consumer, I wouldn't know. I
11 wouldn't be able to figure it out?

12 A. And I would say our bills are reflective of
13 what the tariff and what the regs say we have to
14 comply to. That would be my answer.

15 Q. If I call and I asked you how my payment was
16 applied, what would I be told?

17 A. If this property was called, you would have
18 called our customer resource center and a CSR would
19 have helpfully and willfully helped you and assisted
20 you in answering that question.

21 Q. If I called and I spoke to, say, Ms. Berry; do
22 you know Ms. Berry?

23 A. What's the first name?

24 Q. It begins with a V.

25 A. Yes. Ms. Berry is an employee within the CRC

1 group.

2 JUDGE VERO: How do you spell the last
3 name?

4 MS. ROSS: B-E-R-R-Y.

5 BY MS. ROSS:

6 Q. So, if I called and asked her how much of my
7 \$6,057.22 was applied to my bill, would she say to
8 all of it?

9 A. No. She would find the answer and walk
10 whomever called, if it was you, how the payment was
11 applied.

12 Q. So, if I told you I called Ms. Berry and I
13 asked her how much of my \$6,000 was paid towards each
14 SA and she said it just goes to the whole bill, that
15 would be a reasonable response?

16 A. No. That would not be a reasonable response,
17 but because I don't know and I haven't heard her
18 response and I don't know if it was recorded, I don't
19 know what she said.

20 Q. But it wouldn't be a reasonable response?

21 A. No.

22 JUDGE VERO: Mr. Cummings, are you
23 saying you wouldn't be able to tell from the bill,
24 but there is someone else in PGW who can tell from
25 either the bill or your company records how that

1 check of \$6,057.22 was divided between each different
2 SA and different charges; so, someone in PGW would
3 have access to that information?

4 THE WITNESS: That is correct.

5 JUDGE VERO: Not necessarily reflected
6 in the bill, but would have access to such
7 information to say that \$6,000 check went \$1,000 to
8 this SA, \$2,000 to that SA, 3,000 to this SA and this
9 SA, if you still have a question, it would be like
10 \$50 late payment charges, \$200 in securities a
11 deposit, et cetera, et cetera. So, there is such an
12 individual or more than one in PGW and there is this
13 sort of the information maintained in this division
14 of payments received?

15 THE WITNESS: That is correct. We have
16 back office staff that can answer questions customers
17 have about their bill.

18 JUDGE VERO: So, the fact that you
19 cannot tell from this or you cannot testify as to how
20 it's done and you cannot tell from this particular
21 bill doesn't mean it doesn't exist if one calls and
22 asks for the information?

23 THE WITNESS: Correct.

24 JUDGE VERO: Okay. Continue, Ms. Ross,
25 if you have any further cross.

1 MS. ROSS: Yes.

2 BY MS. ROSS:

3 Q. You can't tell by the bill how any late
4 payment charges are applied to your billing statement
5 from the bill, right?

6 A. Correct. Hold up. If a payment is applied,
7 you would see it, at least on the summary, you would
8 see your balance left over. You would see it. You
9 would see the payments, the credits that would come
10 in, but if you have very detailed questions about
11 your bill, you can gladly call either 215-235-1000 or
12 the customer resource number and a back office
13 customer service rep will walk you through the
14 details of any question one would have.

15 Q. Would they be able to tell me that my payment
16 that came in first went to my late payment charges
17 and wiped those out; could they tell me that?

18 A. They could tell you the details of how the
19 payments are applied, yes.

20 Q. They could in detail at any given time;
21 anybody can answer that question?

22 MR. FARINAS: Your Honor, I believe it's
23 been asked and answered.

24 JUDGE VERO: I'll allow it just this one
25 time.

1 THE WITNESS: If that particular
2 representative didn't have the answer right there,
3 there are other resources within our back office
4 operation that can answer very detailed questions
5 about any bill we have at PGW.

6 BY MS. ROSS:

7 Q. How long would it take me to get a response on
8 that?

9 A. It really depends how in depth the question is
10 that's being asked.

11 Q. That would be a question. How long should it
12 take? What's a reasonable reply?

13 A. I would say it depends on the depth of the
14 question. There are some questions that may take
15 longer than others because of the complexity of the
16 answer. There are some that could be answered in a
17 five minute time frame that a CSR performs handling a
18 call. There is no one set answer. What I would say
19 is, a question should be answered within a reasonable
20 time.

21 Q. What's a reasonable time?

22 JUDGE VERO: Okay. Now, that is asked
23 and answered. Moving along. Any other questions?

24 BY MS. ROSS:

25 Q. Would that be considered an inquiry. If you

1 made that phone call, is that an inquiry?

2 JUDGE VERO: It depends on the text of
3 that call. So, if you want, give me a hypothetical
4 of what you would call about or how would you phrase
5 that call and then I will allow Mr. Cummings to
6 respond.

7 BY MS. ROSS:

8 Q. You said if it's more complex, it would
9 require more time?

10 A. Correct.

11 Q. Would that be coded as an inquiry in your
12 contact screens?

13 A. When you mean inquiry, do you mean dispute.

14 Q. No. I am asking inquiry.

15 A. I guess any call that comes in to PGW and
16 there's a question, according to the definition of
17 inquiry, that would be an inquiry.

18 JUDGE VERO: If it's a question, it's an
19 inquiry; if you're saying I don't agree to this, do
20 you mean investigation, Ms. Ross or do you mean
21 inquiry or whether or not it would be an
22 investigation?

23 THE WITNESS: That's what I don't
24 understand.

25 BY MS. ROSS:

1 Q. When a customer is waiting for a follow-up
2 response to an inquiry, under those definitions, I
3 believe it is a concern or question of a customer
4 about a public utility application or provision, but
5 not limited subject to credit determination, deposit,
6 accuracy or bill amount for the proper party if a
7 billing utility offers to review pertinent records
8 and shall call the customer back within three
9 business days with a response. That's an inquiry.

10 MR. FARINAS: Your Honor --

11 JUDGE VERO: You're saying you call with
12 a question?

13 MS. ROSS: Right.

14 JUDGE VERO: What would the question be?
15 give me an example.

16 MS. ROSS: He said some things could be
17 answered quickly.

18 JUDGE VERO: You want him to give you a
19 time frame. You're not happy with a reasonable
20 response; so, give him an example. He can give you a
21 response.

22 BY MS. ROSS:

23 Q. I would like to know how my payment was
24 applied to my late payment charges and my principal.

25 JUDGE VERO: On a specific account?

1 MS. ROSS: A specific account.

2 JUDGE VERO: A specific SA?

3 MS. ROSS: Specific account and SA, yes.

4 JUDGE VERO: Okay.

5 THE WITNESS: That answer could be done
6 within five minutes. Not five. Within five to ten
7 minutes of a CSR handling the call.

8 BY MS. ROSS:

9 Q. So, then it was more complex. I have multiple
10 SAs and I send in this payment, and I'm saying, well,
11 tell me how was it applied directly, in what order to
12 my late payment charges, to my gas usage charges, all
13 of that; tell me how the order of payment, where did
14 that money go? And I have five SAs. How long would
15 that take to get a response?

16 A. My expectation would be the CSRs could answer
17 where the payments were applied and if there's any
18 further investigation that the CSR may have to do,
19 there may be some things where they have to resort to
20 our accounts management group, that may take another
21 hour or two or however our resources are constraint
22 within that time; however, what will happen if the
23 question cannot be satisfied to the customer within a
24 reasonable time, we do have processes called
25 supervisor call back processes where a supervisor may

1 have to or even the senior CSR may call back either
2 later on that day.

3 JUDGE VERO: Call back whom?

4 THE WITNESS: The customer, either later
5 on that day or within a 24 hour time frame.

6 BY MS. ROSS:

7 Q. What do you constitute -- how do you determine
8 whether or not a customer is satisfied with the
9 answer?

10 A. According to the monitoring reg we have, the
11 CSRs are supposed to ask the customer the following
12 question: Have I, and I'm paraphrasing; I don't know
13 the language. Have I satisfied all your questions,
14 concerns and are you satisfied. Normally, the
15 customer will say, yes, I am satisfied, then it can
16 be deemed as the customer being satisfied and that
17 CSR will note the account that this customer was
18 satisfied with the service that was rendered to him
19 or her.

20 Q. Now, does satisfaction also equate to
21 resolution?

22 A. That depends on the customer. Just because a
23 customer is satisfied with that specific call, they
24 still may want to move the issue forward, along
25 whatever regulatory path they have at the right of a

1 customer, a utility customer.

2 Q. How does that happen?

3 A. I'm not the expert in terms of the regulatory
4 process, but it's my understanding that someone could
5 file a dispute within our dispute resolution unit.
6 If the situation is not resolved in that manner, then
7 they can go the route of filing an informal dispute
8 with the PUC. If it's not satisfied in that manner,
9 they can go on as we're sitting here right now and
10 file a formal complaint. That is my understanding of
11 the process.

12 Q. So, what is the duty of the public utility if
13 a customer is not satisfied, doesn't get that
14 resolution, what is the duty of the public utility
15 toward that customer?

16 A. I can't answer that question because I'm not
17 the PUC.

18 Q. You're not the PUC?

19 A. You asked what is the duty of the -- I'm
20 sorry, public utility.

21 Q. Public utility.

22 A. If it goes to dispute and it's not satisfied
23 and it goes to an informal, and then it makes it to
24 the point where it goes to formal, then it's viewed
25 as being a dispute and we are sitting here exercising

1 that process right now. So, we would have to wait
2 for whatever decision is rendered as to the issue
3 that pertains to that particular customer, and we're
4 sitting here right now doing that process.

5 Q. So, let's say in terms of --

6 JUDGE VERO: Can I paraphrase. She's
7 pretty much asking you as has been the underlying
8 issues of these hearings, if I am not happy with your
9 service and inquiries and dispute, et cetera, is it
10 your duty to inform me how and when to take it to the
11 next level; you being PGW? Is it your duty to do
12 that?

13 THE WITNESS: Of course, it's our duty
14 along this process, that if you're not satisfied, you
15 have the right to file your complaint with the PUC.

16 JUDGE VERO: Is it PGW's duty to inform
17 the customer -- your representative asks the customer
18 are you satisfied and the answer is no, what comes
19 after that?

20 THE WITNESS: The CSR is to give the
21 information to the customer that they have a right to
22 file a complaint with the Public Utility Commission
23 and they give them the address and the phone number
24 to call.

25 BY MS. ROSS:

1 Q. And you're supposed to do that in writing?

2 A. Is the correspondence through the CSR process,
3 no. You are told of your rights right there and
4 then.

5 Q. If you're told of that right, it now becomes a
6 dispute, right?

7 A. No. Because it doesn't become a dispute
8 unless you file the dispute with PGW. We can tell
9 you your rights. We can't force you to act.

10 JUDGE VERO: You mentioned being
11 dissatisfied. May you be dissatisfied and not do
12 anything?

13 THE WITNESS: Correct. It happens every
14 day.

15 BY MS. ROSS:

16 Q. So, a dispute is entered when a customer is
17 not satisfied with the explanation concerning their
18 initial inquiry, right; would you agree with that?

19 A. A dispute is put in when a customer actually
20 communicates that they want to put in a dispute. We
21 have a unit within PGW that handles disputes; so,
22 just because a customer is not satisfied doesn't mean
23 they have to put in a dispute. So, if they actually
24 put in a dispute, we have a dispute resolution unit
25 that will now do some investigation on whatever the

1 dispute is at hand.

2 JUDGE VERO: Ms. Ross, before you go any
3 further, do I need to time the cross-examination. I
4 did not think to do that, but we are still on the
5 first witness. There are three more to come. So, if
6 there is need to time it, I will ask for you to
7 complete the witness matrix.

8 MS. ROSS: I understand what you're
9 saying, Your Honor.

10 JUDGE VERO: All right. Because as I
11 said, rain or shine, it will end today. Well, rain
12 or shine is a figure of speech, but it will end
13 today. If you take this long with the cross-
14 examination of the first witness, PGW may run out of
15 time for presenting all of their witnesses in their
16 case in chief.

17 MS. ROSS: I understand what you're
18 saying, Your Honor.

19 JUDGE VERO: I have questions for the
20 witnesses too.

21 MS. ROSS: I think there are other
22 witnesses that may be able to better explain; so,
23 that's fine. I'm done.

24 JUDGE VERO: I have no further questions
25 for you, Mr. Cummings. Any redirect?

1 MR. FARINAS: Very briefly, Your Honor.

2 JUDGE VERO: You have a limit of four
3 questions just to remind you.

4 REDIRECT EXAMINATION

5 BY MR. FARINAS:

6 Q. Mr. Cummings, earlier this morning, we
7 discussed in your testimony the purpose of late
8 payment charges. During cross-examination by
9 Ms. Ross, I believe she asked you to further explain
10 what might be other purposes of late payment
11 charges. Can you please repeat why does PGW charge
12 late payment charges?

13 A. We charge late payment charges per the regs as
14 an incentive for customers to pay their bill in full
15 and on time.

16 Q. Does PGW have a secret motivation to
17 accumulate funds by charging late payment charges
18 off the roof?

19 A. No.

20 Q. Is PGW obligated to say on its bill the order
21 of payments, the order of retirement of particular
22 types of debt with a payment?

23 A. It's not my understanding that we are. We
24 only are required to display on the bill what's
25 required per the tariff and the regs.

1 MR. FARINAS: Three questions, Your
2 Honor. I have no further questions.

3 JUDGE VERO: You may step down,
4 Mr. Cummings.

5 MR. FARINAS: Your Honor, I'd like to
6 call Ms. Wendy Vacca please.

7 JUDGE VERO: Ms. Vacca, I need to swear
8 you in first. Please raise your right hand.
9 Whereupon,

10 WENDY VACCA
11 having been duly sworn, testified as follows:

12 JUDGE VERO: Please state your name and
13 spell your last name for the record.

14 THE WITNESS: Wendy Vacca. Last name is
15 V-A-C-C-A.

16 JUDGE VERO: What is your business
17 address?

18 THE WITNESS: 800 West Montgomery
19 Avenue, Philadelphia, PA 19122.

20 JUDGE VERO: Mr. Farinas, you may take
21 over, lay a foundation and continue to direct
22 examination of your witness.

23 MR. FARINAS: Thank you, Your Honor.

24 DIRECT EXAMINATION

25 BY MR. FARINAS:

1 Q. Ms. Vacca, are you employed by PGW?

2 A. Yes.

3 Q. Could you tell us what your title is?

4 A. I'm the senior customer review officer.

5 Q. As senior customer review officer, what do
6 your duties entail?

7 A. To investigate informal and formal complaints
8 from the customer with the Public Utility Commission.

9 Q. Can you tell us how you came to be involved in
10 these consolidated matters?

11 A. Ms. Linda Priere who was working on the case
12 retired and I took over the case, investigating the
13 case.

14 Q. On behalf of your department?

15 A. Yes.

16 MR. FARINAS: Your Honor, prior to
17 Ms. Vacca going to the witness stand, I did
18 distribute a binder consisting of five exhibits we're
19 using and I'd like to introduce them to Ms. Vacca as
20 follows. Your Honor, the first tab in the binder is
21 highlighted. We'd like to have marked as PGW Exhibit
22 1 has on the cover page the docket number in the
23 case, and it refers to SBG Management Simon Garden
24 Realty versus PGW and it is for the account and the
25 SA as indicated at 6732 Chew Avenue, M2.

1 BY MR. FARINAS:

2 Q. Ms. Vacca, do you have that information in
3 front of you?

4 A. I do.

5 Q. I'll ask you to turn to the first set of
6 sheets which I'd like to have marked as PGW Exhibit
7 1. Can you identify what this information is?

8 A. This information is customer contacts for the
9 account at 6731 Musgrave Avenue, A.

10 Q. Was this information provided in discovery to
11 the complainants?

12 A. Yes.

13 Q. Can you basically tell us what the customer
14 contact is?

15 A. Customer contacts are any correspondence with
16 the customer or any internal work that is done on the
17 account. It is noted and a record of it is kept
18 here.

19 Q. I'm going to ask you to turn to page 13 of
20 that document.

21 A. This is customer contacts for the property of
22 6732 Chew Avenue, M2.

23 MR. FARINAS: Your Honor, if you want to
24 take notice of the way it's set up, the first tab is
25 PGW Exhibit 1, but this document of contacts, I have

1 marked as PGW Exhibit 1A.

2 JUDGE VERO: That's for ease of
3 navigation?

4 MR. FARINAS: Ease of navigation, yes.

5 JUDGE VERO: All right.

6 BY MR. FARINAS:

7 Q. Ms. Vacca, the next page in PGW Exhibit 1,
8 after PGW Exhibit 1A?

9 A. This is a statement of account for Simon
10 Garden Realty, 6732 Chew Avenue, M2.

11 MR. FARINAS: Your Honor, I'd like to
12 have this marked as PGW Exhibit 1B.

13 JUDGE VERO: So marked.

14 (Whereupon, the documents were marked as
15 PGW Exhibits Nos. 1, 1A and 1B for
16 identification.)

17 BY MR. FARINAS:

18 Q. Can you briefly tell us what this state of
19 account is?

20 A. All accounting that happens on the customer's
21 account, any bills, late payment charges that happen
22 on the customers bill or payments.

23 Q. I'm going to ask you to turn to page 16 of
24 Exhibit 1B. It's the last page -- sorry. Page 17 of
25 PGW Exhibit 1B, do you have that in front of you?

1 A. Yes.

2 Q. Can you tell us what that is?

3 A. This is the statement of account along with
4 the breakdown of the LPCs.

5 Q. Was this provided to the complainant in
6 discovery?

7 A. Yes.

8 Q. I'm going to ask you to go to Exhibit 1B, page
9 21. Can you identify this document?

10 A. This appears to be lien information for 6732
11 Chew Avenue.

12 Q. Was this information provided in discovery to
13 complainant?

14 A. Yes.

15 Q. Direct your attention now to PGW Exhibit 1B,
16 page 22?

17 A. This is a statement of account for 6732 Chew
18 Avenue, M2, starting January 1, 2004.

19 Q. I further direct your attention to PGW Exhibit
20 1B, page PGW 31?

21 A. This is a specific service agreement statement
22 for 6732 Chew Avenue, M2, starting August 27, 2013.

23 Q. Was this information provided to the
24 complainant in discovery?

25 A. Yes.

1 Q. I direct your attention to PGW Exhibit 1B,
2 page PGW 32?

3 A. This appears to be more lien information with
4 multiple properties; however, 6732 Chew Avenue, M2 is
5 listed on this document.

6 Q. I direct your attention now to PGW Exhibit 1B,
7 page 34?

8 A. This is another specific statement of account
9 for 6732 Chew Avenue, Apartment M2, starting 3/2 of
10 2001.

11 Q. Did PGW provide this information to the
12 complainant for discovery?

13 A. Yes.

14 Q. I direct your attention to PGW Exhibit 1B,
15 page PGW 46?

16 A. This document is more lien information for the
17 properties.

18 Q. I direct your attention now to PGW Exhibit 1B,
19 page 47?

20 A. Statement of account for 6732 Chew Avenue, M2.

21 Q. Finally, the last two pages of PGW Exhibit 1B,
22 pages 58 to 59 -- just 59, I'm sorry?

23 A. Lien information.

24 Q. Now, I direct your attention to the next tab
25 in the document.

1 MR. FARINAS: Your Honor, I'd like to
2 have this section of the binder tab marked as PGW
3 Exhibit 2.

4 JUDGE VERO: So marked.

5 (Whereupon, the document was marked as
6 PGW Exhibit No. 2 for identification.)

7 BY MR. FARINAS:

8 Q. Ms. Vacca, do you have this information in
9 front of you?

10 A. I do.

11 Q. Can you walk through the information and
12 identify the various documents in it; for example,
13 PGW 2A, page PGW 1, can you tell us what this is?

14 A. This is customer contacts, again, for the
15 properties. There's contacts for all 3 SAs involved
16 in this account number.

17 Q. Now, PGW Exhibit 2B, page 1?

18 A. Statement of accounts for 6731 Musgrave
19 Street, Apartment A.

20 Q. I direct your attention to PGW Exhibit 2B,
21 page nine?

22 A. Customer contacts for premise for 6731
23 Musgrave, Unit A.

24 Q. I direct your attention to PGW exhibit 2B,
25 page 18?

1 A. Lien information.

2 Q. PGW Exhibit 2B, page PGW 19?

3 A. Statement of accounts, 6731 Musgrave Avenue.

4 Q. Turn to the next page PGW Exhibit 2B, page 20?

5 A. Lien information.

6 Q. And the page following that?

7 A. Statement of accounts for 6731 Musgrave
8 Avenue, Unit A.

9 Q. I direct you to PGW exhibit 2B, page 33?

10 A. Lien information.

11 Q. And the pages following that?

12 A. Statement of account for 6731 Musgrave,
13 Apartment A?

14 Q. PGW Exhibit 2B, page PGW 46?

15 A. Lien information.

16 Q. As to PGW Exhibit 2, did PGW provide this
17 information in discovery to the complainant?

18 A. Yes.

19 Q. I direct your attention to PGW Exhibit 3.

20 JUDGE VERO: Can you just make a blanket
21 question as to whether or not information has been
22 provided in discovery or is if there is specific
23 information that is not there; if you are going to
24 that, can you just make it more specific because
25 you're going into everything in here. It will take

1 us another ten minutes.

2 MS. ROSS: Your Honor, I'm just
3 confirming that we received all of the statement of
4 accounts as Ms. Vacca has just testified to.

5 MR. FARINAS: Thank you.

6 BY MR. FARINAS:

7 Q. Ms. Vacca, I direct your attention to PGW
8 Exhibit 3 in the packet. Did PGW provide this
9 information in discovery?

10 A. Yes.

11 (Whereupon, the document was marked as
12 PGW Exhibit No. 3 for identification.)

13 BY MR. FARINAS:

14 Q. Can you identify PGW Exhibit 3A, page 1?

15 A. This is customer contacts for all three SAs.

16 Q. The pages following?

17 A. PGW Exhibit 3B, page 1, statement of account,
18 6732 Musgrave, B.

19 Q. I direct your attention to PGW Exhibit 3B,
20 page 32?

21 A. Lien information.

22 Q. The pages following that?

23 A. Statement of account for 6731 Musgrave Street,
24 Apartment B.

25 Q. I direct your attention to PGW Exhibit 4, tab

1 4?

2 JUDGE VERO: Mine is blank.

3 MR. FARINAS: 4 is empty?

4 JUDGE VERO: I don't have anything for
5 4. Okay. I think it's just a matter of putting it
6 together.

7 MR. FARINAS: Okay.

8 (Whereupon, the document was marked as

9 PGW Exhibit No. 4 for identification.)

10 BY MR. FARINAS:

11 Q. Ms. Vacca, I direct your attention to PGW
12 Exhibit 4, the tab; do you have that in front of you?

13 A. Yes. This packet is for 5425-7 Wayne Avenue,
14 Ml.

15 Q. The pages following?

16 A. Customer contacts for the property.

17 Q. Page following the customer contacts?

18 A. PGW Exhibit 4B, PGW 1 is customer contacts for
19 that premise.

20 Q. Go to PGW Exhibit 4B, page 9?

21 A. This is a statement of account along with the
22 late payment breakdown for the property.

23 Q. That Exhibit PGW, page 12?

24 A. Lien information.

25 Q. Pages following that?

1 A. Statement of account for the property.

2 Q. Pages following the statement of account on
3 PGW Exhibit 4B, page 47?

4 A. Lien information.

5 Q. And I direct your attention to PGW Exhibit 5,
6 the tab.

7 A. This packet is for 5425-7 Wayne Avenue, M2.

8 (Whereupon, the document was marked as
9 PGW Exhibit 5 for identification.)

10 BY MR. FARINAS:

11 Q. Can I ask you to describe each of the separate
12 documents in here?

13 A. Exhibit 5A, pages 1 through 12 are customer
14 contacts; 5B, PGW page 1 is contacts for premise;
15 Exhibit 5B, PGW 4 is a statement of account along
16 with late payment breakdown; Exhibit 5B, page 8, lien
17 information; Exhibit 5B, page 9, statement of account
18 for the property; Exhibit 5B, page 27, lien
19 information; Exhibit 5B, page 28, statement of
20 account for the property; Exhibit 5B, page 43, lien
21 information and Exhibit 5B, PGW page 44 facilities
22 information sheet request.

23 Q. That document should be removed from that
24 section.

25 A. So, nothing after that?

1 Q. I have nothing after page 43.

2 A. The last page of the document should be page
3 43, which is lien information.

4 Q. Ms. Vacca, I ask you now blanket, did PGW
5 provide all of the information in PGW Exhibits 1
6 through 5 in discovery to the complainant?

7 A. Yes.

8 Q. I'm going to ask you questions about all of
9 the statements of account, all of the contacts for
10 account and any other various information screen
11 that's contained in these exhibits, can you tell me
12 where this information comes from?

13 MS. ROSS: Your Honor, Ms. Treadwell
14 just went through these and I just want to confirm,
15 because we're missing some pages. It starts at page
16 like 5 of 8. I'm just looking at PGW Exhibit 1, 1B,
17 PGW 17. We were going through trying to confirm.

18 JUDGE VERO: Hold on. Say it again, PGW
19 Exhibit 1?

20 MS. ROSS: Well, this is 1B, PGW page
21 17. What page are you starting on in terms of
22 statement of account and what date does it start
23 with?

24 MR. FARINAS: I have 2007.

25 MS. ROSS: Page 5 of 8?

1 MR. FARINAS: Yes.

2 THE WITNESS: Yes.

3 MR. FARINAS: So, it's not missing?

4 MS. ROSS: It's not missing, but is it
5 complete from what we have, I guess, is what I
6 saying? I'm wondering if it's different, and then
7 page --

8 JUDGE VERO: So, you're wondering if
9 it's different; you're not saying it is different?

10 Maybe that's just a portion they need
11 for their exhibit. It's their case. It is their
12 exhibit. It's not your case, your exhibit.

13 MS. ROSS: I see what you're saying now.

14 JUDGE VERO: So, it's what they want to
15 put on the record for themselves. It's not the only
16 thing put on the record. If you have different
17 information, you want it on the record, let me know.
18 All right. Move along.

19 BY MR. FARINAS:

20 Q. Ms. Vacca, asking you questions about the
21 statements of account and the customer contacts and
22 the other customer screens that appear in Exhibits 1
23 through 5, Ms. Vacca, where does this information
24 come from?

25 A. PGW's billing system.

1 Q. Does PGW keep its billing system in the normal
2 course of its business?

3 A. Yes.

4 Q. Who puts the information contained in the
5 billing system that appears on the documents I've
6 just described?

7 A. PGW employees.

8 Q. Is it PGW's employees jobs to place various
9 bits of information into the PGW billing system?

10 A. Yes.

11 Q. When they do place the information into the
12 PGW billing system, do they do it at or near the time
13 the event they're describing occurred?

14 A. Yes.

15 Q. What I'd like to do, Ms. Vacca, is, please
16 tell me the purpose of your own testimony today?

17 A. The purpose of my testimony today is to
18 address the billing disputes as put forth by the
19 customer through Exhibits A1 through A8 in discovery.

20 Q. Were you present in the hearing room
21 yesterday?

22 A. Yes.

23 Q. Did you hear when the parties agreed that all
24 of the dispute transactions identified by C, I, H and
25 D would be removed?

1 A. Yes.

2 Q. Are there any individual disputes remaining
3 from your presentation if those are removed?

4 A. Yes.

5 Q. Can I ask you to point us to the first one?

6 A. In PGW Exhibit 1, if we go to PGW Exhibit 1B,
7 PGW page 15, this is a list of the disputes as set
8 forth from the customer, just using this as a
9 reference, number 1 was a bill that was in dispute.

10 Q. We're at PGW Exhibit 1B, page PGW 15, what's
11 the date of that bill?

12 A. The date of the bill is January 7th of 2004.
13 If we turn to PGW Exhibit 1B, page 36, the reason it
14 was in dispute was because there was no meter reading
15 listed there.

16 Q. Did you investigate the circumstances
17 surrounding this?

18 A. Yes. It had to do with the date that was on
19 that statement of account; so, the meter reading were
20 prior to the date that was on the statement of
21 account. If we go to page 36 and we go to the
22 transaction date of January 7th of 2004, you can see
23 there was a bill generated. The ending index was
24 68284. If you look directly above it, it's a
25 starting index of that monthly bill, which was

1 66589.

2 Follow further across to the right to the
3 column that says transaction amount and the amount of
4 that bill was \$2,383.25. It was billed from actual
5 read to actual read.

6 Q. How can you tell that this document
7 represented an actual read?

8 A. If you look at the third column -- I'm sorry,
9 the fourth column that says read code, anything that
10 is listed as R is actual read.

11 Q. By actual read, you mean a meter reader went
12 to the facility?

13 A. No, it's an automatic meter read, the van
14 driving by and obtaining a reading.

15 Q. Does the Commission consider that read an
16 actual read?

17 A. Yes.

18 Q. Can I ask you to comment on or just please
19 take us across that page?

20 JUDGE VERO: What exhibit? I'm sorry.

21 MR. FARINAS: PGW Exhibit 1B, page PGW

22 36.

23 JUDGE VERO: I'm there.

24 BY MR. FARINAS:

25 Q. Please describe the characteristics of that

1 bill that's a dispute of January 7, 2004?

2 A. If you look at the headings at the top.
3 There's one that is titled heating degree days as
4 DDD's. You're starting the degrees days in that
5 billing period, and the more of the degree days in a
6 particular given month would be the more need for
7 heat during that month, and the disputed bill, there
8 was 875 degree days, which is a large increase from
9 the month before when it was only 329 degree days;
10 meaning, it was a lot colder. So, the need for heat
11 would be a lot greater.

12 JUDGE VERO: Just a moment, and I
13 apologize. Give me a moment. I know where you're
14 going and I know what you're doing and I know why
15 you're doing it. I don't think you should.

16 MR. FARINAS: Your, Honor, I'm not --

17 JUDGE VERO: Hold on. Let me explain.
18 I'm looking at the amended complaint and what
19 transactions they listed that they are challenging,
20 and the code they provided for Simon and this is
21 Simon, right; she's testifying on Simon?

22 MR. FARINAS: Yes.

23 JUDGE VERO: You're talking about
24 January 2004 transaction?

25 MR. FARINAS: Yes.

1 JUDGE VERO: That transaction is coded
2 as an A?

3 MR. FARINAS: Right.

4 JUDGE VERO: And by SBG's description, A
5 is excessive bills, (high bill with o meter reads or
6 duplicate bills.) That's what that code means, code
7 A. The amended complaint does not include any claims
8 with code A, which means that we cannot have that.
9 We did it in the initial hearings and that was
10 wrong. We allowed Ms. Treadwell to testify on a
11 transaction that was not part of the complaint,
12 amended complaint prepared by the attorney. I was
13 not notified that it would be included other than
14 it's in a binder prepared by the complainant; so,
15 let's keep that transaction. It's not part of the
16 complaint.

17 MR. FARINAS: Trying to be thorough.

18 JUDGE VERO: I understand, and that's
19 what I was looking through the amended complaint,
20 what that code means, the binder prepared by SBG and
21 it's the Simon binder from back in 2013; I'm looking
22 under the tab, if the complainant still has it, it's
23 tab number 7, SBG Simon, page number 88, the very
24 first section, dated -- no, second transaction, dated
25 January 7, 2004. It's coded or marked as dispute

1 code A.

2 That kind of dispute is not part of the
3 amended complainant. I did not hear a reason or
4 notified that we were actually amending that
5 complaint. We're not doing it now. Moving along.
6 That's not part of the complaint.

7 BY MR. FARINAS:

8 Q. Ms. Vacca, what is your next disputed
9 transaction that has survived the amendments of the
10 complaint?

11 A. The next disputed transaction would be number
12 3 on page 15, which would be code J. I don't have
13 the list in front of me as to what the codes are.

14 JUDGE VERO: J is disputed meter read,
15 (of normally high meter read)

16 THE WITNESS: And to address that one,
17 we want to go to page PGW Exhibit 1B, PGW page 2.

18 MS. ROSS: Is this the late payment
19 analysis?

20 THE WITNESS: No, it's the statement of
21 account.

22 JUDGE VERO: I'm there.

23 THE WITNESS: If you go about halfway
24 down the page and the transaction date this bill that
25 was disputed was for April 7th of 2005. This bill

1 was billed to an actual ending index of 83099 as you
2 can see there under the reading column. If you look
3 at the reading above it, it would be the start read
4 for that billing period, which would be 81259. The
5 reading code is an R, which is an automatic meter
6 reading.

7 If you follow further over to the
8 heating degree days for that period. It was 909
9 heading degree days; meaning, it was a cold month and
10 the amount of that bill following over to the
11 transaction amount is \$2,709.52. That was a bill
12 based on actual meter reading.

13 BY MR. FARINAS:

14 Q. Can you comment on the weather and the usage
15 indicators that we have?

16 A. The usage, CCF usage is the sixth column. The
17 usage for this period is 1840 CCF. Due to the fact
18 that it was cold, the heating degree days were 909;
19 meaning, it was cold. The following month, the
20 degree days dipped all the way down to 315.

21 Q. That explains the high usage of the bill,
22 right, or the higher usage of the bill?

23 A. Yes.

24 Q. Again, was this based on actual meter
25 readings?

1 A. Yes.

2 Q. To your knowledge, was this bill disputed
3 sometime in 2005 or thereafter?

4 A. No.

5 Q. Is this bill in your investigation a correct
6 bill?

7 A. Yes.

8 Q. Any other statements you would like to make
9 about this bill?

10 A. No.

11 Q. Can you move on to the next?

12 A. Yes. The fourth disputed bill, which also was
13 the same. It was a J code. That one, we will go to
14 page -- actually, it's the next page, 1B, PGW, page
15 3, towards the bottom of the document. It is the
16 November 7, 2006 bill. This bill was billed to an
17 actual ending index of 96314. If you look directly
18 above it, the starting index of that bill period was
19 95693. It was an R code; so, it was an actual read.

20 The customer was billed 276 cubic feet of gas
21 and the bill amount for -- I'm sorry. I went on the
22 wrong line; I apologize. If we follow that straight
23 across, they were billed 621 cubic feet of gas for
24 that month. There was 419 heating degree days for
25 the period and the transaction amount or the amount

1 of the bill is \$1,215.34.

2 JUDGE VERO: Before you continue
3 further, is Simon the property -- and the question
4 goes to SBG. Simon is the property that has oil heat
5 or Colonial has oil heat?

6 MS. ROSS: Colonial has oil heat.

7 JUDGE VERO: Okay. Continue.

8 THE WITNESS: This bill was based on
9 actual readings and the degree days for the period of
10 419 is considered to be larger than the month before
11 when it was only 20. This bill is correct based on
12 actual reads.

13 BY MR. FARINAS:

14 Q. Was this bill disputed at any time during the
15 2006, 2007 period?

16 A. No.

17 Q. Can you move to the next?

18 JUDGE VERO: Ms. Vacca, what do you base
19 that statement on that this bill has not been
20 disputed?

21 THE WITNESS: Based on the customer
22 contacts.

23 JUDGE VERO: Okay, next question.

24 BY MR. FARINAS:

25 Q. What is the next dispute?

1 A. The next dispute is number 5 with the code I.
2 To explain this transaction, we need to be on 1B,
3 page PGW, page 4.

4 JUDGE VERO: Hold on. Are we doing I?

5 MR. FARINAS: I is out.

6 JUDGE VERO: We're doing Js.

7 THE WITNESS: Okay. There doesn't
8 appear to be any other disputed -- the LPCs will be
9 addressed through Ms. Rizzo. The ones toward the
10 bottom are no longer a dispute either.

11 JUDGE VERO: I have a 2008 bill.

12 MR. FARINAS: It's divided into
13 properties; so, she'll move to the next property.

14 THE WITNESS: In reference to this
15 packet, the only other issues that need to be
16 addressed are LPCs and Ms. Rizzo will be testifying
17 to them.

18 JUDGE VERO: All right. Under Simon,
19 SBG Simon, page 90, tab 7 on that binder, I have a J
20 for a transaction dated May 5, 2008. Does it still
21 stand? What happened to that one?

22 THE WITNESS: It's not listed on mine,
23 but we can address it.

24 JUDGE VERO: Or is it that you don't
25 intend to address it?

1 THE WITNESS: Give me a minute to find
2 that date.

3 MR. FARINAS: Your Honor, since the
4 complainant did not put on any specific testimony
5 about this, I felt we wanted to address the fact it's
6 still outstanding; so, giving a bone kind of.

7 JUDGE VERO: That's what I said, do you
8 intend to do it.

9 MR. FARINAS: Yes. She can do it now.

10 JUDGE VERO: I don't want to tell you
11 what to do. That's why I said do you not want to do
12 it.

13 MR. FARINAS: I understand. She will.

14 JUDGE VERO: Go ahead, Ms. Vacca.

15 THE WITNESS: It's 1B, page 5,
16 transaction towards the top of the column 5/5 of
17 2008. This bill, the customer was billed to the
18 ending index of 14233. The beginning index of that
19 billing period, the reading directly above it is
20 13207. It's an R reading code. It was an actual
21 read. The cubic feet billed for the period is 1026.
22 The degree days for that period was 305 and the
23 actual bill amount is \$2,039.46. This bill is
24 correct as it was based on actual reads.

25 MS. ROSS: I'm sorry. Can you repeat

1 the date of that, what of 2008?

2 THE WITNESS: It's 5/5 of 2008.

3 MS. ROSS: And this is for the M2
4 property on Chew Avenue?

5 THE WITNESS: Yes.

6 BY MR. FARINAS:

7 Q. Ms. Vacca, as to this property, do you have
8 any specific information as to the size of the
9 property?

10 A. To my understanding, there's 75 units.

11 Q. That's a question. Was that the answer?

12 A. Yes, around 75. I don't know if it's exact.
13 It could be 72.

14 JUDGE VERO: 72, 75; approximately 75
15 units in the apartment?

16 THE WITNESS: Yes.

17 BY MR. FARINAS:

18 Q. Can you move to the next disputed bill or is
19 this bill correct; I'm sorry?

20 A. Yes.

21 Q. Can you move to the next disputed bill?

22 A. I think that's it. The rest are LPCs.

23 Q. Can I ask you to now go to PGW Exhibit 2?

24 A. This property is 6731 Musgrave Street A, and
25 if we turn to 2B, PGW 15. It appears that this one

1 through our original packet, this was what we had,
2 starts at 49; so, I'm assuming that something was
3 missing, but we didn't have it.

4 MR. FARINAS: Do you want to check?

5 MS. ROSS: What page am I on?

6 THE WITNESS: 2B, 15.

7 JUDGE VERO: Continue.

8 BY MR. FARINAS:

9 Q. Verifying, Ms. Vacca, you're reviewing the
10 address, 6731 Musgrave Avenue?

11 A. Yes, A. J, April 7th of 2005, PGW Exhibit 2B,
12 PGW 2, halfway down the document, April 7th of 2005,
13 there was a bill generated to the ending index of
14 45921, right above it, starting index of 41250. It's
15 an R. It's an actual read. The customer was billed
16 4671 CCFs of gas, 909 were the degree days for that
17 month, and the bill amount is \$6,833.21. This bill
18 is based on actual reads and is considered to be
19 correct.

20 Q. For this particular bill, how many days were
21 in that billing period?

22 A. The number of days in the billing period were
23 33.

24 Q. Would that add to the amount of the bill if it
25 was more than 30 days?

1 A. Yes.

2 Q. Go to next dispute.

3 A. 12/7 of 2005. That would be on the next page,
4 2B, PGW 3, toward the top of the document. There was
5 a bill generated to the ending index of 52623. The
6 starting index of 49837. There were 30 days in that
7 billing period. The cubic feet 2786. The degree
8 days, 465, and the amount of the bill 5,838.81.

9 This bill is an actual read with the read code
10 R and is considered to be correct as rendered based
11 on actual reading.

12 Q. Next dispute?

13 A. December 7, 2006, toward the bottom of the
14 same document, second from the bottom, bill generated
15 with an ending index of 10005, a starting index of
16 7686, and actual read, R code. The number of days
17 are 31. The cubic feet, 2319. The degree days are
18 446, and the customer was billed \$4,807.78.

19 Q. Based on your review of this bill, is it
20 correct as rendered?

21 A. Yes.

22 Q. Next dispute?

23 A. February 4th of 2009. That would be 2B, PGW
24 5, 2/4 of 2009. There's a bill generated to the
25 ending index of 44776 with a start index of 40923

1 with an R read code, actual read, 32 days, 3843 is
2 the cubic feet. The degree days for this period are
3 1089 and the amount of the bill \$7,585.08. This bill
4 is based on actual reads and considered to be correct
5 as rendered.

6 Q. Next?

7 A. Next bill is March 5th of 2009, the same
8 page. The ending index of 48294. Starting index
9 44766, 28 days in the period, 3518 CCFs, 826 degree
10 days, \$6,917.82. This bill is based on actual reads
11 and considered to be correct as rendered.

12 Q. What was the amount of the bill?

13 A. The amount of the bill for March 5th of 2009
14 is \$6,917.82.

15 Q. Is the bill correct as rendered?

16 A. Yes.

17 Q. Next dispute?

18 A. April 4th of 2009. This was billed with a
19 ending index of 51613, starting index of 48284. The
20 CCF is 3329 the degree days is 680 and the bill
21 amount is \$5,908.12.

22 Q. It might be a 3.

23 A. It's a 3. 6,903.12.

24 Q. Ms. Vacca, I can loan you my glasses if you
25 want a another like at that?

1 A. I actually brought another pair that are a
2 little stronger because I knew the print in this
3 thing was very very small.

4 Q. With a usage of 3,329 CCFs and the amount is?

5 A. The amount is, I'm not sure if that first
6 number is a 5 or 6. I should probably get my other
7 glasses because I don't want to make anymore
8 mistakes. Give me a minute. 5,903.12.

9 Q. Is the bill correct?

10 A. Yes.

11 Q. Can I ask you to move to the next dispute?

12 A. The rest appear to be Fs, which I think is
13 late payment charges.

14 Q. Yes.

15 A. Hs, which we are no longer doing.

16 Q. That's correct.

17 MS. ROSS: Where are we?

18 MR. FARINAS: She's reviewing the list
19 of disputes and she stated that the remainder of that
20 property are Fs.

21 THE WITNESS: The remainder for this
22 property are Fs and will be discussed by Ms. Rizzo.

23 MS. ROSS: The H disputes, I need to
24 make sure. Which ones did you say?

25 JUDGE VERO: They are here, but they're

1 not in the complaint.

2 MS. ROSS: I just want do make sure just
3 what it stated.

4 JUDGE VERO: You don't know what they
5 state? The code system came from SBG.

6 MS. ROSS: Just to refresh my
7 recollection for my own edification.

8 MR. FARINAS: Es, you did not get rid
9 of.

10 MS. ROSS: H is for the?

11 THE WITNESS: H is for cancelled
12 payments.

13 MS. ROSS: Thank you. That's all.

14 THE WITNESS: Some I know. Some I don't
15 by heart. So, we're done with Unit A.

16 BY MR. FARINAS:

17 Q. Next dispute?

18 A. 6731 Musgrave Street, B.

19 Q. That would be PGW Exhibit 3?

20 A. PGW Exhibit 3 and the disputes as listed in
21 here are 3B, PGW 14.

22 JUDGE VERO: I was going to say if
23 you're going to be just addressing the Js because it
24 would be like this, this is the date. This is what
25 we think. These are the transactions, all 12 of them

1 under J. This is the reading. You don't need to
2 read it if it's part of the exhibit. All right.
3 Continue, because it's a repetitive thing for
4 Ms. Vacca to just read the number and say this is
5 actual reading. We believe it to be correct. This
6 is the actual reading. We believe it to be okay.
7 This is the only information she is adding.

8 MR. FARINAS: Would the transcript
9 reflect everything to be understood?

10 JUDGE VERO: You can say we're looking
11 at the transactions, all 12 days for Js, all 12 days
12 the meter readings are actual meter reads for all 12
13 days. We believe all 12 of them to be correct. This
14 is an example of how it could be processed or if
15 there is any additional issues; so, if you can
16 collect them together so she doesn't just read the
17 information. It's already in the exhibit, but I am
18 going to leave it up to you.

19 BY MR. FARINAS:

20 Q. Ms. Vacca, for this Musgrave address, 6731
21 Musgrave Street, B, can you give me the date of all
22 of the disputed bills for that property?

23 A. The J codes?

24 Q. Yes.

25 A. December 7th of 2004, January 9th of 2006 and

1 February 7th of 2006. These are all J codes. These
2 bills were all based on actual meter reads, R codes,
3 and PGW believes them to be correct as rendered.

4 JUDGE VERO: It works for me.

5 BY MR. FARINAS:

6 Q. Are there any other disputed bills at this
7 address?

8 A. Just LPCs.

9 Q. Move to PGW Exhibit 4.

10 A. PGW Exhibit 4, 5427-7 Wayne Avenue, M1.

11 Q. Can you list the date of the disputed bills at
12 this address?

13 A. The dates of the disputes on Exhibit 4B, PGW,
14 page 8, numbers 1 through 10 of the dates of these
15 bills are all the same date. They are February 18,
16 2005. These bills 1 through 10 consist of a read
17 bill at the property whereas the customer was billed
18 from February 2nd of 2004 at index 6923 to December
19 31st of 2004, index 15570. They were actual reads
20 each month and the total read bill for that period
21 was \$13,018.95.

22 Q. In your investigation and due to the age of
23 the actual bill, were you able to surmise what the
24 cause of, what was the fact surrounding the rebill?

25 A. There was a bypass found at the property in

1 December of 2003. The service at the property was
2 restored; however, it was billing for zero usage
3 because the property has parallel meters.

4 The representative from our account management
5 department finalized the account as of the date of
6 the bypass. It was realized February of 2005 that
7 there was usage on the meter and nobody was being
8 billed; so, the proper party was billed for the
9 service. We obtained the meter readings each month.
10 They were billed monthly and sent a total bill.

11 Q. Any further facts to add from your
12 investigation about this particular bill in dispute?

13 A. No.

14 Q. Are there any other disputes concerning this
15 property?

16 A. The rest, all appear to be LPCs.

17 Q. Can we move to PGW Exhibit 5?

18 A. Yes.

19 MS. ROSS: Can I just get the reference
20 on that one again. Just identify that one. It was 4
21 what?

22 THE WITNESS: The page that I was
23 referencing that listed your disputes?

24 MS. ROSS: No. When you gave the actual
25 explanation.

1 THE WITNESS: Where the actual billing
2 would appear?

3 MS. ROSS: You just used the statement
4 of account. I'm sorry. You didn't have anything
5 else. You didn't put in the contact screens or
6 anything. Never mind. Thank you.

7 BY MR. FARINAS:

8 Q. Please go to Exhibit 5.

9 A. PGW Exhibit 5, 5B, PGW page 3 lists the
10 disputes. There is one J code on this dispute and it
11 is for the date of March 3rd of 2005. That bill had
12 actual readings as based on actual readings and PGW
13 considers it to be billed correct as rendered?

14 Q. Can you direct us to the page where the read
15 information is?

16 A. It is Exhibit 5B, PGW 36.

17 Q. Please give us the date again?

18 A. The date is March 3, 2005, toward the bottom
19 of the document, and the rest of the disputes for
20 this property are LPCs.

21 Q. Any other statement to make about the
22 disputed amounts?

23 A. No.

24 Q. If I could ask you generally to switch gears.
25 Since Ms. Priere left the company, you did review all

1 of the discovery materials and the statements of
2 account?

3 A. Yes.

4 Q. Can we go to one of the properties in here and
5 to a statement of account; can you comment on the
6 payment patterns of the customer?

7 A. Sure. I can actually consolidate that.

8 MS. ROSS: Objection. It's irrelevant
9 as to the payment patterns.

10 JUDGE VERO: What was the question
11 again?

12 MR. FARINAS: I asked her to comment on
13 the payment pattern of the customer.

14 JUDGE VERO: I've always allowed it.
15 I'm going to allow it.

16 MS. ROSS: Her opinion is irrelevant.
17 It's an improper opinion being offered.

18 MR. FARINAS: It's not her opinion.

19 MS. ROSS: It's an improper question
20 based on Rule 404B.

21 JUDGE VERO: Of what?

22 MS. ROSS: Character.

23 JUDGE VERO: 404B of what?

24 MS. ROSS: Rules of evidence.

25 JUDGE VERO: Okay. Ask the question

1 again. There are many rules to 404 so you know.

2 Rephrase it.

3 BY MR. FARINAS:

4 Q. Ms. Vacca, would you please direct us to the
5 amount of payments made on the account for the 6732
6 Chew Avenue as you have observed it in reviewing
7 discovery in this matter?

8 A. If we turn to PGW Exhibit 1B.

9 MS. ROSS: As of what date?

10 MR. FARINAS: She's going to cover the
11 information that's been provided in the question.

12 THE WITNESS: PGW Exhibit 1B, PGW 1.
13 This exhibit statement of accounts starts January 1st
14 of 2004. The payment which shows under type --

15 MS. ROSS: Objection. It is not
16 complete.

17 JUDGE VERO: Yes, and you asked her to
18 specify from the period and she specified from
19 whatever that day is in 2004. To what date?

20 THE WITNESS: It goes through to October
21 4th of 2012.

22 MS. ROSS: I'm going to renew my
23 objection based on the fact that while their exhibit
24 may reflect payments starting 2004, it is incomplete
25 as to the full account.

1 JUDGE VERO: I need the number of
2 payments made within the time period.

3 MS. ROSS: But it is incomplete.

4 JUDGE VERO: Within the time period.
5 You're saying there are additional payments made
6 within the time period that are not reflected in this
7 particular document?

8 MS. ROSS: I think it mischaracterizes.

9 JUDGE VERO: Nothing has been
10 characterized. I just put down that particular
11 question and he has rephrased it; so there will be no
12 characterization. Yes, I want that number.

13 THE WITNESS: I'm not going to go
14 through each individual payment. I'll just say how
15 many in each year.

16 JUDGE VERO: Yes, and I'll figure out
17 where they are or if you submit it as an exhibit.

18 THE WITNESS: 2004, there was one; 2005
19 there was nine; 2006 there was one; 2007, there were
20 two; 2008, there were no payments; 2009 and '10,
21 there were no payments; 2011, there were no payments;
22 2012, there was one. I don't have to do this with
23 every packet because there are two account numbers.
24 The first account has 3 SAs; so, the payment would
25 appear on all three as the same. They would just be

1 divided; so, I don't have to go through. So, for
2 Simon Garden, that was their total payments. Now
3 moving on to colonial.

4 BY MR. FARINAS:

5 Q. Starting at PGW Exhibit 4?

6 A. PGW Exhibit 4, 4B, PGW 13. Actually, this
7 statement of accounts starts March 1st of 2005. In
8 2005, there were nine payments. 2006, there were
9 four. In 2007, there were five. In 2008, there were
10 zero. 2009, there was one. 2010, there were zero.
11 2011, there was one. 2012, there were none.

12 MR. FARINAS: No further questions of
13 Ms. Vacca. She's available for cross-examination.

14 JUDGE VERO: I have now 1:30 sharp.
15 Let's take a break. We are off the record.

16 (Whereupon, a recess was taken.)

17 JUDGE VERO: We are back after a brief
18 lunch break. During the time we were on recess,
19 Ms. Ross, right before we came back, informed me of
20 her intention to refer, ask questions with regard to
21 some communications. She said she was going to make
22 use of information included in the communication
23 binder submitted by PGW from the initial hearings in
24 August of 2013. Mr. Farinas had a question with
25 regard to the scope or purpose of such a move; I

1 would say. So, I've asked the parties to restate
2 their positions or their thoughts on the record.

3 MR. FARINAS: Ms. Vacca has testified to
4 those individual billing disputes primarily that
5 occurred before 2008 that were remaining active
6 individual billing disputes in the complaint. She is
7 getting ready to be crossed on the PGW correspondence
8 binder, which contain Emails and various other
9 correspondence between the parties and other
10 departments and the one that's up there now. I don't
11 know if that's the one that's going to be used. It's
12 assistant general counsel. I'm not sure, just
13 guessing, what would be the nature of that. A) I'm
14 not sure Ms. Vacca is the witness to be asked these
15 questions, depending, and I'm not even sure if the
16 correspondence would actually have any relevance to
17 the testimony she gave on direct.

18 JUDGE VERO: Are you saying it might go
19 over -- not over, exceed the scope of direct?

20 MR. FARINAS: Yes, that's correct.

21 JUDGE VERO: Ms. Ross.

22 MS. ROSS: Well one, it's cross-
23 examination.

24 JUDGE VERO: Cross-examination within
25 these hearings has been contained to the scope of

1 direct.

2 MS. ROSS: However, that correspondence
3 doesn't pertain to her.

4 JUDGE VERO: I understand. I'm just
5 saying within these hearings, we've made it a point
6 of containing cross-examination to the scope of
7 direct.

8 MS. ROSS: I think that's only as it
9 pertains to recross, it's subsequent, but as it
10 pertains to the rules of evidence, cross-examination
11 is open and not limited to direct testimony. That's
12 only on recross that it would be limited under the
13 rules of evidence.

14 MR. FARINAS: I would disagree; so, it
15 would be if you had your way, you would have
16 subpoenaed a whole lot of people to do your own
17 direct and you didn't do that; so, therefore, it's as
18 if you're covering new material as if you're
19 circumventing the subpoena process by now doing a
20 direct if it's not on cross of new information of
21 Ms. Vacca.

22 MS. ROSS: If you would read the rules
23 of evidence, it's not limited to direct testimony.
24 It's relevant, whatever is relevant

25 JUDGE VERO: Whatever is relevant is

1 subject to cross-examination?

2 MS. ROSS: To cross-examination. What
3 is relevant to the issues that are pled in the case.
4 I would agree with you as on to recross, yes, it is
5 limited to direct.

6 JUDGE VERO: Okay. I will look it up,
7 because although we are a State agency and we do not
8 follow the rules of evidence as a court of law
9 would. We are a State agency. We would be a bit
10 more laxed. We have our own rules and regulations.
11 For something that is not stated in our rules and
12 regulations, we look outside for guidance, but we are
13 a little bit more laxed. We are a State agency; so,
14 we are a little bit more laxed in terms of
15 administrative practices and procedures and rules of
16 evidence, et cetera, but I was under the impression
17 that in these hearings as were Ms. Ross's objections,
18 and there were a multitude of them, we were keeping
19 the scope of cross within the scope of direct. I was
20 under that impression. It might be the wrong
21 impression, but per her request, we did.

22 MS. ROSS: If I could make it easier, I
23 will be just questioning Ms. Vacca on the information
24 that she has provided in discovery as substitute for
25 the Linda Priere's verification. Does that make you

1 happy, because it goes to what she already provided.

2 JUDGE VERO: Discovery doesn't go do
3 direct examination. I will check and I will be
4 back. We are in recess.

5 (Whereupon, a recess was taken.)

6 JUDGE VERO: We are back on the record.
7 We took a brief recess. I informed the parties I
8 would go back to my office and research the
9 Pennsylvania Rules of Evidence on the mode and order
10 of examining the witnesses and presenting evidence,
11 specifically Rule 611, and Rule 611 is one of the
12 rules where Pennsylvania rules of evidence have
13 departed from the Federal rules of evidence and to
14 the extent that the scope of cross-examination of a
15 witness other than a party in a civil case should be
16 limited today the subject matter of the direct
17 examination and matters of fact and credibility.

18 So, basically in criminal cases, that is
19 the case. Cross-examination of a witness should be
20 limited on the subject matters of the direct
21 examination. Scratch that. Let me read it again.
22 Rule 611, subsection b, scope of cross-examination of
23 a witness other than a party in civil cases should be
24 limited to the subject matter of the direct
25 examination and matters of fact and credibility;

1 however, the court may exercise discretion permitting
2 inquiry into additional matters as if on direct
3 examination.

4 A party, witness in a civil case may be
5 cross-examined by an adverse party to any matter
6 relevant to any issue in the case, including
7 credibility unless the court in the interest of
8 justice limits the cross-examination with respect to
9 matters not testified to on direct examination.

10 So, the way I read it, the language is
11 such that it accepts civil cases, but for all other
12 case, it specifically says cross-examination of a
13 witness should be limited to the subject matter of
14 the direct examination. This is not a civil case.
15 It is an administrative proceeding, not a civil case,
16 and I remember receiving objections from the
17 complainant's attorney almost on every turn when the
18 respondent tried to go beyond the scope of direct
19 examination during the respondent's cross-examination
20 and I maintained the same stance I'm maintaining now.

21 I would hear the question and I asked
22 the respondent to remain within the scope of the
23 direct, and on the brief instance -- well, the few
24 instances they tried to go beyond that scope, there
25 were objections. They were dealt with on a question

1 by question basis. So there was a question with an
2 objection. Depending on the subject of the
3 objection, I would make a ruling whether or not the
4 objection was sustained or over ruled. You can try
5 that approach.

6 Let me know where you're going, how long
7 it's going to be and depending on the question and
8 whether or not I deem that information to be relevant
9 to the case, something that I want, then I will let
10 it in. If it's not something that I want or I need
11 to make a ruling, I will not let it in. This is the
12 stance I maintained in the initial hearings. I see
13 no reason to change it now, but you let me know. I
14 will not let you use Ms. Vacca in terms of
15 communication. Are we clear?

16 MR. FARINAS: Yes, Your Honor.

17 JUDGE VERO: Anybody need a copy of that
18 rule? No. Good.

19 MS. ROSS: I just want to make sure I'm
20 clear on the rule. You said other than a party and
21 she is a party?

22 JUDGE VERO: Cross-examination of a
23 witness other than a party in a civil case.

24 MS. ROSS: And you're saying because
25 it's an administrative, it doesn't cover; that was

1 your rational?

2 JUDGE VERO: This would pretty much
3 cover everything other than a civil case. This is
4 not exactly a civil case. We are an administrative
5 agency.

6 MS. ROSS: I understand.

7 JUDGE VERO: As I said, we'll look
8 outside for guidance, but unless there is a
9 regulation under our Pennsylvania code title 52,
10 chapters 1 through 5, which are the Commission's
11 Rules of Practice and Procedures, if it's nothing
12 there, then we look outside for guidance or we do the
13 best in the interest of justice.

14 MS. ROSS: Okay.

15 JUDGE VERO: All right. And I will
16 extend you this, I will do for you what I did for
17 PGW. I will do for the complainant what I did for
18 the respondent in terms of them asking a question
19 which I deem that the information was necessary for
20 me to make a decision, because sometimes I don't have
21 certain information on the record and I deem it
22 crucial to make a decision and I will say, I do need
23 it. You are this close to getting it and if I need
24 it, I will ask for it to be sent as a late file
25 exhibit. In order to avoid that and to reopen the

1 record at a later date, I'm known to let that
2 particular question come in over an objection.

3 MS. ROSS: Thank you, Your Honor.

4 JUDGE VERO: All right. It's your turn
5 to do cross-examination.

6 CROSS-EXAMINATION

7 BY MS. ROSS:

8 Q. Ms. Vacca, when you were testifying and you
9 were using the statement of account and the contact
10 screens; is that correct, that was the basis of your
11 testimony?

12 A. Basically, the statement of account.

13 Q. When you read, when you were referring to all
14 of the various transactions, you were looking at the
15 bill, right, but it did not -- how could you
16 determine whether the bill was correct based on the
17 underlying accounting? You were looking basically at
18 the usage and the principal gas charges more or less,
19 inclusive of the LPCs, correct?

20 A. Correct.

21 Q. So, if there was an underlying accounting
22 error, based on the statement of account when you
23 were giving testimony, you can't tell whether or not
24 the overall billing was correct; it was pretty much
25 just limited to usage, principal gas usage and any

1 accumulated late fees; is that correct when you gave
2 those balances?

3 A. Please repeat the question.

4 Q. When you gave the balances, you were just
5 using the statement of accounts, right?

6 A. Yes.

7 Q. If the statement of accounts were wrong
8 because the underlying billing and underlying
9 accounting was not applied correctly, you would not
10 be able to determine whether or not that actual bill
11 is correct, right? So, in other words, if the
12 information that you were be given was faulty going
13 in in determining what that bill was, then it
14 wouldn't necessarily be accurate, would it?

15 A. It would be accurate.

16 Q. Even if the underlying accounting methods, the
17 methodology was not proper?

18 A. PGW feels our methodology is proper.

19 MR. FARINAS: Objection, Your Honor.
20 I'm not really sure the question is -- Ms. Vacca
21 testified to a bill, a billing period, a period for
22 gas usage and a bill that was issued.

23 JUDGE VERO: PGW maintains the bill
24 correct as rendered?

25 MR. FARINAS: Yes, not the balances.

1 JUDGE VERO: Yes.

2 MR. FARINAS: I'm not sure the question
3 is actually relevant to her testimony, because
4 Ms. Vacca never talked about the balance or late
5 payment charges. She only specifically discussed the
6 meter readings, the usage, the period and the
7 resulting bill, absent late payment charges, absent
8 anything else, just gas charges.

9 JUDGE VERO: Didn't she say the bill was
10 correct as rendered? I thought her wording was the
11 bill was correct as rendered?

12 MR. FARINAS: She was responding to the
13 J designation, which was high bills. She was not
14 discussing balances. She was just discussing the
15 resulting bill for that period. This is why we went
16 through the trouble of defining each bill.

17 JUDGE VERO: I know what you're saying.
18 I see the distinction. She already answered. Any
19 other question? I see the distinction.

20 BY MS. ROSS:

21 Q. When you read just the statement of accounts,
22 is there any additional imbedded information in that
23 statement of accounts, just the statement of account,
24 that is not listed within that statement of account;
25 in other words, how everything is applied, all the

1 payments are applied, just the basic statement of
2 account that you were reading from?

3 MR. FARINAS: Objection as to
4 relevance. Ms. Vacca did not testify to the balance
5 of the account. She just testified to what the
6 dispute was and that was a specified bill was
7 objected to because it was high that month, which is
8 why the designations were on each line. There was no
9 imbedded information about balances or late payment
10 charges applied. It was simply gas usage and the
11 resulting bill for that period.

12 JUDGE VERO: How much do you need her
13 answer to that question because I thought you had the
14 chance to make your case. You had expert witnesses.

15 MS. ROSS: Right, but I guess I'm
16 confused, because to me, I'm not sure that she was
17 just testifying to what he was saying in terms of
18 just usage and she said the bill and the bill
19 included charges, past due charges, all of that, all
20 of the LPCs.

21 JUDGE VERO: Can you specify,
22 Mr. Farinas?

23 MR. FARINAS: Yes. The reason why we
24 went through each of those individual things is
25 because the statement of account where Ms. Vacca

1 testified was the bill issued, the date of the bill
2 issued and the usage because that was the nature of
3 the dispute.

4 JUDGE VERO: That J code stands for high
5 billing dispute, high meter read for that particular
6 month. This is what I understand from what has
7 transpired is J code stands for high meter read of
8 abnormal. We call it here, abnormal billing or
9 abnormally high bill or abnormally high meter read
10 for that particular month, and Ms. Treadwell
11 testified as to this in the initial hearings as to
12 why she thought it was abnormally high and this is
13 PGW's, I understand, counterpart of Ms. Treadwell's
14 testimony or its defense or whatever you want to call
15 it of Ms. Treadwell's testimony and there was a
16 transaction. It was disputed. She's saying, this is
17 where we stand.

18 So, I'm willing to specify or qualify
19 Ms. Vacca's testimony as to that and not allow the
20 testimony to take a larger meaning. Are you
21 agreeable to that?

22 MR. FARINAS: I'm agreeable to that.

23 JUDGE VERO: Not to take it as a
24 statement that the bill in its minutia detail, et
25 cetera was correct. It's just that the bill was

1 based on the meter reading. Can we say that rather
2 than say that the bill was correct as rendered; the
3 bill for that month in the section disputed was based
4 on the meter reading for that month?

5 MR. FARINAS: The context of Ms. Vacca's
6 testimony is only to that.

7 JUDGE VERO: Can we live with that? Can
8 the complainant live with that, Ms. Ross?

9 BY MS. ROSS:

10 Q. Let me ask you, I think you referenced a bill
11 that was issued in February of 2009 on Simon?

12 A. Which SA?

13 JUDGE VERO: I need more than an SA,
14 sorry. I can't navigate on SAs.

15 MS. ROSS: 2005, I apologize.

16 JUDGE VERO: Again, I need page numbers.

17 MS. ROSS: I'm going to get that for
18 you. In 2005, February 1, 2001, page PGW 2, Exhibit
19 3B.

20 THE WITNESS: PGW Exhibit 2?

21 MS. ROSS: 3B, page 2.

22 JUDGE VERO: What date?

23 MS. ROSS: February 7th.

24 BY MS. ROSS:

25 Q. Let's go up to where there was a late payment

1 charge on 1/4 2005 and a bill --

2 JUDGE VERO: So, we are on SA that ends
3 1065, right, for Colonial?

4 MS. ROSS: It wouldn't be Colonial.

5 JUDGE VERO: Simon?

6 MS. ROSS: Yes, Simon.

7 JUDGE VERO: And it's the transaction
8 dated February 7, 2006, right?

9 MS. ROSS: No, 5. PGW 2.

10 MR. FARINAS: Exhibit 2A, 2B?

11 MS. ROSS: 3B.

12 MR. FARINAS: It can't be 3B.

13 JUDGE VERO: It was not highlighted as
14 one of the disputed transactions by SBG and that
15 means Ms. Treadwell did not testify on that at all,
16 and it also means that Ms. Vacca did not cover it in
17 her direct; so, you're just pulling it out of
18 nowhere.

19 MR. FARINAS: Actually, I believe that's
20 one she did discuss and you pointed out to us that it
21 wasn't on the amended complaint, but I believe
22 Ms. Vacca got it because it was on one of the
23 original A1 through A8 lists that we had.

24 JUDGE VERO: So, we're letting it in
25 without an issue? Okay.

1 MR. FARINAS: I'm about to object
2 because question was about to be a late payment
3 charge which was not part of Ms. Vacca's testimony.

4 JUDGE VERO: Okay. So, what was the
5 question about that transaction since we already have
6 testimony on it?

7 MS. ROSS: I'll withdraw the question,
8 only because she may not be the one that will be able
9 to really speak to that.

10 JUDGE VERO: Okay.

11 MS. ROSS: She just testified to
12 disputed transactions. May I just have a
13 clarification. Even though there was documentation
14 and verification signed by Ms. Vacca for answering
15 questions in discovery, we are not going to be
16 permitted to ask her about any of the verifications
17 or any of the subject matters because she only
18 testified to disputed transactions that were outlined
19 originally; is that your ruling?

20 JUDGE VERO: THE COURT: I told you if
21 you have a pressing question that you deem very
22 important, let me know and if I think that's very
23 important information for me that I want to have. So
24 far, from what I see, I don't need anything from
25 Ms. Vacca -- no. Scratch that. I do have a couple

1 questions for Ms. Vacca, but it's just my question;
2 so, I have what I need. So, let me know what the
3 pressing question is that you cannot cover through
4 your own case, your own witnesses, but forget the
5 discovery. Discovery is discovery. Unless you bring
6 it on the record, it's discovery. I don't see it.
7 It's not on the record what she did with discovery.
8 She could be somebody completely different, not here
9 at all as a witness.

10 BY MS. ROSS:

11 Q. What is your role in customer service; what do
12 you do?

13 A. I review informal and formal complaints from
14 the customer with the Public Utility Commission,
15 investigate them.

16 Q. So, you investigate and are you charged with
17 documenting contact screens or information in your
18 system as it pertains to these complaints; is that
19 part of your role?

20 A. If I have contact with the customer or if I do
21 any transactions on the customer's account, I would
22 note the account.

23 Q. Are you also involved in training?

24 A. No.

25 Q. You don't do any training?

1 A. Just in my own area.

2 JUDGE VERO: Do you receive training or
3 you train someone else?

4 THE WITNESS: I'm a senior officer; so,
5 I help the officers.

6 JUDGE VERO: You provide training to
7 others?

8 THE WITNESS: I provide support to the
9 others.

10 JUDGE VERO: You receive training
11 yourself, because I thought the question was rather
12 vague in terms of training? Do you do training? Do
13 you receive training or give training?

14 THE WITNESS: I do have training at
15 times, yes, I do receive.

16 JUDGE VERO: Okay, and you provide it
17 for others, okay.

18 BY MS. ROSS:

19 Q. Have you created any part of the training
20 manual?

21 A. No.

22 Q. So, if anyone were to ask for something in
23 writing regarding a dispute, would you deal with
24 that?

25 A. No.

1 MR. FARINAS: Your Honor, I object as to

2 --

3 JUDGE VERO: She answered it and it was
4 a brief answer.

5 BY MS. ROSS:

6 Q. With respect you were talking about the status
7 of the accounts and how many times they paid. Did
8 you have occasion to look at any of the contact
9 screens regarding any of the complainant's accounts
10 when you were making that statement?

11 A. When I was counting the payments, I was only
12 looking at the statement.

13 Q. Did you --

14 JUDGE VERO: Hold on. She testified and
15 I have my notes and you have your notes too; so, just
16 try not to ask questions she already answered in
17 direct. Mr. Farinas asked her whether or not a
18 particular transaction had been disputed and she said
19 I checked the contact history and it wasn't. So, I
20 understand she has testified, at least for some. I
21 don't think her testimony was to everything, but at
22 least for a few. She said I checked the account in
23 particular. I checked the contact history. This
24 particular transaction was not disputed. She said it
25 on at least two occasions.

1 MR. FARINAS: Yes.

2 BY MS. ROSS:

3 Q. When you were reviewing the contact screens,
4 while it may not have been disputed or listed as a
5 dispute, was there other pertinent information, like
6 holds put on the account by Mr. Dunn that would also
7 possibly reflect why the other payments were not
8 received where there were actions by PGW?

9 JUDGE VERO: She testified as to the
10 high meter read. She didn't go to late payment
11 charges at all, anything like that.

12 MS. ROSS: But there are reasons -- what
13 I'm saying, Your Honor, is there may have been other
14 reasons for the high meter that where the accounts
15 had other actions taken by other personnel that would
16 have addressed the issue.

17 JUDGE VERO: All right. Let's hear it.

18 THE WITNESS: Can you re-ask the
19 question please?

20 BY MS. ROSS:

21 Q. So, for example --

22 MR. FARINAS: I believe the question was
23 re-ask the question, not go on further with the
24 question.

25 JUDGE VERO: She did not understand your

1 question or rather she forgot what the question was.

2 BY MS. ROSS:

3 Q. For example, you testified from 2004 to 2012,
4 was it 2012?

5 A. The statement had different dates. I don't
6 know which statement you're talking about.

7 Q. I think it was one particular and I'm not sure
8 if it was Simon or Colonial where the transaction --

9 MR. FARINAS: Your Honor, that's a vague
10 question. She's asking her to recall one or the
11 other.

12 JUDGE VERO: She will pick one. Don't
13 worry.

14 BY MS. ROSS:

15 Q. Where you testified about transactions on the
16 Simon Garden account on the 6732 Chew Avenue, M2.

17 JUDGE VERO: Just give her the page.
18 You don't have a page number that corresponds to her
19 testimony?

20 MS. ROSS: This is for the 6732 Chew
21 Avenue, M2.

22 JUDGE VERO: Just ask the question. She
23 will tell us whether or not she can provide you an
24 answer.

25 BY MS. ROSS:

1 Q. Where action was taken by John Dunn and the
2 account was put on hold.

3 JUDGE VERO: What's the question?

4 BY MS. ROSS:

5 Q. Would that be reflected; would that also be an
6 explanation as to why payments were not received,
7 that the account was put on hold because the
8 complainants were working with someone else from
9 PGW?

10 JUDGE VERO: Payments received. She
11 never mentioned a payment received.

12 MS. ROSS: When she counted the number
13 -- I get you. It would be reflected in PGW page 13,
14 Exhibit 1B.

15 JUDGE VERO: Ms. Ross, again, please.

16 MS. ROSS: PGW Exhibit 1B, page PGW 13.

17 JUDGE VERO: What tab?

18 MS. ROSS: Tab 1.

19 JUDGE VERO: Exhibit 1B.

20 MS. ROSS: Page 13.

21 JUDGE VERO: I'm there. Ms. Vacca, are
22 you there?

23 THE WITNESS: Yes.

24 JUDGE VERO: All right.

25 BY MS. ROSS:

1 Q. It says 11/8 2004, 45 days hold put on account
2 per John Dunn, III.

3 JUDGE VERO: What was the question?

4 BY MS. ROSS:

5 Q. I'm asking you if there would be other reasons
6 for payment either not being applied or not being
7 received because other personnel from PGW may have
8 taken action or had separate conversations with the
9 complainants that would indicate that there was a
10 reason why they may not have had to pay?

11 A. A hold is only so that late payment charges
12 won't accrue on the account. It doesn't have
13 anything to do with the payments.

14 MS. ROSS: I have nothing further.

15 JUDGE VERO: Let me see if I understand
16 the J code stands for. It stands for a dispute where
17 you're saying you charge me for gas I did not
18 consume. You charged me for something, I mean,
19 abnormally high amount of gas, higher than usual. We
20 call it high billing dispute. SBG has called it high
21 meter reading dispute. I understand them to be the
22 same essentially, right. What you're telling were
23 coded J, we call them high billing disputes. I want
24 to know whether this is the extent the parties intend
25 to cover them so I can mover on this particular type

1 of case, specific type of case, there are certain
2 things you need to do, certain information I need to
3 collect. I'm asking both of you, is this the extent
4 you need, you intend to address the J code for
5 Colonial and Simon?

6 MR. FARINAS: Given the amount of
7 testimony and evidence that was provided, PGW has
8 provided what it feels was adequate.

9 JUDGE VERO: All right. I'm giving you
10 a helping hand by the way. Has there been any change
11 in the Colonial and Simon Garden occupancy through
12 the years, any change at all that would allegedly
13 make you think that this is abnormally high; any
14 change at all in the occupancy of colonial?

15 MS. ROSS: Obviously, we don't want to
16 -- can we make a confirmation on that?

17 JUDGE VERO: That's all I needed to
18 know. Moving along. Your next witness -- hold on.
19 Ms. Vacca, just so I don't bring you back. Let me go
20 over SBG's exhibits. I know I had marked somewhere
21 that I needed to ask a question I sort of reserved
22 for PGW witness. This can be answered by either
23 Mr. Cummings, who is still with us or Ms. Vacca,
24 depending on who has the most knowledge.

25 What type of rate is the complainant

1 under? I saw GS as the type of rate, right -- I'm
2 sorry. What type of customer is the complainant,
3 small business, commercial? I need to know.

4 MS. ROSS: They have us listed as GS
5 commercial.

6 MR. CUMMINGS: If you're looking at the
7 broad category, on a broad category, this customer
8 would actually fall under the commercial. They would
9 not be considered a residential customer. They would
10 be a commercial customer with residential tenants
11 which could be under the commercial umbrella.

12 JUDGE VERO: Would the commercial
13 customer and small business customer, would he also
14 fall under a small business?

15 MR. CUMMINGS: We don't differentiate
16 between small business.

17 JUDGE VERO: There is something,
18 residential/small business; so would the complainants
19 fall under small business? Would you treat it as a
20 small business in terms of regulations?

21 MR. CUMMINGS: I don't know that answer.

22 JUDGE VERO: Ms. Vacca, do you know.

23 THE WITNESS: We have it listed as
24 commercial; that's all I know.

25 MS. ROSS: All of the corporations are

1 LP; so, they're limited partnerships and I believe
2 Mr. Colton considered them small businesses.

3 JUDGE VERO: I know that's on the
4 record. I specifically asked Mr. Colton the same
5 question. I'm asking PGW, but thank you,
6 Mr. Cummings.

7 MR. CUMMINGS: I'm looking at the bill
8 right now. We have it as a general service
9 commercial, Your Honor.

10 JUDGE VERO: Do you have a copy of
11 SBG's Exhibit 5?

12 THE WITNESS: No.

13 JUDGE VERO: Mr. Farinas, can you
14 provide her with a copy of it?

15 (Whereupon, document handed to witness.)

16 JUDGE VERO: This is a specific account,
17 a bill for a specific account. I have it here that
18 it has 3 SAs, but 2 meters -- scratch that. I'm
19 sorry. This question goes to Mr. Cummings. Do you
20 know if there is any specific action taken to
21 approve, for the Commission to approve the bill? I
22 know they approve the tariffs, but is there such an
23 action to approve the bill, like a layout,
24 information on the bill? I know there is a tariff,
25 approval of the tariff. There's a regulations that

1 require you to do things, but is there certain things
2 the Commission approves for a bill, the layout
3 information on a bill per utility?

4 MR. CUMMINGS: I know we have to go
5 through a process when we make any changes to a bill;
6 so, I have to make an assumption that there has to be
7 some type of formal process when we have a bill
8 format. A couple years ago, we changed the overall
9 format of the PGW bill and we had to go through a
10 process to get it approved; so, to answer your
11 question, yes.

12 JUDGE VERO: There is such a process of
13 approval?

14 MR. CUMMINGS: Yes.

15 JUDGE VERO: So, the latest bills that
16 have been approved, they bear a Commission approval
17 stamp?

18 MR. CUMMINGS: Yes.

19 JUDGE VERO: Can I get some more
20 information on that as a late file exhibit?

21 MR. FARINAS: Yes. I have to look up
22 the exact nature.

23 JUDGE VERO: That is my last question.
24 Thank you very much, Ms. Vacca. If there is no
25 direct or recross, moving along to the next witness.

1 MR. FARINAS: Your Honor, I'd like to
2 call Ms. Diane Rizzo.

3 JUDGE VERO: Ms. Rizzo, please raise
4 your right hand.

5 Whereupon,

6 DIANE RIZZO

7 having been duly sworn, testified as follows:

8 JUDGE VERO: State your name and spell
9 your last name for the record.

10 THE WITNESS: Diane Rizzo, R-I-Z-Z-O.

11 JUDGE VERO: What is your business
12 address, Ms. Rizzo?

13 THE WITNESS: 800 Montgomery Avenue,
14 Philadelphia 19122.

15 JUDGE VERO: You may begin direct
16 examination, Mr. Farinas.

17 DIRECT EXAMINATION

18 BY MR. FARINAS:

19 Q. Good afternoon, Ms. Rizzo.

20 A. Good afternoon.

21 Q. Can you tell me what your relationship is with
22 PGW?

23 A. Currently, I am a consultant with PGW.

24 Q. Before you were a consultant, what was your
25 relationship with PGW?

1 A. I worked with PGW for 32 years.

2 Q. In what capacity?

3 A. As a full-time employee. My last title was
4 project manager, where I supported and maintained the
5 billing system up in IS in information systems.

6 Q. As a consultant, what is your capacity now for
7 PGW?

8 A. Now, I'm basically an analyst for the customer
9 service.

10 Q. Does that entail working, still working with
11 the billing system?

12 A. Yes.

13 Q. Are you familiar with the way PGW creates and
14 processes and accepts payment on bills?

15 A. Yes.

16 Q. How did you become associated with this
17 complaint we're discussing today or these complaints
18 we're discussing today?

19 A. A while back, Linda Priere called me saying
20 this case was going on, and that SBG had submitted
21 the information that the rates would change every
22 month and could I explain how the LPC was charged.

23 Q. When you say rate, was it to the LPCs?

24 A. Yes, the LPC rates.

25 Q. What did you do with respect to that request?

1 A. Fred Sheath, he sent me for the statement of
2 account. I added four or five columns where I then
3 showed or recalculated what the LPC was for each of
4 the time periods.

5 Q. Can you tell me what is the rate at which PGW
6 assesses late payment charges per month?

7 A. 1.5 percent?

8 Q. Directing your attention to -- I'm not going
9 to go through each one, but I would like you to
10 provide a brief walk-through of your work, and I ask
11 you to go to a particular spread sheet regarding 6732
12 Chew Avenue, M2, PGW Exhibit 1, and on our exhibit
13 that we have today, I placed in front of you a page
14 from Exhibit 1, Exhibit 1B, page PGW 17. Could you
15 explain just briefly how you created the exhibit and
16 how it demonstrates PGW's treatment of late payment
17 charges?

18 A. Okay. On the night of billing, we take --
19 before the bill is even calculated, we take the
20 unpaid balance. We then subtract out any unpaid LPC
21 and that amount is then multiplied by the 1.5 percent
22 to get the current LPC that should be charged.

23 Q. So, with the next month, how does PGW treat an
24 unpaid balance which has a combined LPC and gas money
25 or charges for the gas service?

1 A. The next month, we take that previous balance,
2 we subtract any new unpaid LPC, and then multiply
3 that amount by the 1.5 percent.

4 Q. So, does PGW compound the 1.5 percent late
5 payment charge by including that late payment charge
6 in the next month's bill for late payment charges?

7 A. No.

8 Q. Can you take page 17 and just walk us through
9 an example where we can see that?

10 A. The very first LPC that's on the page. Back
11 on 9/3 of 2007, the unpaid balance was \$88,143.13.
12 The unpaid LPC at that time was \$14,493.53, which
13 left a balance of \$73,649.60. If you multiply that
14 by the 1.5 percent, you get \$1,104.74, then there
15 were no payments, but there was a bill for \$414.28;
16 so, the new balance on the account was \$89,662.15.

17 We subtract out the new unpaid LPC of
18 \$9,598.27, leaving a balance of \$74,063.88.
19 Multiplying that by 1.5 percent, you get \$1,110.95.

20 Q. So, throughout all of the spread sheets that
21 you did of this nature was done in the same way?

22 A. Correct.

23 Q. And applied a late payment charge percentage
24 of 1.5 percent per month?

25 A. Correct.

1 Q. I'm going to switch gears and ask about are
2 you familiar with the way that PGW accepts payments
3 and retires to satisfy the money owed?

4 A. Yes.

5 Q. What is the hierarchy or the order in which
6 PGW has once it receives a payment and applies it to
7 an account?

8 A. We first will apply any money to any open
9 deposits, then we --

10 Q. By open deposits, what do you mean, open?

11 A. When a new customer comes in to have gas
12 service, a credit check is done on them. If they
13 don't have a very good credit check, we require a
14 deposit from them. For residential customers,
15 they're allowed to pay a half and then a quarter and
16 a quarter; so, if there was an open deposit, money
17 still owing on the deposit, when cash comes in, we
18 first put it to the deposit amount, then we put it to
19 any unpaid LPC, then we put it to the oldest gas.

20 Q. How long have you been working at PGW?

21 A. I've been there 35 years.

22 Q. And in the area in which you obtained your
23 knowledge of how these payments are retired and
24 received, how long has PGW been retiring these
25 payments in this way?

1 A. I would say I went up to IS, I had first
2 started in accounting, then I went to collections,
3 then I went up to IS, I'd say it's 30 years.

4 Q. Has PGW, to your knowledge and your
5 experience, ever been cited by the PUC for doing that
6 the wrong way?

7 A. No.

8 Q. Does PGW billing payments, the function of
9 crediting payments to accounts, does that ever get
10 reviewed by any regulatory authority in any way?

11 A. Over the years I've been involved in plenty of
12 audits with either the Gas Commission or the Utility
13 Commission where they've wanted to know what our
14 hierarchy is, how we calculate different things, how
15 we calculate different items on the bills
16 themselves. I don't know of anybody ever telling us
17 we were doing something wrong there.

18 Q. I'm going to ask you questions now about your
19 knowledge of SAs. First of all, I know people are
20 somewhat familiar with it, but we have one of the, I
21 want to say, PCC Goddess(ph), but please tell me what
22 function does an SA serve?

23 A. Basically, it's the contract between PGW and
24 the customer for the specific meter; so, it's the way
25 for PGW to keep track of what charges have occurred

1 on the account or on that SA, what payments have gone
2 against it, what balance is left as far as for each
3 specific meter.

4 Q. So, a customer can have one account, but
5 multiple SAs?

6 A. Correct.

7 Q. When a payment comes in under the normal
8 circumstance, that is, it's mailed, it's processed,
9 how does that payment on an account number get
10 distributed if the account does have multiple SAs;
11 how does it get distributed over the multiple SAs?

12 A. It's basically a weighted average. If there
13 is one SA that balances 20 percent of the total,
14 another SA is 15 advertise percent of the total and a
15 third SA is 30 percent of the total amount owed, when
16 a payment comes in, it's then broken down the same
17 way, 20 percent of that payment will go to the first
18 one, 15 percent to the second one and 30 percent to
19 the third one.

20 Q. And is that breaking down, that distribution
21 done manually or automated?

22 A. It's all automated. It's basically to keep
23 the arrears as low as possible on each of the SAs.

24 Q. So, what happens if for whatever reason
25 there's an SA that reaches a zero balance first, what

1 happens?

2 A. Normally, if someone will manually, if there's
3 a credit on another SA, the credit gets distributed
4 over to the other two or three, whatever SAs that
5 still have a balance on them.

6 Q. What do you do in situations where there is a
7 big lump sum payment that might come to PGW in the
8 form of a satisfaction of a lien or just a lump sum
9 payment?

10 A. And it is processed systematically?

11 Q. Yes.

12 A. The money gets distributed based on the
13 weighted average of the SA to the account and we pay
14 off or we zero out any unpaid LPCs or we lower the
15 balance of the unpaid LPC, and then if any money is
16 left over, we put it against the arrears.

17 Q. Would the same manual process occur if any one
18 of the SAs got zero before the others?

19 A. Well, if someone manually put a payment
20 against one service agreement on an account that had
21 multiple and it created a credit on there, then
22 somebody manually did that and then the credit would
23 have to be manually distributed to the others.

24 Q. In doing this work, did you ever have occasion
25 to speak with other utilities about the kind of work

1 that you do?

2 A. Not, no I don't.

3 Q. If I can ask you about, what is the
4 relationship between an SA and a payment arrangement;
5 how does one -- how do those terms, are they ever
6 used in the same sentence besides mine?

7 A. Well, the service agreements roll up to the
8 account and it's at the account level that the
9 payment arrangement is the on.

10 Q. What would happen if someone had a payment
11 arrangement with regard to an account with multiple
12 SAs?

13 A. It's really like you're doing dual accounting,
14 I guess, because you're taking care of the payment
15 arrangement, whatever the agreement was that the
16 customer was supposed to pay each month, you're
17 handling that, but at the same time, we're still
18 distributing the money under the rules of the
19 weighted averages and going against any of the unpaid
20 LPCs and then the arrearages.

21 JUDGE VERO: I'm sorry, quick question.
22 Any payment arrangement involved in Simon Colonial
23 Garden accounts?

24 MR. FARINAS: I don't think so, and,
25 actually, that was going to be my next question.

1 JUDGE VERO: All right. Because I
2 wasn't aware of any and I thought maybe I missed
3 something. Go ahead.

4 BY MR. FARINAS:

5 Q. What happens to an account when it is enrolled
6 or the customer enters into a payment arrangement for
7 having a large balance?

8 A. Generally, the LPC indicator is shut off; so,
9 they no longer receive any LPC charges. That's
10 really the only thing I know of that changes.

11 Q. And in reviewing or in conducting any of the
12 analysis that you conducted with respect to the LPCs
13 for all of the SBG and related accounts, were there
14 any payment arrangements that you had to deal with in
15 explaining the assessment of the late payment
16 charges?

17 A. No. Not that I saw, no.

18 Q. Final question, which actually should have
19 been an earlier question. At PGG, what do you use or
20 refer to, if you know, that gives you authority to
21 charge the LPCs at a rate of 1.5 per month?

22 A. The tariff.

23 MR. FARINAS: Your Honor, I have no
24 further questions of Ms. Rizzo at this time and she's
25 available for cross-examination.

1 JUDGE VERO: I do have a question for
2 you. I see that account history is in this binder.
3 Is there specific information you intend to bring in
4 as your exhibits. If this is the information that
5 you intend to move into the record in this case, who
6 is your witness that's going to sponsor that
7 information?

8 MR. FARINAS: Your Honor, because of the
9 nature of Ms. Vacca's testimony which was in response
10 to the complainant's case with regard to that, it was
11 our plan to do a regular full response with respect
12 to those individual disputes, which as you may
13 recall, we included contacts. There no reason, at
14 your suggestion, that there's no reason to cover the
15 context of that; so, we can admit it if you like, but
16 I will not be using it any longer today unless you
17 want.

18 JUDGE VERO: Do you want to move it? Do
19 you intend to move it?

20 MR. FARINAS: As we prepared these
21 exhibits a week ago, I was doing it, but ...

22 JUDGE VERO: That's okay. I just wanted
23 to know whether there was anything more coming on
24 that information from Ms. Rizzo.

25 MR. FARINAS: No. It's unnecessary.

1 JUDGE VERO: Okay. It was more of a
2 Ms. Vacca's planned testimony, okay. Ms. Ross, any
3 cross for Ms. Rizzo?

4 MS. ROSS: Yes, ma'am.

5 CROSS-EXAMINATION

6 BY MS. ROSS:

7 Q. Ms. Rizzo, you said you prepared all of the
8 LPC late payment analysis calculations in response of
9 complainant's request for discovery. It was set 2,
10 number 36. You prepared everything?

11 A. I don't know because I've never seen that.
12 All I know is Linda Priere asked me if she sent me
13 statement of accounts, could I verify what the
14 calculation was.

15 Q. So, you didn't prepare these. You signed a
16 verification that you prepared set 2, responses to
17 set 2, correct?

18 MR. FARINAS: Objection. I don't think
19 Ms. Rizzo --

20 BY MS. ROSS:

21 Q. She did prepare these. Did you prepare these
22 statements?

23 A. Yes, I prepared those statements with the
24 extra columns on the right that show how the
25 calculation was.

1 Q. Did you only start from 2007 on this account

2 --

3 JUDGE VERO: You need to tell me in what
4 account; this account?

5 MS. ROSS: This is for the Simon Garden
6 SA ending in 5601.

7 JUDGE VERO: All right. And it starts?

8 MS. ROSS: LPC analysis, which would be
9 toward the back.

10 JUDGE VERO: Give me a page number so I
11 know where I am.

12 MS. ROSS: Were are you looking?

13 JUDGE VERO: I'm looking at PGW.

14 MS. ROSS: PGW would be tab 1, Exhibit,
15 PGW page 17, tab 2.

16 MR. FARINAS: Your Honor, it begins on

17 --

18 MS. ROSS: Page 5 of 8.

19 JUDGE VERO: No. Don't confuse me. We
20 are at PGW Exhibit 1B, PGW page 17. This is where we
21 are. Don't give me any other page numbers.

22 Ms. Rizzo, are you there?

23 THE WITNESS: Yes.

24 MS. ROSS: Your Honor, do you have the
25 SBG Exhibit from yesterday by any chance? It would

1 be our SBG Exhibit 3. I don't have a page number.

2 JUDGE VERO: Then give me some other
3 identifying information. Give me an SA number. Give
4 me the property name.

5 MS. ROSS: We gave it to you yesterday,
6 your Honor.

7 JUDGE VERO: I know. I know I have it.
8 Just give me some identification.

9 MS. TREADWELL: Yesterday we gave you
10 our statement of accounts that support our schedules.

11 JUDGE VERO: Under what exhibit was the
12 statement of accounts and can you locate that
13 statement of accounts under PGW's exhibit because all
14 we that is for reference purposes. They should
15 match.

16 MS. ROSS: Your Honor, I am showing you
17 what we will be marking as SBG Exhibit 7.

18 (Whereupon, the document was marked as
19 SBG Exhibit No. 7 for identification.)

20 JUDGE VERO: Why have you been referring
21 to SBG 2?

22 MS. ROSS: Because I know we had this
23 available.

24 JUDGE VERO: Could it be under 2, the
25 exhibit, the copy that I destroyed?

1 MS. ROSS: Yes.

2 JUDGE VERO: I knew there was a
3 statement of account somewhere, but it wasn't under
4 3.

5 MS. ROSS: It was the SA ending in 5601
6 and it's at the back; so, it would have been toward
7 the back. It's Exhibit 2.

8 JUDGE VERO: Yes, it is Exhibit 2. It's
9 not 3 because 3 was your analysis. Okay.

10 BY MS. ROSS:

11 Q. So, I'm looking at your analysis which starts
12 on page 5 of 8, and that's what you are basing your
13 testimony on today, correct?

14 A. Yes.

15 Q. Now, is there is a reason and you prepared all
16 of these for her or did you just prepare from 2007 to
17 the other date or did you prepare the entire
18 document?

19 A. I prepared the entire document.

20 Q. So, I'm asking you, is there a reason why you
21 did not supply the full analysis on this document on
22 this SA and this would be on SA 5601 pages 1 from 8?

23 A. The only thing I can think of is that it was a
24 mistake. As far as I supplied it, I supplied the
25 calculation the same way you see here. I'm not sure

1 why it wasn't put in this packet.

2 Q. So, this is not a complete analysis that you
3 testified to today?

4 JUDGE VERO: It's a portion --

5 MR. FARINAS: The portion that we put
6 in.

7 JUDGE VERO: That is the portion PGW is
8 putting on the record to support PGW's case, okay.
9 That's why you did discovery to have the entire
10 thing, and that's up to you to select what portions
11 you wanted in your case as part of your exhibits,
12 your record. Don't go asking PGW why they didn't do
13 something in terms of their case.

14 BY MS. ROSS:

15 Q. However, in this analysis, does it provide a
16 full and accurate accounting, your portion, of all
17 that has transpired on this account on what you have
18 testified to today from pages from the year 2007 to
19 where it ended, I guess, which was 2013?

20 A. Yes.

21 MR. FARINAS: I'm sorry. I'm really not
22 trying to be dense, but I'm looking at your Exhibit 2
23 and pages 1 through 8 of the same account, of the
24 same SA are shoved; so, the entire thing is here.

25 MR. ROSS: What you gave us today is

1 only a portion.

2 MR. FARINAS: The judge just explained
3 that to you. She's just demonstrating what she did.

4 JUDGE VERO: Did she ever make the
5 statement this is all I prepared during direct with
6 regard to this document?

7 MS. ROSS: I don't know that the
8 question was asked.

9 JUDGE VERO: So, she did not make that
10 statement. If you don't know whether the question
11 was asked, you don't whether she ever said that. Do
12 you know that she ever made such a presentation that
13 from 2007 until 2013, that was all that she prepared;
14 did she ever say that?

15 MS. ROSS: No.

16 JUDGE VERO: Then why are you
17 challenging her on that statement?

18 MS. ROSS: That's not what I'm trying to
19 do.

20 JUDGE VERO: Then what is your cross-
21 examination question?

22 MS. ROSS: The cross-examination
23 question, it doesn't show a full history of what has
24 happened in terms of this, and I'm trying to show
25 where, in fact, there were some errors and/or where

1 there were transactions that may have affected the
2 account that are not reflected in just the portion
3 she testified to.

4 JUDGE VERO: I get that now and I will
5 allow her.

6 MR. FARINAS: Okay. But you can show
7 her what you're asking her?

8 JUDGE VERO: She did. Didn't she?

9 THE WITNESS: This repeats what I had.

10 JUDGE VERO: She did not, okay.

11 MS. ROSS: Okay.

12 BY MS. ROSS:

13 Q. When you do your mathematics, did you do this
14 by hand?

15 A. No, I did it in Excel.

16 Q. So, when the LPCs are applied on the account,
17 the dates, is that done by hand or is that by the
18 computer, the left side of the account?

19 A. Linda and Wendy's unit or group has software
20 that will download the information; so, as far as I
21 know, it is not done manually.

22 Q. What is the due date when an LPC should be
23 applied, five days after the due date of the bill?

24 A. I believe so.

25 Q. So, in your analysis, what you prepared, and

1 I'm looking at the transaction 9/28 -- I'm sorry, the
2 bill is 9/06 2007, there's a bill date, right?

3 A. I don't have that.

4 Q. 9/6, 2007, the bill is issued?

5 A. Yes.

6 Q. Due date is 10/1 2007?

7 A. Correct.

8 Q. LPC was issued on 9/28 2007, which is several
9 days before the bill date?

10 A. The due date.

11 Q. Why is that?

12 A. Okay. The majority of our accounts are in
13 what we call cycles 1 to 20. Cycles 1 to 20, the
14 billing window is one day; so, in the case of
15 Colonial, they're in cycle 2; so, they get billed in
16 a one day window. We get the meter readings. We
17 calculate the LPC. We calculate the new bill. The
18 bill gets issued, has a due date on it.

19 Simon here is in cycle 22. Twenty-two has a
20 five day window, because at one time, all those
21 accounts were your larger commercial and industrial
22 accounts, and everybody wanted to make sure that
23 those meters were read properly and the readings were
24 done by a human being going out and getting the
25 reads. So, because of the five day window, the first

1 day of the billing window, we calculate the LPC.

2 It isn't until the end when we make sure that
3 the reads are in and that they're reviewed more
4 closely because you don't want a large volume
5 customer to get an incorrect bill; so, it takes a
6 number of days. The reads are reviewed. The bills
7 are reviewed.

8 We finally close the window and the due date
9 is then calculated 20 days after that closing date of
10 the window. So, that's why the LPC is calculated on
11 the first day of the window and the bill is
12 calculated on the last day of the window.

13 Q. But the customer receives a bill that says due
14 date is, in this case, 10/1, but you've already
15 assessed them an LPC, right?

16 A. That is correct.

17 Q. And where does the tariff and/or the
18 regulations or code, public utility code allow for
19 you to do that?

20 A. Nowhere.

21 Q. You just do it, okay. I see that it is done
22 repeatedly, at least on this first page, and we found
23 it in other areas, but it looks like there is a bill
24 that was issued on 11/5.

25 MR. FARINAS: Your Honor, I'm not sure

1 there is a question yet.

2 JUDGE VERO: There's a question coming.
3 There is a question coming, right, Ms. Ross?

4 MS. ROSS: Yes, ma'am.

5 BY MS. ROSS:

6 Q. A bill was issued on 11/5 2007. Due date is
7 11/30 2007. You issued the LPC on 11/30 2007, the
8 same day of the due date, right?

9 A. That is correct.

10 Q. There's several instances where you either
11 issue --

12 JUDGE VERO: Hold on a second. Okay,
13 October 2007 bill. We're still looking at that
14 eight-page document, right, Simon Garden. So, let's
15 see, looking at October bill 2007, the due date was
16 October 26th?

17 MS. ROSS: Right.

18 JUDGE VERO: Going down, LPC. LPC
19 calculated November 1st?

20 MS. ROSS: Right.

21 JUDGE VERO: So, it is five days of due
22 date. Is there any transaction you want to
23 highlight?

24 MS. ROSS: I did. I went to the next
25 one.

1 JUDGE VERO: Okay. The next one,
2 November 5, 2007, bill due date, November 30, 2007,
3 LPC calculated November 30, 2007 and there was no
4 LPC, right, none was calculated. So, Ms. Ross?

5 MS. ROSS: Yes, it was calculated.

6 JUDGE VERO: There is an LPC there?

7 MS. ROSS: Yes, \$1125.19.

8 JUDGE VERO: Okay. Hold on. Let's
9 see. And that is the example you want to use?

10 MS. ROSS: I'm just showing that --

11 JUDGE VERO: And I'm going right back at
12 you, this is the example you want to use? This is
13 the transaction you're going to use for that
14 particular complaint?

15 MS. ROSS: And then there is a 12/5/07
16 bill.

17 JUDGE VERO: I'm there.

18 MS. ROSS: Due date is 1/2 2008. The
19 LPC was issued 12/31 2007.

20 JUDGE VERO: Thank you. It's your
21 case. You're making the choices.

22 MS. ROSS: It's just --

23 JUDGE VERO: Don't explain. You know
24 where I'm going. I know where you're going. I urged
25 you -- not urged you, asked you whether this is the

1 example you're going to use. This is your case. Go
2 ahead.

3 BY MS. ROSS:

4 Q. Let me just ask you, what is the purpose of
5 having a weighted average amongst multiple SAs?

6 A. To keep the arrearages down, to keep the
7 arrearage -- the payments are made and a customer has
8 arrears in the 31 to 60 bucket in all three of the
9 SAs, based on their usage and the balances, if a
10 payment comes in, you don't want to create a credit
11 on one; so, you use that weighted average so that
12 you're hopefully getting rid of all the arrearage in
13 the 31 to 60 bucket on all three SAs rather than just
14 on one of them and have arrearages still on the other
15 two.

16 Q. Would the customer know about that? How would
17 they know that that's what happened to their
18 accounts?

19 A. Why would they care. They wouldn't know. It
20 is all internal for us.

21 JUDGE VERO: If they asked?

22 THE WITNESS: If they asked, a rep would
23 be able to tell them.

24 BY MS. ROSS:

25 Q. So, a rep would be able to tell them?

1 A. Yes.

2 Q. With this in particular, how would a customer
3 ever know that as you said?

4 JUDGE VERO: You said this in
5 particular.

6 MS. ROSS: I'm sorry.

7 BY MS. ROSS:

8 Q. With respect to the document you prepared, do
9 you prepare these documents on a regular basis if a
10 customer should inquire?

11 A. No, only for SBG for Linda Priere.

12 Q. That's the only reason why you prepared this
13 document?

14 A. Correct.

15 Q. So, the other way of explaining what happens
16 to the hierarchy of payments and where they're
17 applied and how it's applied to a late fee, how would
18 any other customer know how that happens looking at
19 their bill and/or in a statement of account that
20 might be sent out by PGW?

21 A. As far as I know, reps --

22 JUDGE VERO: Are you concerned about
23 other customers now? Are you defending public
24 interest?

25 MS. ROSS: I would think so. There are

1 80,000 customers that are at issue.

2 JUDGE VERO: What's your standing to do
3 that, SBG's standing to do that for the public at
4 large?

5 MS. ROSS: I'm quite frankly an
6 interested party.

7 JUDGE VERO: You are an interested party
8 as to the complainant's transactions; so, let's stick
9 with the complainant's transactions, because if you
10 take that line of questioning a step further, it
11 would be they would all go to PGW with a similar
12 dispute like yours and Ms. Preire would end up going
13 to Ms. Rizzo. Ms. Rizzo would do it the same way she
14 did it for SBG if there was another concerned
15 customer out there that's in the same water as SBG;
16 water meaning commercial, residential, small
17 business, that kind of description or a customer with
18 multiple SAs in a single account. So, that's why I'm
19 saying don't go that large.

20 BY MS. ROSS:

21 Q. At this point, how have you determined what the
22 actual affect of the interest rate is on the unpaid
23 principal balances by applying and wiping out late
24 payments first? Have you done any kind of analysis
25 on that to see what the actual APR is when you

1 conduct your application of payments this way?

2 A. No, I haven't.

3 Q. And to the extent that you were able to do
4 this -- and when did you prepare this document, first
5 prepare it?

6 A. I would say over 2013 and 2014 because I would
7 get a couple SAs from Linda and then I would get a
8 couple more, and then she would tell me they found
9 more and she would give me more. I wasn't getting
10 all of them at one time; so, it was over 2013 and
11 2014.

12 Q. Do you know when it was actually delivered to
13 SBG?

14 A. No, I don't.

15 Q. But your analysis was at least started in
16 2013?

17 A. I believe so.

18 JUDGE VERO: Are you referring to this
19 one SA?

20 MS. ROSS: These analyses, all of these.

21 JUDGE VERO: All these type of analyses
22 across the board of SBG's complaint?

23 MS. ROSS: Yes.

24 JUDGE VERO: Or this one that's part of
25 SBG's Exhibit 2 that you asked her to refer to, it's

1 Simon Garden, this specific or across the board?

2 BY MS. ROSS:

3 Q. Do you know which account you did first?

4 A. No, I don't remember.

5 Q. But as to this analysis, can you tell me when
6 you did this one for Simon Garden and Colonial?

7 A. No, I don't remember.

8 Q. How does this affect lien amounts; does this
9 take into consideration amounts that had been liened
10 and set as judgment? Do you still apply it as the
11 one and a half percent versus half percent? Have you
12 done any kind of an analysis on that?

13 A. No, I have not.

14 Q. Is that something that would be an analysis
15 that you would be capable of preparing?

16 A. What's the analysis?

17 Q. Lien amounts. When there's a lien, an amount
18 liened, could you determine --

19 JUDGE VERO: Why is that relevant to you
20 whether or not she can prepare that or not?

21 MS. ROSS: It does go to whether or not
22 rate changes and/or it affects the underlying balance
23 if it's carried over.

24 JUDGE VERO: But why do you want to know
25 if she can do it or not?

1 MS. ROSS: If she's able to prepare the
2 analysis, then PGW --

3 JUDGE VERO: Maybe there's someone
4 else.

5 BY MS. ROSS:

6 Q. Are you the only one in PGW that can prepare
7 this kind of analysis?

8 A. I hope not.

9 MR. FARINAS: Your Honor, I'm still not
10 even sure of the purpose of the question in the first
11 place. We would not have an interest in preparing --

12 JUDGE VERO: I'm taking that particular
13 question to mean if there was a file when I asked the
14 parties to submit such an analysis, that it would be
15 Ms. Rizzo who would provide it?

16 MS. ROSS: No.

17 JUDGE VERO: Then where are you going
18 with that?

19 BY MS. ROSS:

20 Q. If there is an ability to do that, you said
21 you did it by computer, right, you didn't do it by
22 hand?

23 A. Correct.

24 Q. So, the computer is capable of conducting an
25 analysis?

1 MR. FARINAS: I object. I have no idea
2 where this is going.

3 BY MS. ROSS:

4 Q. Is the computer capable of either doing --

5 JUDGE VERO: What computer, her system,
6 the Excel program; what computer?

7 BY MS. ROSS:

8 Q. Does PGW have the capability of segregating
9 liened amount of interest versus non-liened amount of
10 interest?

11 JUDGE VERO: If they are called to do
12 it, can they do it?

13 THE WITNESS: No.

14 JUDGE VERO: Next question.

15 MS. ROSS: That's it -- wait. Last one.

16 BY MS. ROSS:

17 Q. Is there an algorithm that you are aware of
18 that is contained within the PGW bill collection
19 system or billing system?

20 A. There's plenty of algorithms. What specific?

21 Q. In how you actually calculate a bill and how
22 it distributes payments amongst the billing system?

23 MR. FARINAS: Your Honor, that's two
24 questions. The first was calculate the bill and --

25 JUDGE VERO: Yes. Take your time,

1 Ms. Ross, and clarify the question or divide it into.

2 BY MS. ROSS:

3 Q. Is there an algorithm that actually speaks to
4 how payments are applied?

5 JUDGE VERO: Partial payments; are you
6 referring to partial payments?

7 MS. ROSS: Yes. We'll say partial
8 payments for the sake of clarity.

9 JUDGE VERO: Yes.

10 THE WITNESS: If algorithm means rule
11 for the hierarchy, yes, there is, which I stated
12 earlier, which is security deposits, then LPCs, then
13 arrearages.

14 JUDGE VERO: Can you repeat that for
15 me? The first is?

16 THE WITNESS: The first is security
17 deposits.

18 JUDGE VERO: Second?

19 THE WITNESS: LPCs, and then arrearages.

20 JUDGE VERO: Okay. I have 4 o'clock.

21 MS. ROSS: I know.

22 BY MS. ROSS:

23 Q. Can you tell me, the way you just described
24 the application of payments, is that in terms of the
25 billing that it goes to utility charges and supply

1 and delivery charges, and then it posts to non
2 utility charges; are we saying the same thing?

3 A. I don't know. When we calculate a bill,
4 there's -- this is going to get really technical.
5 When we calculate a bill, the receivable goes to a
6 receivable account, and then the credit is on the
7 receivable or the debit is on the receivable and the
8 credit is on the customer's account, then you have
9 each line on the bill, the customer charge and the
10 commodity charge and the WNA and the disk and the
11 distribution charge, they all have separate GL
12 accounts that the money goes to.

13 When a payment comes in, we don't care what
14 the revenue was, where the revenue got generated as
15 far as the different items on the bill. What we care
16 about is the receivable and we want that -- we credit
17 that balance and reduce that, if that makes sense.

18 Q. So it doesn't necessarily go to commodity
19 charge, distribution charge, gas adjustment charge
20 first, right?

21 MR. FARINAS: Asked and answered. She
22 just said where it goes first and where it goes after
23 that.

24 MS. ROSS: Okay.

25 JUDGE VERO: You said that the security

1 deposit, LPC, arrears, and I have Mr. Cummings on the
2 record saying LPC is first, which one of the two of
3 you is the authority?

4 THE WITNESS: Me.

5 MR. CUMMINGS: I made that assumption
6 when I answered that security deposit would not play
7 in that situation.

8 JUDGE VERO: Thank you for the
9 clarification. So, security deposit, LPC,
10 arrearages. Talk to me about the arrearages. Talk
11 to me about how they're paid, because there are kind
12 of different arrearages. Talk to me about how
13 they're paid last in, first out or?

14 THE WITNESS: In the billing system, we
15 have four different buckets for arrearages, your
16 current bill, your 31 to 60, 61 to 90 and 91 plus.
17 So, when a payment comes in and there's one bucket
18 for unpaid LPC; so, when a payment comes in --

19 JUDGE VERO: We're not talking LPC.

20 THE WITNESS: Okay. So, the arrearage
21 comes in, it tries to clean up the 91 plus bucket,
22 then it tries to clean up the 61 to 90 bucket, then
23 31 to 61, then 0 to 30.

24 JUDGE VERO: You said security deposit,
25 LPC, arrearages. You just told me about the four

1 buckets. They only apply to arrearages?

2 THE WITNESS: Yes.

3 JUDGE VERO: When you say LPC, LPC would
4 be the last LPC?

5 THE WITNESS: The total unpaid LPC.

6 JUDGE VERO: So, just as a hypothetical,
7 let's say total unpaid LPC is 1,000 arrearages,
8 different. In different buckets are the total of
9 1,000. You receive a payment of 1,000. What happens
10 to that payment, and let's say no security deposits
11 required, just strict LPCs outstanding. 1,000
12 arrearages of different dates or different buckets,
13 1,000, one payment of 1,000.

14 THE WITNESS: The unpaid LPC would be
15 zeroed out.

16 JUDGE VERO: Next question, Ms. Ross.

17 MS. ROSS: I'm done. Thank you.

18 JUDGE VERO: Redirect.

19 MR. FARINAS: Yes, brief redirect.

20 REDIRECT EXAMINATION

21 BY MR. FARINAS:

22 Q. Ms. Rizzo, I ask you to recall your cross-
23 examination regarding your testimony explaining the
24 situation where late payment charges are assessed on
25 the due date, the cycle billing issues at PGW or

1 issues, but the circumstances regarding that
2 particular cycle of billing, if I can ask you to look
3 at the example that was provided for you. I do have
4 that. There's several dates that were cited. Can
5 you tell me if any payments came in during those
6 periods?

7 A. As far as I can remember, there was not one
8 payment.

9 Q. Are there any payments listed there?

10 A. Well, yes, there is one payment.

11 JUDGE VERO: Direct her to the two
12 examples, two transactions to the billing dates and
13 late payment charges date that Ms. Ross selected in
14 her cross of Ms. Rizzo.

15 MR. FARINAS: Okay.

16 BY MR. FARINAS:

17 Q. Ms. Rizzo, I direct your attention to the late
18 payment charge that was assessed in September of 2007
19 and the other one that was assessed on the bill due
20 date?

21 JUDGE VERO: I have a November and
22 December 2007. I remember it crossed over to January
23 due date.

24 MR. FARINAS: November and December,
25 sorry. That's correct.

1 BY MR. FARINAS:

2 Q. Do you have those?

3 A. Yes.

4 Q. Can you comment on whether or not there were
5 payments made during that period, and if so which
6 late payment charges would have been removed as a
7 result of payments made timely?

8 A. There is one payment that was made, but prior
9 to the LPC being calculated on November 30th and none
10 of the LPCs would have been created -- I forget what
11 your question was.

12 Q. Would PGW as a result of the payment that was
13 made remove any of the LPCs?

14 A. No.

15 Q. Why not?

16 A. There was still an unpaid balance and unpaid
17 LPCs that left an amount that still justified having
18 the 1.5 percent being calculated against it.

19 JUDGE VERO: May I ask a question.

20 Remember what number of redirect questions you're
21 on. This is my question: Let's say in there is in
22 late payment charge calculated because of the cycle
23 or whatever you testified to, I need to take some
24 time and understand the concept, but I don't
25 understand the details, but I understand general or

1 you explained as in the one day as opposed to five
2 days and reviewing the bill and making the late
3 payment charge calculations the next day. So let's
4 say the company went and calculated the late payment
5 charge, but the next day, they got a payment. What
6 happens to the late payment charge; it would be
7 within that five day grace period, but a late payment
8 charge has been calculated in PGW's system?

9 THE WITNESS: Nothing would happen with
10 it.

11 JUDGE VERO: What do you mean, the LPC
12 would remain in there?

13 THE WITNESS: Correct.

14 JUDGE VERO: Nobody is going to do
15 anything to it?

16 THE WITNESS: Not unless the customer
17 called.

18 JUDGE VERO: And challenged it?

19 THE WITNESS: Yes, and then they would
20 waive the LPC.

21 JUDGE VERO: But automatically, the
22 grace period would not sort of nullify it. It would
23 be calculated, but within this five day period. If
24 we get a payment, we'll go back and?

25 THE WITNESS: Systemically we don't

1 automatically waive the LPC.

2 JUDGE VERO: Okay, Mr. Farinas.

3 MR. FARINAS: Nothing further, Your
4 Honor.

5 JUDGE VERO: Any recross?

6 MS. ROSS: I'm done.

7 JUDGE VERO: Okay. I do have some
8 questions. You testified that if there are three
9 different SAs, PGW has a system of assessing their
10 weighted average and that's how the payment would be
11 distributed between the different SAs, but you also
12 said that PGW would manually remove credit from one
13 SA to another. If there was a credit in one, it
14 would go in and manually remove the credit and zero
15 out that one SA?

16 THE WITNESS: And try to zero out any
17 others.

18 JUDGE VERO: And, of course, would go
19 back to the principal of weighted average between the
20 remaining two?

21 THE WITNESS: I don't know if a person
22 would manually do that, but they would try to zero
23 out the other balances or at least the arrearages.

24 JUDGE VERO: So, if it's automatic on a
25 weighted average principal, why would there be a

1 credit in one?

2 THE WITNESS: Because somebody manually
3 applied it to that SA.

4 JUDGE VERO: That would be the only
5 scenario. If someone went in and applied it to one
6 scenario, that's the only scenario it would have a
7 credit, because if it was a weighted average,
8 there wouldn't be a scenario?

9 THE WITNESS: Yes.

10 JUDGE VERO: That answered my question,
11 and the other thing is, you have a vast experience
12 with PGW, but I don't know if you're the person to
13 ask this question, but I'm just addressing it to
14 you. What is the scenario where someone would get a
15 large payment and manually apply it? I mean, why
16 would someone have to do that? I mean, why would
17 someone get a payment personally and apply like
18 manually into an account as opposed to going through
19 the payment process?

20 THE WITNESS: The only thing I could
21 think of is that in a meeting with PGW employees and
22 SBG employees, a payment, it was agreed that a
23 payment would be sent to one specific person and that
24 person said, here, get this applied and it only went
25 to one SA.

1 JUDGE VERO: Why does PGW apply the
2 system of weighted average or the principal or the
3 practice of weighted average?

4 THE WITNESS: Well, mathematically, if
5 the balances on the account or the balances on each
6 of the SAs are weighted, then their arrearages are
7 going to be split the same type of way; so, you want
8 the arrearages handled as soon as possible.

9 JUDGE VERO: So, you want the larger
10 arrearage?

11 THE WITNESS: The oldest arrearage.

12 JUDGE VERO: So, it's the oldest, not
13 the largest?

14 THE WITNESS: Well --

15 JUDGE VERO: Because they have three
16 different SAs, the oldest one might have a very small
17 outstanding balance, the oldest SA might have that
18 smaller outstanding balance; whereas, the middle one
19 might have a very large outstanding balance and the
20 third one might have medium size, but that scenario,
21 would you still go by the oldest or would you go by
22 the largest?

23 THE WITNESS: The largest would get the
24 largest portion of the payment.

25 JUDGE VERO: Yes, and that's what I'm

1 saying.

2 THE WITNESS: That's what the whole
3 weighted average is.

4 JUDGE VERO: That's how I understood it.
5 So, why does PGW do that, address the largest
6 arrearage so the largest arrearage gets the largest
7 portion of the partial payment? Okay. I can ask you
8 a direct -- a leading question at this point. Would
9 it be so that since it's the largest amount, largest
10 outstanding balances in the SA accumulate the largest
11 interest rate; so, by assigning to it a larger
12 portion of the payment, you're, in fact, lowering the
13 interest rate that accumulates late payment charges?

14 THE WITNESS: Correct, that and the
15 arrearage isn't going to grow faster, yes; so, we
16 weighted so that the money goes to the largest.

17 JUDGE VERO: All right. Mr. Farinas, do
18 you have -- and I know Ms. Rizzo is not the right
19 person, I don't think, someone to address the
20 disappearing --

21 MR. FARINAS: I can.

22 JUDGE VERO: The disappearing rules from
23 the tariff.

24 MR. FARINAS: I remember there was a
25 time when the tariff was amended and gutted back in

1 2000 right after you took jurisdiction, but I can
2 figure out whatever version you want, however many
3 versions you want to compare it.

4 JUDGE VERO: I don't want any versions.
5 I will be satisfied with a very brief explanation as
6 to I don't know from which witness I can get it, but
7 something that would explain why it's there's in
8 2003, what is there in the 2003 format in this
9 format. What does this format mean. Rather, what
10 does this language mean and why it isn't in the
11 other.

12 MR. FARINAS: I don't think anyone would
13 have the history to do that. I can find out for you
14 when it was filed, when it was approved so I can
15 trace the language for you. I don't think anyone has
16 that.

17 JUDGE VERO: Do you know if 2003 may be
18 one of the first tariffs?

19 MR. FARINAS: I believe that is one that
20 they adopted automatically when we came under the
21 PUC's jurisdiction and there was one or two instances
22 where it had to be consistent with the BCS. They
23 wanted to make it consistent in a global way. I can
24 find out the history of that specific change.

25 JUDGE VERO: Here's the deal. So far,

1 it's not an exhibit. Ms. Rizzo, are we done? Can
2 she step down?

3 MR. FARINAS: Yes.

4 JUDGE VERO: Thank you very much,
5 Ms. Rizzo. You may step down. You may call your
6 next witness.

7 MR. FARINAS: Your Honor, I'd like to
8 call Mr. Ralph Ted Savage.

9 JUDGE VERO: Mr. Savage, please raise
10 your right hand.

11 Whereupon,

12 RALPH T. SAVAGE, III
13 having been duly sworn, testified as follows:

14 JUDGE VERO: Thank you. Please state
15 your name and spell your last name for the record.

16 THE WITNESS: Ralph T. Savage, III,
17 S-A-V-A-G-E.

18 JUDGE VERO: Thank you. What is your
19 current business address?

20 THE WITNESS: 800 West Montgomery
21 Avenue, Philadelphia, Pennsylvania 19122.

22 JUDGE VERO: Mr. Farinas, you may
23 proceed.

24 MR. FARINAS: Thank you, Your Honor.

25 DIRECT EXAMINATION

1 BY MR. FARINAS:

2 Q. Good afternoon, Mr. Savage.

3 A. Good afternoon.

4 Q. Can you tell us what your title is at PGW.

5 A. I am the director of the commercial resource
6 center.

7 Q. Can you briefly tell us the various duties
8 that you have as the director of the commercial
9 resource center?

10 A. I lead a unit that is basically a part of
11 customer affairs and collections, and as such, we
12 deal mainly with the commercial accounts in
13 Philadelphia Gas Works portfolio of accounts. We
14 deal with the large commercial customers and credit
15 collections and other various issues.

16 Q. And your predecessor in this position was?

17 A. John Dunn.

18 Q. Who has provided testimony in these other
19 proceedings, which his testimony --

20 JUDGE VERO: Will be included as an
21 exhibit in the record of these Simon and Colonial
22 consolidated cases.

23 BY MR. FARINAS:

24 Q. In addition to the interphase with commercial
25 customers, do you have any other responsibilities

1 regarding the collection of payments, processing of
2 payments on commercial accounts?

3 A. Well, on certain categories of accounts, we do
4 handle on certain billing cycles. We have billing
5 cycles. As Ms. Rizzo said, we have billing cycles 1
6 through 20. We also have 21, 22 and 23. 21s are
7 basically your city accounts, 22s are your large
8 commercial accounts, large apartment complexes, 23s
9 are interruptible service accounts; meaning, they
10 have interruptible gas.

11 Q. What are your other responsibilities with
12 respect to complex billings at PGW?

13 A. We deal with the collection and credit
14 collection activities for all commercial accounts.

15 Q. Is there any specific area of credit and
16 collections that you are in charge of at PGW?

17 A. I don't understand you.

18 Q. Can you tell me what your involvement is with
19 the Colonial and Simon Garden cases we're discussing
20 today?

21 A. Well, I've been involved with them since, I
22 guess, really 2010 going forward and looking at them
23 realizing that certain things and the collection
24 activity that has been conducted on them.

25 Q. What was the nature of the collection activity

1 that you conducted with Colonial and Simon Garden?

2 A. Basically, we started the tenant, landlord
3 termination process with many of those accounts.

4 Q. Did you collect money and payments for debt
5 owed from Colonial and Simon Garden?

6 A. Yes, we did.

7 Q. How was that money collected?

8 A. It was collected through a title company and a
9 refinancing of the particular accounts by the owner.

10 Q. By refinancing, did Colonial pay you as a
11 result of the refinancing?

12 A. Indirectly they paid us, but it was really
13 through the title company.

14 Q. How does the title company pay PGW; by what
15 instrument or by what authority?

16 A. By their relationship with the customer in
17 terms of getting the refinancing done and knowing
18 that the accounts have certain arrearages associated
19 with them.

20 Q. How does a title company know there's
21 arrearages owed on these accounts for Colonial and
22 Simon Garden?

23 A. They request a payoff statement.

24 Q. Payoff statement is based upon what?

25 A. The amount of arrears on the account.

1 Q. When the title company requests payoff
2 amounts, what kind of information is on the payoff
3 amount?

4 A. The total account balance on the account.

5 Q. Are there any other instruments that involve
6 the collection of PGW debt over which you have
7 information when you collect from the title company?

8 A. Yes, there are.

9 Q. What is the name of that instrument?

10 A. A lien.

11 Q. Are you referring to municipal liens?

12 A. Yes, municipal liens.

13 Q. What I'd like to do with the information that
14 we have on PGW Exhibits 1 through 5 is to have you
15 explain briefly the lien process and how with respect
16 to Simon Garden and Colonial, how the information
17 we've provided that would go to the filing of the
18 lien, the collection of the lien and, most
19 importantly, for purposes of this proceeding, the
20 application of the lien to the account.

21 So, I direct your attention to the binder
22 which I distributed today and PGW Exhibits 1, Exhibit
23 1B, page PGW 32, tab 1.

24 JUDGE VERO: One, PGW page 32?

25 MR. FARINAS: Yes.

1 BY MR. FARINAS:

2 Q. Can you tell us what this document is on page
3 32?

4 A. This is basically a summary of the account and
5 the lien and docket numbers and lien amount for the
6 particular account in question.

7 Q. Did you provide this summary in the process,
8 in the discovery process of these proceedings?

9 A. Yes, I did.

10 Q. Can I ask you to look at the first entry that
11 is relevant to these proceedings on that page, the
12 Colonial Garden Realty Company. Can you walk us
13 through one lien of this chart? Tell us what this
14 says and, then afterwards, show us where the payment
15 was received from, the lien was applied?

16 A. We'll start with 5457 Wayne Avenue, M1. SA,
17 the number 1375369694. The account number is right
18 next to it in the next column. The dates of service
19 covered are in the next column, the docket number
20 which details the date and month, the year and
21 month. '09 is the year, 12 is the month and the last
22 five digits are basically the lien docket number.

23 Q. This would be the docket number of the lien
24 filed with Common Pleas Court?

25 A. Yes. The lien amount was the 85,104,42. The

1 lien was satisfied and the payment was applied on
2 11/4 2011.

3 Q. And I direct your attention now to the
4 statement of account that it follows.

5 JUDGE VERO: Where are we again?

6 MR. FARINAS: I'm looking for the
7 statement of account for that account that shows the
8 application.

9 JUDGE VERO: Okay.

10 THE WITNESS: On page 10 of 12, date
11 7/11.

12 JUDGE VERO: Tab A or B?

13 THE WITNESS: Exhibit 1B.

14 JUDGE VERO: What PGW page?

15 THE WITNESS: 10 of 12.

16 JUDGE VERO: There's no 10 of 12.

17 THE WITNESS: PGW 43, Your Honor. I'm
18 sorry. I was looking at statement of accounts page.

19 JUDGE VERO: I'm there.

20 THE WITNESS: And on that date, a check
21 came in the amount of \$271,519.09.

22 BY MR. FARINAS:

23 Q. This payment was applied to the account?

24 A. Yes.

25 Q. Was it applied consistent with the testimony

1 that was given prior if there were multiple SAs on
2 the account?

3 A. Yes. It was applied across all three SAs.

4 Q. Can you take us back to your lien reporting
5 sheet?

6 JUDGE VERO: PGW page 32, Exhibit 1B,
7 which is the lien list. What lien are you referring
8 to Mr. Farinas or rather Mr. Savage; what lien? I
9 know a lien was picked up. Which lien?

10 THE WITNESS: Basically, all three of
11 them were across the two SAs; so, that was a total
12 amount, and it got distributed across all of the SAs.

13 JUDGE VERO: Thank you because I wasn't
14 seeing it, that \$271,000 lien. I did not see one.
15 So, the total amount for 13 liens, right?

16 THE WITNESS: Thirteen liens?

17 JUDGE VERO: Yes, PGW page 32, Exhibit
18 1B under account number for Simon Garden, account
19 number ending in 7187?

20 THE WITNESS: I was on Colonial. I'm
21 sorry. Are we doing Simon or Colonial?

22 JUDGE VERO: Simon. Aren't we on Simon?

23 THE WITNESS: That's my mistake, Your
24 Honor. I was in the wrong section.

25 JUDGE VERO: So, 13 liens. All of them

1 with a payment applied 7/11 2012, right; that was the
2 total of \$271,519.09. Okay. I'm where I should be.

3 THE WITNESS: Yes, that's correct.

4 JUDGE VERO: All right. You can
5 continue.

6 BY MR. FARINAS:

7 Q. The other liens that are for Simon Garden and
8 Colonial, were they applied to the accounts as
9 indicated on the sheet?

10 A. On the dates.

11 Q. Yes. I'm asking were they applied?

12 A. Were they applied to the accounts, yes, they
13 were.

14 Q. Can you describe as to these two properties,
15 are there any liens where the money was collected and
16 poses a problem with respect to the application on
17 the account?

18 A. Say that again?

19 Q. Are all the liens accounted for?

20 JUDGE VERO: Are all the liens or all
21 the lien payments?

22 BY MR. FARINAS:

23 Q. Are all the lien payments accounted for on the
24 Simon Garden and Colonial Garden accounts?

25 A. Yes.

1 MR. FARINAS: Your Honor, I'm hesitating
2 because I'm trying to describe without rehashing and
3 inviting more arguments.

4 JUDGE VERO: Take your time. I rather
5 have a clear question.

6 BY MR. FARINAS:

7 Q. Mr. Savage, please describe the process that
8 occurs when there is a lien filed, and we touched on
9 it before, and then money is collected and applied to
10 the account?

11 A. There's a system logic in the billing in our
12 billing system for when an account gets into arrears
13 and the 31 to 60 day bucket. We have zero to 30, 31
14 to 60 and 61 to 90 and 91 plus as Ms. Rizzo said.

15 The system looks at the account to see if there's any
16 arrears in the 31 to 60 bucket over \$300, and then it
17 will then check and make sure that there are no
18 payments that have been coming in and there were no
19 additional bills generated; so, it would check the
20 account, and do I believe that in this case, we were
21 looking at the outstanding balances on the accounts
22 and these are liens that were filed on that date and
23 the payments were applied on 7/11 12 across the
24 various SAs. So, it did satisfy them.

25 Q. The lien is filed as the City of Philadelphia

1 as the owner of PGW?

2 A. Yes.

3 Q. What would cause PGW to then have collection
4 of that lien?

5 A. Cause us to have a collection of that lien?

6 Q. Yes. There's money on that account and liens
7 are filed. So, how does PGW get the money after the
8 lien is filed?

9 A. We get a check from the title company.

10 Q. What causes the title company to give you the
11 check?

12 A. We then submit a payoff request form.

13 Q. Mr. Savage, what event would occur for the
14 title company to request the payoff form?

15 A. If the customer was going to sell or refinance
16 his particular property, his or her particular
17 property.

18 Q. The process of doing that, they have to reach
19 a title company?

20 A. Yes.

21 Q. So, the process then proceeds in which way?

22 A. The title company then basically looks for any
23 outstanding debt on their property prior to giving
24 themselves additional money on it?

25 JUDGE VERO: Do they look for

1 outstanding debt or do they look for liens filed?

2 THE WITNESS: They look for liens filed
3 for the municipal utility and I guess outstanding
4 debt from anywhere else, from creditors.

5 JUDGE VERO: Thank you.

6 BY MR. FARINAS:

7 Q. Then what occurs?

8 A. Then once we get the request for a payoff from
9 the title company, at that point of getting that
10 information, we look up the account data and submit
11 what is owed on the account up to that date.

12 Q. And then after receiving the check, you apply
13 it to the account?

14 A. Yes.

15 Q. In the course of the beginning of the process,
16 filing the lien, once it qualifies under the criteria
17 you described, is PGW required to give the owner
18 notice, to your knowledge?

19 JUDGE VERO: No. So, the question is
20 stricken because it's beyond Commission -- notice as
21 to the lien is beyond Commission's jurisdiction.

22 MR. FARINAS: Okay.

23 BY MR. FARINAS:

24 Q. As there are multiple liens filed for just the
25 properties, Colonial Garden and Simon Garden, why is

1 it necessary for PGW to file liens on these
2 properties?

3 A. We file a lien on the property for unpaid debt
4 on the account, as I described before, if the account
5 gets at a certain stage in arrears.

6 JUDGE VERO: I don't understand SBG
7 Colonial Simon ever challenging the reason behind the
8 lien.

9 MR. FARINAS: Your Honor, I have no
10 further questions of Mr. Savage. He's available for
11 cross-examination.

12 JUDGE VERO: Ms. Ross.

13 CROSS-EXAMINATION

14 BY MS. ROSS:

15 Q. On the list you were testifying from, is this
16 representative of all the liens that PGW has ever
17 filed on against any of the Simon Garden or Colonial
18 properties or is this just representative of a small
19 amount?

20 A. This is just representative of these liens
21 that were filed on this property; so, I would say, I
22 guess, a smaller amount.

23 Q. So, it's not inclusive?

24 A. It's not inclusive?

25 Q. Of any other liens that may have been filed in

1 other years?

2 JUDGE VERO: You mean property?

3 MS. ROSS: It's not inclusive of all
4 liens filed on the property.

5 THE WITNESS: I know these liens were
6 filed in 2011 and 2010.

7 BY MS. ROSS:

8 Q. Were there liens filed prior to that?

9 A. I don't see any on this report; so, I really
10 don't know.

11 Q. You prepared the report?

12 A. Well, these are the liens that were filed on
13 the account. These are the liens that were filed.

14 JUDGE VERO: He prepared the report;
15 meaning, what report?

16 BY MS. ROSS:

17 Q. Did you not prepare the schedule, sir?

18 A. Yes, I did.

19 JUDGE VERO: What schedule?

20 MS. ROSS: The schedule that he's
21 testifying from.

22 MR. FARINAS: Exhibit page 1B 32.

23 JUDGE VERO: I wasn't aware we're
24 calling it a schedule, but okay.

25 BY MS. ROSS:

1 Q. Are you saying there were no other liens filed
2 prior to; these are all 2011 docket numbers?

3 A. Yes, and 2010.

4 Q. There's 2010, but those refer to other
5 properties. You're not putting any 2010?

6 A. There are some 2010.

7 Q. For Colonial?

8 A. We're in Simon Garden.

9 JUDGE VERO: The question was, were
10 there any other liens filed outside of this?

11 THE WITNESS: Not that I'm aware.

12 JUDGE VERO: This one-page document.

13 BY MS. ROSS:

14 Q. There weren't other liens filed on the Simon
15 Garden properties on January 22, 2010? If you need
16 help, we actually have an exhibit. It is SBG CG/SG
17 Exhibit 4.

18 JUDGE VERO: What page was that?

19 MS. ROSS: It was SBG prepared lien
20 interest calculation Exhibit 4 for Simon.

21 JUDGE VERO: Ms. Ross, for time sake,
22 can you show Mr. Savage your copy?

23 MS. ROSS: Sure.

24 BY MS. ROSS:

25 Q. Were there not liens filed on the properties

1 January, May, June that were not reflected in your
2 schedule, 2010?

3 JUDGE VERO: Again, that were not
4 reflected in PGW's proposed exhibits?

5 THE WITNESS: Yes, there were some.

6 BY MS. ROSS:

7 Q. I'm asking you, were these liens that were in
8 schedule 2010 and from January, May and June, are
9 they in your schedule; this is for Simon Garden?

10 A. No, they're not. These aren't.

11 Q. So, there were other liens filed, correct?

12 A. Yes.

13 Q. At the time that and from the time period that
14 -- all these liens were filed. Weren't the
15 complainants in dispute and disputing the amount due
16 on their gas accounts and making inquiries regarding
17 their accounts and they were in discussions with you
18 and Mr. Clark and other PGW personnel?

19 A. Yes, they were.

20 Q. And John Dunn?

21 A. Yes, they were. John Dunn was not there at
22 this time when these particular liens on my report
23 were filed?

24 Q. You were in discussions with complainants,
25 correct on their accounts and how to resolve things,

1 weren't you?

2 A. Yes, earlier.

3 Q. Earlier?

4 A. Yes.

5 JUDGE VERO: Did you say early or
6 earlier?

7 THE WITNESS: Earlier in 2010. 2010, we
8 were in discussions.

9 BY MS. ROSS:

10 Q. What about 2011?

11 A. In '11, I believe we were in discussion. I
12 think he filed his first PUC complaint in 2012.

13 Q. I think you testified, even in the last set of
14 hearings, none of the issues had ever been resolved
15 with PGW, right; you testified to that?

16 A. No, they were not resolved.

17 Q. So, none of account issues were resolved?

18 MR. FARINAS: Your Honor, I object. I'm
19 not sure Mr. Savage knows which issues.

20 JUDGE VERO: Are we keeping it within
21 Colonial and Simon?

22 MS. ROSS: Yes, ma'am.

23 JUDGE VERO: So, any of the issues that
24 were raised on behalf of Colonial Garden by SBG
25 representatives, you're saying none of the issues

1 were resolved, correct?

2 THE WITNESS: No, they were not resolved
3 according to the customer.

4 JUDGE VERO: You're saying they were not
5 resolved to the customer's satisfaction?

6 THE WITNESS: That's correct.

7 BY MS. ROSS:

8 Q. By the way, sir, when you came on, you took
9 over from John Dunn, right?

10 A. That's correct.

11 Q. So, he already testified you were privy as to
12 all of the issues involving the SBG accounts, right?

13 A. Well, I became aware of them, yes. Not all
14 the issues, but, yes, John kind of touched upon them
15 lightly. I learned more about them later on in my
16 tenure in 2010.

17 Q. You didn't take it upon yourself to do your
18 own independent investigation?

19 A. We had contact with Mr. Pulley on a few
20 occasions as the correspondence and prior hearings
21 has alluded to.

22 Q. Did you look into the contact screens and see
23 any of the actions Mr. Dunn had taken in the past?

24 A. Yes.

25 Q. You reviewed his correspondence?

1 A. Yes.

2 Q. You first contacted Mr. Pulley in August of
3 2010?

4 A. Yes.

5 Q. It took you until August of 2011 to actually
6 meet with him, right?

7 A. I believe that was our first meeting.

8 Q. That was your first meeting; so, a whole year
9 went by and --

10 MR. FARINAS: I believe asked and
11 answered. She asked that and he answered and she's
12 emphasizing; so, it's leading.

13 JUDGE VERO: Yes.

14 BY MS. ROSS:

15 Q. What kind of solution -- you were the director
16 of the commercial resource center, right, that's your
17 title?

18 A. Yes, it is.

19 Q. So, isn't it your responsibility to work
20 through and resolve problems that customer are having
21 with their accounts?

22 A. Yes.

23 Q. What solutions did you propose to work out for
24 these account matters?

25 A. I mentioned to Mr. Pulley about my prior

1 agreement with John Dunn to at least pay his current
2 bills going forward. He was not paying his current
3 balances and his arrears was basically going up and
4 up and up and was growing. He refused to really
5 define what his issues were in terms of the later
6 amounts, because he even had an agreement with John
7 Dunn to pay his current bills going forward, as John
8 Dunn worked on his issues, but he did not do so. By
9 the time I got to the group, these arrears were
10 already very large in terms of our commercial
11 portfolio.

12 Q. Isn't it Mr. Pulley's repeated request to get
13 a breakdown of how his accounts were being -- the
14 payments were being applied to his accounts?

15 A. I recall --

16 JUDGE VERO: Did Mr. Pulley specifically
17 ask for a breakdown of Colonial and Simon Garden
18 accounts?

19 THE WITNESS: Specifically ask, no. He
20 said he just doesn't understand the bill.

21 JUDGE VERO: So, he said, I don't
22 understand the bill for Colonial and Simon; he said
23 that?

24 THE WITNESS: Yes.

25 JUDGE VERO: Was he referring to a

1 specific bill or the bill, the general bill?

2 THE WITNESS: I know it was the general
3 bill. We asked him for specifics.

4 JUDGE VERO: You asked what? Did he say
5 he didn't understand?

6 THE WITNESS: He didn't understand how
7 it was being billed. He just didn't understand where
8 the money came.

9 JUDGE VERO: Came from or came to?

10 THE WITNESS: Well, grew to from prior
11 issues with the account.

12 JUDGE VERO: So, he didn't understand
13 how the charges grew?

14 THE WITNESS: Yes.

15 JUDGE VERO: Okay.

16 BY MS. ROSS:

17 Q. There's Email correspondence to that effect
18 that we've had testimony on?

19 A. Yes.

20 JUDGE VERO: This is the thing, though,
21 I want to make sure we do have Email correspondence
22 because there's a lot of correspondence and we've
23 already said that some of the lists and
24 correspondence, the topic is general. So, I want to
25 make sure I have what I need for Colonial and Simon.

1 So, yes, continue, Ms. Ross.

2 BY MS. ROSS:

3 Q. I should also say you did testify you had an
4 opportunity to read some of the correspondence with
5 Mr. Dunn, and if we could put this in as a packet
6 that might be easier.

7 JUDGE VERO: Are these already in SBG's
8 correspondence?

9 MS. ROSS: They might be, but, again, we
10 might not have moved them into evidence. I just want
11 to make sure for today's purposes, I'm getting
12 everything in, and we do have one housekeeping matter
13 that Mr. Farinas and I did talk about regarding the
14 exhibits from the prior hearings.

15 BY MS. ROSS:

16 Q. You've had an opportunity to take a look at
17 various correspondence regarding Mr. Dunn, what
18 Mr. Dunn submitted, right?

19 MR. FARINAS: Your Honor, looking at the
20 correspondence back in 2005 from Mr. Dunn, are we
21 just noting for completeness of the record or are we
22 going to interrogate Mr. Savage about conversations
23 Mr. Dunn has already testified to?

24 MS. ROSS: Completeness of the record.

25 JUDGE VERO: I'm not understanding.

1 MR. FARINAS: There are several letters,
2 2005 from Mr. Dunn and I'm not sure if this is going
3 to be part of the cross-examination of Mr. Savage
4 regarding. I understand the Emails because the
5 Emails were from Mr. Savage or at least they copied
6 Mr. Savage.

7 JUDGE VERO: These are not from
8 Mr. Dunn. They seem to be to Mr. Dunn.

9 MR. FARINAS: Right. I'm sorry, to
10 Mr. Dunn.

11 MS. ROSS: Right.

12 BY MS. ROSS:

13 Q. So, Mr. Savage, if you have had an opportunity
14 to take a look at them --

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

17 MR. FARINAS: Yes, because if we're just
18 submitting them to be in the Colonial and Simon
19 record, okay, but I thought we were going to do that
20 as a housekeeping matter as opposed to submitting
21 them. Now it gives me the impression Mr. Savage is
22 going to be cross-examined about letters to Mr. Dunn.

23 JUDGE VERO: Let's see where Ms. Ross is
24 going.

25 BY MS. ROSS:

1 Q. You're familiar with some of these letters?

2 A. Some of these, I am not familiar with in terms
3 of the date on them to John Dunn that was not in the
4 folder of information he provided me.

5 Q. Would it be in the PGW, just general
6 correspondence in their records?

7 A. These are letters.

8 Q. You don't keep letters in the course of doing
9 business?

10 A. I do, but these aren't my letters. These are
11 John Dunn's.

12 Q. So, to the extent that John Dunn, at least
13 mentioned to you that there were always issues with
14 the accounting on the SBG accounts --

15 MR. FARINAS: Your Honor, she is asking
16 -- objection. She is asking Mr. Savage to interpret
17 letters written by SBG to Mr. Dunn; so, that's what I
18 was afraid of. If we're going to include them in the
19 record, they speak for themselves. Now, Mr. Savage
20 already said he didn't recognize them offhand and
21 she's asking him to interpret them for her.

22 MS. ROSS: I did not. I asked did he
23 tell you that there were issues about the SBG
24 account.

25 THE WITNESS: In our transition, he

1 really didn't talk too much about SBG. There were a
2 lot of other things we were giving information on at
3 the time and we only had a few weeks of him and I
4 transitioning together; so, I don't recall anything
5 about this customer at that time.

6 BY MS. ROSS:

7 Q. So, can I call your attention -- I gave you
8 some Emails, right?

9 A. You gave me some letters.

10 Q. There are some Emails. Here's an Email. I'm
11 going to reference you to when you were copied. It
12 is PGW correspondence number 11. It's written to
13 you.

14 A. I recall this.

15 Q. You recall this?

16 A. Yes.

17 JUDGE VERO: You're saying PGW
18 correspondence binder, page 11, right?

19 MS. ROSS: Yes.

20 BY MS. ROSS:

21 Q. Basically, it says we had a great meeting. We
22 got more out of Ted in one afternoon than we did in
23 the prior three years of dealing with PGW. I'm
24 hopeful we can resolve these issues before the end of
25 the year, and you're copied on this, and it's

1 addressed to Gerald Clark, who is an attorney in your
2 office, correct?

3 A. Correct.

4 Q. So, basically, he's basically stating; you
5 would agree he's stating there's been at least three
6 years of ongoing communication with PGW where he's
7 trying to resolve this?

8 JUDGE VERO: This document doesn't have
9 a subject matter and it could be referring to
10 anything, any of the complains. It doesn't have a
11 subject matter, nothing.

12 BY MS. ROSS:

13 Q. Did you receive subsequent Emails from him
14 where he said you were requesting a list of all of
15 his properties?

16 A. Yes.

17 Q. And did he also indicate to you in some of
18 these Emails which ones were tenant accounts, which
19 weren't tenant accounts?

20 MR. FARINAS: Objection, Your Honor. It
21 goes to the general nature. We know this --

22 JUDGE VERO: And the tenant accounts
23 have specifically been removed from these complaints,
24 any issue with tenant's accounts.

25 MS. ROSS: I wasn't actually going to

1 that.

2 JUDGE VERO: Okay.

3 BY MS. ROSS:

4 Q. But the idea was Mr. Pulley, now you're
5 engaged in conversation and he's telling you what he
6 needs information on; is that correct?

7 A. Yes.

8 Q. So, at that point, you have an idea what he's
9 looking at. I want to speak to you about these
10 accounts I want and he even tells you we're going to
11 work on this?

12 JUDGE VERO: What are you referring to?

13 MS. ROSS: I'm sorry. I apologize.

14 JUDGE VERO: Yes. It doesn't work that
15 way.

16 BY MS. ROSS:

17 Q. Let me call your attention to another
18 correspondence. Do you recall an Email sent to
19 Mr. Pulley and this would be on the correspondence
20 binder 00300 and it's Colonial Garden. It's an Email
21 from Phil Pulley to Gerald Clark to Ralph Savage.
22 It's regarding a constructive default on his
23 property; do you recall that?

24 JUDGE VERO: Is it SBG's or PGW's?

25 MS. ROSS: It's not PGW's. I think I

1 just it to Your Honor.

2 JUDGE VERO: You gave it to me?

3 MS. ROSS: Yes.

4 JUDGE VERO: Okay, but I don't have
5 anything like that. This is the account that I have
6 and the letters. You did not distribute anything
7 additional.

8 BY MS. ROSS:

9 Q. Do you recall any of that conversation?

10 A. I saw that correspondence, yes. I was not in
11 a meeting that he might have had with Mr. Clark.

12 JUDGE VERO: What date; what Email?

13 MS. ROSS: It's an Email of November 9,
14 2010, and it's regarding the constructive default
15 that has occurred on this property starting the
16 \$360,00 liens.

17 JUDGE VERO: I have the binder. It's
18 2011 correspondence.

19 BY MS. ROSS:

20 Q. So, as far back as 2010, you are aware that
21 there's the account. It says that PGW has placed
22 over \$363,000 in liens against this property while we
23 have been waiting for PGW to provide with an
24 accounting. The accounting is almost two years
25 overdue troubling they can place an erroneous amount,

1 but can't seem to provide us with an accounting.

2 JUDGE VERO: You're in cross.

3 BY MS. ROSS:

4 Q. You do recall this, that he's asking for an
5 accounting?

6 A. Yes.

7 Q. Were you ever able to provide him an
8 accounting?

9 A. No, I was not. No.

10 Q. To this day, have you been able to -- well, I
11 shouldn't say that. Take that back. Strike that. I
12 take that back. So, to say you weren't aware of what
13 Mr. Pulley was asking for was an accounting on his
14 account, I mean was it not obvious he was asking for
15 a breakdown of everything on his account?

16 JUDGE VERO: He did testify to that
17 exact statement. He did say that he wanted a
18 breakdown of how the charges were going, that
19 Mr. Pulley asked for it. So don't misstate his
20 testimony.

21 MS. ROSS: Okay.

22 BY MS. ROSS:

23 Q. And that has not yet been provided from PGW at
24 this point?

25 JUDGE VERO: At this point being?

1 MS. ROSS: As of the filing of the
2 complaint, had it been provided?

3 JUDGE VERO: As of the filing of the
4 complaint, 2012.

5 THE WITNESS: I don't recall that, no.

6 MS. ROSS: Nothing further.

7 JUDGE VERO: I do have a couple
8 questions, but I don't want to make matters worse.
9 Redirect.

10 MR. FARINAS: Very briefly.

11 REDIRECT EXAMINATION

12 BY MR. FARINAS:

13 Q. Mr. Savage, you just answered on cross-
14 examination questions regarding the nature of your
15 discussion with Mr. Pulley. What was your
16 understanding of the request you reviewed and Email
17 regarding the \$363,000 in liens which he said they
18 were erroneous? Was he asking for breakdowns from
19 that lien? Do you recall if he was asking for
20 breakdowns from that lien or something else?

21 A. I believe that he was asking for a breakdown
22 of that amount.

23 MR. FARINAS: No further questions.

24 JUDGE VERO: All right. You may step
25 down, Mr. Savage. Recross.

RECROSS-EXAMINATION

1
2 BY MS. ROSS:

3 Q. Mr. Savage, are you saying that he was only,
4 Mr. Pulley, to your understanding, was only asking
5 for a breakdown of this or had he been repeatedly
6 asking for breakdowns on his accounts?

7 A. Just on this.

8 THE COURT: On that ex-mail, just
9 on that?

10 THE WITNESS: Yes, on the Colonial
11 account.

12 BY MS. ROSS:

13 Q. He never asked for any breakdowns on any other
14 accounts; he never asked for that?

15 A. The Simon Garden, yes.

16 JUDGE VERO: We are here for Simon
17 Garden and Colonial. We'll be back for Marshall,
18 Fairmount and Elrae.

19 THE WITNESS: Simon Garden, yes.

20 MS. ROSS: Okay, he did ask for that.
21 He corrected it.

22 JUDGE VERO: Okay. I was just saying
23 we're here for Colonial and Simon. Fairmount,
24 Marshall, Elrae, we will be back. Oakland, Fern
25 Rock, Marchwood, we'll be back. All right. That was

1 the last question?

2 MS. ROSS: Can I just clarify that he
3 did say at the end he also was asking for an
4 accounting on Simon.

5 BY MS. ROSS:

6 Q. You did say that as well?

7 JUDGE VERO: That Mr. Pulley was asking
8 for a breakdown on the accounting of Simon and
9 Colonial?

10 MS. ROSS: Yes, and I apologize, Your
11 Honor, this is in our original binder, Simon Garden
12 00099.

13 JUDGE VERO: You mean that particular
14 Email?

15 MS. ROSS: That particular Email, yes.

16 JUDGE VERO: Okay. Mr. Savage, there is
17 still a pending question, that the breakdown
18 requested by Mr. Pulley covered both Colonial and
19 Simon?

20 THE WITNESS: I believe it was two
21 separate Emails, but I remember I know I was on that
22 Email; so, I did get it in terms of the Simon Garden.
23 I don't recall if it was both of them at the same
24 time in that one E-mail or on separate Emails, but
25 these were the big issues at the time for him.

1 JUDGE VERO: Okay. Are we done?

2 MS. ROSS: Yes.

3 JUDGE VERO: You may step down,
4 Mr. Savage. Let's mover exhibits into the record.
5 My question to the parties is, do you need me to make
6 the formal complaints under the docket numbers that I
7 mentioned earlier that I took notice of, took
8 official notice of, do you want them as documents and
9 identified and marked as Commission exhibits or can
10 we leave it as an oral statement?

11 MS. ROSS: As an oral statement, that's
12 fine.

13 MR. FARINAS: That's fine.

14 JUDGE VERO: Okay. Now let's move for
15 the admission of the exhibits.

16 MS. ROSS: I'm going to move for --
17 Mr. Farinas, the Emails, I think I was going to mark
18 them as Exhibit 7 as a collection. Do you have a
19 problem with that and we can go from there?

20 MR. FARINAS: You're going to move for
21 all of them as one thing?

22 JUDGE VERO: How is this going to work;
23 you're pulling out Emails concerning Colonial and
24 Simon, right?

25 MS. ROSS: Yes. Ma'am.

1 JUDGE VERO: All right. That packet
2 will be all in terms of communications for Colonial
3 and Simon. All right.

4 MS. ROSS: Yes.

5 JUDGE VERO: Okay. I thought proposed
6 exhibits were exchanged.

7 MR. FARINAS: They were exchanged, but
8 I'm not sure if they were extra.

9 MS. ROSS: They're probably in the other
10 binders.

11 JUDGE VERO: Probably is not good
12 enough. The binders themselves were never moved.

13 MS. ROSS: I know. That's why I was
14 trying to -- this is the clean up we were trying to
15 do.

16 MR. FARINAS: Can I do me first?

17 JUDGE VERO: Yes. Let's do PGW first.

18 MR. FARINAS: Your Honor, PGW moves that
19 PGW Exhibits 1 through 5 that's been introduced and
20 marked today be entered into the record.

21 JUDGE VERO: Any objection?

22 MS. ROSS: The only thing I object to --
23 no objections.

24 JUDGE VERO: No objections having been
25 heard, PGW's Exhibits 1 through 5 are moved into the

1 record.

2 (Whereupon, the documents marked as
3 PGW's Exhibits Nos. 1 through 5 were
4 received in evidence.)

5 JUDGE VERO: What do we have for SBG's
6 exhibits?

7 MR. FARINAS: We have 1 through 6 from
8 yesterday and 7 for today, right?

9 MS. ROSS: Yes.

10 JUDGE VERO: Didn't we leave 3 out
11 yesterday?

12 MS. ROSS: That's going to be submitted
13 as a late exhibit, but wasn't that subject to what
14 you were saying about allowing me to --

15 JUDGE VERO: Yes. I said since it was
16 an issue that raised a lot of arguments between
17 myself and the parties, it's not an issue that I am
18 willing to make an on the spot decision. I was
19 willing to let that motion outstanding in terms of
20 the ongoing payments, but if I were to make a
21 decision today, I told you I would do a cutoff date.
22 It was a disputed issue; so, that's where I stand,
23 that because we had a disputed issue, I will give you
24 a cutoff date.

25 MS. ROSS: You want it amended to 2012?

1 JUDGE VERO: Yes, or I can work with
2 this if everybody understands that will be the cutoff
3 date and everything out of the cutoff date will be
4 left out, will be stricken out. Everything out of
5 that date, the December 2012 will stricken off and I
6 can still use the exhibit or you can submit a clean
7 exhibit. So, it's up to you.

8 MS. ROSS: If you can work with that,
9 that's fine.

10 JUDGE VERO: I can work with it if we
11 have it on the record that everything after December
12 2012 in this exhibit will not be part of the record
13 and it's not admitted, okay.

14 MS. ROSS: Okay.

15 JUDGE VERO: So, SBG Colonial
16 Garden/Simon Garden Exhibit 3 is moved into the
17 record. There's a motion to move it into the record.
18 Any objection?

19 MR. FARINAS: No objection.

20 JUDGE VERO: Okay. It will be admitted
21 into the record with the qualification that only the
22 information up until December 10, 2012 is admitted.
23 The rest of the information included in the exhibit
24 that post dates December 10, 2012 is not admitted
25 into the record, okay, and with that qualification

1 and that amendment to this Exhibit SBG CG/SG Exhibit
2 3 is admitted into the record. So, the court
3 reporter will need copies of that one.

4 (Whereupon, the document marked as SBG
5 CG/SG 3 was received in evidence.)

6 JUDGE VERO: So, we're waiting for SBG
7 7.

8 MR. FARINAS: Ms. Ross and I for
9 housekeeping, one, I believe there's a need to move
10 some of the larger stuff into the record as she is
11 concerned about, and we can put that on the record
12 when she's ready to fully participate, but there's
13 another housekeeping issue for next week.

14 JUDGE VERO: Next week or the second
15 week.

16 MR. FARINAS: Second week, but it
17 affects the next week as a result of SBG removing the
18 category of the individual disputes from the table,
19 that has reduced PGW's response time, expected
20 response time because there are five days of hearings
21 scheduled for the week after next, and the exhibits
22 are due on Monday. What Ms. Ross and I have
23 discussed is the fact that perhaps we only need three
24 of the five days, but, however, just to make sure, if
25 we could cancel the Monday and then leave the four

1 days remaining so that we could use the fourth day if
2 we need it.

3 JUDGE VERO: If you are both in
4 agreement and you believe the four day is sufficient,
5 I have no problem canceling. I have a problem
6 adding. No problem canceling if both of you are in
7 agreement, and understand you will be bound to those
8 four days. There will not be a fifth or a half day
9 or three-quarters of a day. Yes, I'm okay with.

10 Ms. Ross, you're in agreement about
11 Fairmount, Marshall and Elrae?

12 MS. ROSS: Yes.

13 JUDGE VERO: Okay. I will issue a
14 cancellation notice for Monday.

15 MR. FARINAS: And the exhibits that are
16 due on Monday, since the hearing is Tuesday, if they
17 can be due Tuesday?

18 JUDGE VERO: Yes, the exhibits due on
19 Monday will now be due on Tuesday. I still expect
20 the witness matrix on that set of cases. Don't make
21 me hound you for the estimated time.

22 Okay. You're taking too long. Just a
23 little note, I think there's new Commission
24 regulations for electronic filing of exhibits.
25 Exhibits, anything over 250 pages can be submitted in

1 CD format. I have to confirm that. I will let you
2 know for the next cases.

3 MS. ROSS: What's that, for the exhibits
4 to be filed?

5 JUDGE VERO: Yes, to provide copies of
6 exhibits for the record and for the court reporter,
7 it comes in a CD format. Personally, I like paper,
8 but it's a matter of keeping the record and it's just
9 250 pages and over is too voluminous. It's a new
10 regulation. I'm not too sure; so, I have to find
11 out. I'm not 100 percent certain of what I'm
12 stating. It's in our regs. It comes under whatever
13 we have for submitting exhibits. I will give you the
14 language.

15 MS. ROSS: I think I read that on the
16 web site.

17 JUDGE VERO: Do I have a copy of Exhibit
18 7?

19 MS. ROSS: You have a copy of it.

20 JUDGE VERO: Okay. Mr. Farinas, do you
21 have a copy of Exhibit 7?

22 MR. FARINAS: She took it back to number
23 it or whatever.

24 MS. ROSS: May I send it to you
25 electronically, both of you?

1 MR. FARINAS: I don't mind because it's
2 several Emails.

3 JUDGE VERO: You wouldn't have an issue
4 with the content of Exhibit 7?

5 MR. FARINAS: Right, because they're all
6 the Emails.

7 JUDGE VERO: Okay. I'm saying --

8 MR. FARINAS: No.

9 MS. ROSS: I apologize. I will send it
10 to you. I had it written down. You each got a copy
11 of it, I guess.

12 JUDGE VERO: I'm sure I had multiple
13 copies of many exhibits, but it's late.

14 MS. ROSS: It's in the boxes.

15 JUDGE VERO: If he has no objection, I
16 have no objection.

17 MS. TREADWELL: Are we still on the
18 record?

19 JUDGE VERO: Yes, we are still on the
20 record. Part of Ms. Boone's request was that
21 everything be on the record, everything.

22 MR. FARINAS: Only for the purposes that
23 a question was asked about it and you responded by
24 saying this is not, this is not that, that should be
25 on the record. Exhibit 7 to the extent that on each

1 of the correspondence face, if it is not Colonial or
2 Simon Garden specific, I object.

3 JUDGE VERO: But on its face, does
4 anything on SBG SG/CG number 7, any Email or
5 communication that doesn't say Simon Garden or
6 Colonial Garden, you're objecting to?

7 MR. FARINAS: Right, on the grounds of
8 relevance and your instruction regarding -- and I
9 don't mean just if the content of it refers to it,
10 fine.

11 JUDGE VERO: Yes. I was thinking the
12 same, because if it mentioned Simon or Colonial, it
13 doesn't have to have it on the subject line.

14 MS. ROSS: That's fine.

15 MR. FARINAS: I think that's all but one
16 or two sheets.

17 JUDGE VERO: If you have an objection,
18 without seeing it, I can't make a ruling unless I
19 just agree to your ...

20 MR. FARINAS: I don't know.

21 JUDGE VERO: I don't know either. It's
22 5:30 now. We were done at 5:10. You had 20 minutes
23 to get that exhibit together. It would have been
24 smooth sailing until Mr. Farinas said I do have an
25 objection if there's anything in that exhibit that

1 doesn't refer to Simon and Colonial. I don't know
2 what's in that exhibit because I haven't seen it.

3 Can I just rule and say, yes, anything
4 in that exhibit that doesn't say Colonial and Simon
5 is not admitted?

6 MS. ROSS: Yes.

7 JUDGE VERO: All right. That's where we
8 are, then, and you're going to send me and
9 Mr. Farinas copies of that exhibit, right?

10 MS. ROSS: Yes.

11 JUDGE VERO: And the court reporter has
12 hers?

13 MS. ROSS: Yes.

14 (Whereupon, the document marked as
15 SBG's Exhibit Number 7 for was received
16 in evidence.)

17 JUDGE VERO: Is there another
18 housekeeping matter, Ms. Ross, that you had?

19 MS. ROSS: Yes. With respect --

20 JUDGE VERO: To the transcript from
21 Marshall and Elrae, that has not been moved?

22 MS. ROSS: Right, and the documents.
23 The transcript has not been moved.

24 JUDGE VERO: The transcript has not been
25 moved. You mentioned the pages. Mr. Farinas was

1 supposed to look at it.

2 MR. FARINAS: I did it, and I do not
3 have an objection to Mr. Dunn's testimony,
4 Mr. Lampert's testimony and Mr. Pulley.

5 MS. ROSS: What about the documents?

6 JUDGE VERO: You don't have. It's just
7 Mr. Pulley, Mr. Dunn and Mr. Lampert, those were the
8 only transcripts.

9 MS. ROSS: For those first three days?

10 JUDGE VERO: For those first three days.

11 MS. ROSS: Now, the documents, though,
12 we have a ledger and we've asked that we at least get
13 everything that was referred to. I gave you that
14 ledger this morning, right?

15 MR. FARINAS: Yes.

16 MS. ROSS: We're going to pull all the
17 documents that were mentioned and we'll submit that
18 at the beginning of the next hearings as exhibits.
19 These are from the first five days of testimony and
20 move them in immediately, first thing, please.

21 JUDGE VERO: No. This is what we're
22 going to do. We're going to do it as late file
23 exhibit for this hearing and not at the other
24 hearings. You can do it at any time. You can do it
25 next week.

1 MS. ROSS: Can we have a date? Can we
2 have it the first day of the next round of hearings?

3 JUDGE VERO: You can have February 28th
4 if it doesn't fall on --

5 MS. ROSS: I don't want it to go that
6 far.

7 JUDGE VERO: Give me the date you want.
8 I know next week you're not available.

9 MS. ROSS: That's why I'm saying the
10 first day of the next hearing.

11 JUDGE VERO: I cannot have it anywhere
12 near the next hearing, because the next hearing is
13 for those three cases. You can have it the day
14 before the next hearing. You can have it the day
15 after the next hearing; you know what I'm saying?

16 MS. ROSS: You mean just submitting it;
17 we're not going to be putting it on the record?

18 JUDGE VERO: Yes. It will not be put on
19 that record. You can file it on that day. You can
20 send it to me. You can exchange it on that day. Do
21 not mention that exchange on the record for
22 Fairmount, Marshall and Elrae because it's not part
23 of that record. It's part of this record, that
24 particular compilation.

25 MS. ROSS: We can submit it that day?

1 JUDGE VERO: You can submit it that day.
2 Between the two of you, you can do whatever you
3 want. You can even take that day as a day for
4 filing, submitting, exchanging.

5 MS. ROSS: Can we take that day for
6 submitting it, the last day?

7 MR. FARINAS: Sure.

8 JUDGE VERO: Okay. You are going to
9 serve me with a copy of that?

10 MS. ROSS: Yes.

11 JUDGE VERO: Okay, but not at that
12 hearing. I don't want to hear about it at that
13 hearing. All right. Anything else?

14 I understand you had another. Are we
15 okay with the page numbers? Let's have it on the
16 record. I understand the complainant attorney to
17 have moved for the admission into the record of these
18 cases, Simon and Colonial, certain pages from the
19 transcript collected during the initial hearings that
20 were conducted on August 26, 27th and 28th of 2013 on
21 SBG's consolidated matters under docket numbers
22 C-2012-2304160 C-2012-2304215 C-2012-2304303 and the
23 page numbers that are being proposed as exhibits are
24 page number 51 through 176, that's Mr. Pulley's
25 testimony; page number 221 through 268, that's

1 Mr. Lampert's testimony; page number 277 through page
2 number 428, that's Mr. Dunn's testimony; page number
3 628 through 668, that's Mr. Pulley's testimony.

4 MR. FARINAS: Your Honor, for some
5 reason, I have another sequence of dates, but no
6 name.

7 MS. ROSS: It was only the first three.

8 JUDGE VERO: Are we on the same page
9 with the page numbers?

10 MR. FARINAS: Yes.

11 JUDGE VERO: It doesn't matter who's
12 testifying, but, okay, we have the same page ranges.

13 MR. FARINAS: Yes, as you read them.

14 JUDGE VERO: So, any objection?

15 MR. FARINAS: No objection.

16 JUDGE VERO: All right. No objections
17 having been heard, that part of the transcripts from
18 the docket number I listed earlier are hereby
19 admitted into the record in this case. I'm going to
20 identify it for you. It will be SBG's Exhibit SBG
21 CG/SG Exhibit 8. Do I have copies?

22 I know from the initial hearing, you
23 waived your right to get copies of that exhibit. You
24 said I will have the transcript.

25 MR. FARINAS: Yes. I have the

1 transcript. That's why I looked at.

2 MS. ROSS: What was it, August 28th?

3 MR. FARINAS: When this was read prior,
4 I have a date of August 29th, pages 37 to 133, but I
5 have no name associated with that. Does that mean
6 anything to you?

7 JUDGE VERO: No. That was a mistake.
8 We corrected it. August 29th was Simon and Colonial
9 already; so, I already said you cannot make an
10 exhibit of a transcript that's already --

11 MS. ROSS: What was the last page on the
12 28th.

13 JUDGE VERO: 668. Mr. Pulley, 628
14 through 668.

15 MS. ROSS: 51 through 176, 221 through
16 268 for Phil and Eric, and Mr. Dunn 277 through 428
17 and Mr. Pulley 628 to 668?

18 JUDGE VERO: Yes, and I identified it
19 for you for the record as SBG's Exhibit 8.

20 (Whereupon, the document was marked as
21 SBG's Exhibit No. 8 for identification,
22 and was received in evidence.)

23 JUDGE VERO: Mr. Farinas for, PGW has
24 waived his right to a copy because it's already a
25 transcript and he has that. I can do the same for

1 myself, but the court reporter will need two copies,
2 but we can make due with one.

3 We have a problem on that as well,
4 Ms. Ross, does she have it?

5 MS. ROSS: It's packed as well.

6 JUDGE VERO: Exhibit 8, the portion of
7 the transcript, the court reporter needs them.
8 You're packing up and leaving and we're not done.
9 This is the end of the case. How are you supposed to
10 leave it like that?

11 MS. ROSS: They all just went
12 downstairs, Your Honor. Can we do it as a late
13 file? We didn't realize that's where we were going
14 with this right now.

15 JUDGE VERO: We'll do it as a late file
16 exhibit, but I have an ongoing hearing. I have an
17 almost empty hearing room and everybody is packed up,
18 but we're not done. All right. It will be a late
19 file exhibit and I can expect it to be submitted
20 when?

21 MS. ROSS: Do you want it to come to you
22 or to the court reporter?

23 JUDGE VERO: No. It is not her
24 responsibility. I don't think the court reporter has
25 access to anything unless you have a CD, you can give

1 it to her. The late file exhibits come to me,
2 everything. I make sure they go where they're
3 supposed to go.

4 MS. ROSS: Hard copy?

5 JUDGE VERO: It will take it even as a
6 CD, but remember it has to come in multiple copies.
7 No. I waived my right. Give me one hard copy for
8 the court reporter. If you want the CD as
9 additional, okay. You have no objection; so, that
10 was just a matter of submitting it. It will not be
11 up to objection.

12 MS. ROSS: You'll be copied on the
13 Email.

14 MR. FARINAS: I'm trusting that it's is
15 actually what it is.

16 JUDGE VERO: I will check.

17 MS. ROSS: We will copy him on the
18 Email.

19 JUDGE VERO: No, you are just sending me
20 one hard copy. That's all you're sending me, one
21 hard copy so I'll send it to her. I waived my right
22 for one copy because I have the transcript. He's
23 waived his right for a copy, electronic or otherwise
24 because he has the transcript. We've agreed on the
25 pages. I'll make sure these are the pages that you

1 submitted and are submitted into the record and that
2 will be the end of it. One copy, two copies, because
3 it's voluminous, I'm leaving it up to you. I would
4 prefer a hard copy though.

5 MS. ROSS: We can do one CD and one hard
6 copy?

7 JUDGE VERO: Yes. Are we done?
8 Everything is done for housekeeping?

9 MS. ROSS: Yes.

10 JUDGE VERO: Do you want me to go over
11 what will happen next in terms of the initial
12 decisions and Commission review, exceptions, things
13 of that nature? I usually do for pro se
14 complainants. When I have time, I definitely do it.
15 Do you want me to do it today? I will do it so it
16 doesn't become an issue.

17 What's going to happen next, I will go
18 back to my office where I will review all the
19 evidence in these consolidated cases and will issue a
20 decision. When that happens, both parties will
21 receive a copy of that decision. Along with that
22 decision, there will be instructions for filing what
23 are called exceptions for the Commission. Exceptions
24 are a party's opportunity to notify the Commission in
25 writing that they feel I have made an error somewhere

1 in my decision.

2 If exceptions are filed by either party,
3 this case will be reviewed by a panel of
4 commissioners who will review all of the evidence
5 collected, as well as my decision and will issue a
6 final opinion and order. When they do that, the
7 parties will receive a copy of that order. The entry
8 date of that order is your indication that a final
9 determination on these complaints has been made by
10 the Commission, and the parties will be expected to
11 abide by the terms of that order.

12 If no exceptions are filed by either
13 party, then the Commission may still choose to review
14 this case on its own authority. If it chooses to do
15 so, then once again, the panel of commissioners will
16 review all the evidence in this case and will issue a
17 final opinion and order and the parties are expected
18 to abide by the terms of that order.

19 If no exceptions are filed, and the
20 Commission chooses not to review this case, then
21 after a certain period of time has passed, my
22 decision as written will become final by what is
23 called operation of law. When that happens, the
24 parties will receive a letter from the secretary of
25 the commission notifying them that my decision has

1 become final and they are expected to abide by the
2 terms of the ordering paragraph of that decision.

3 Questions?

4 MR. FARINAS: How does the briefing of
5 the related or cross docketed issues impact upon the
6 issues of the decision, and I may have heard
7 incorrectly, but there's no briefing of the
8 specifics, the issues as to this matter, and that's
9 fine.

10 JUDGE VERO: Okay. I will issue a
11 briefing order. In our prehearing conference in
12 November 2013, we agreed that we will wait until all
13 the cases are completed before we submit the briefs,
14 okay.

15 MR. FARINAS: So, there will be a brief?

16 JUDGE VERO: There will be a brief.
17 There will be three briefs, three main briefs, three
18 reply briefs or rather, you're allowed to file.
19 Three main briefs, three reply briefs, because there
20 are three sets of consolidated cases.

21 I think we have on the record the date,
22 but I know for sure it will be after the hearings are
23 concluded, and I will come up with the questions that
24 I need for you to address or the topic that I need
25 you to brief or the questions. I'm thinking of

1 having some sections or some questions that I need to
2 see addressed. I will definitely inform you of the
3 facts. I will issue a briefing order of the topic of
4 the briefs and the questions I need to be briefed
5 on. We know in general terms what the two topics
6 are, percentage rate the applied on liens and the
7 other one --

8 MR. FARINAS: The statute of
9 limitations.

10 JUDGE VERO: Statute of limitations,
11 yes. Thank you. So, you will be briefing me on
12 every set of cases consolidated.

13 MS. ROSS: Will you be issuing an order
14 prior to our briefs or will the order be subsequent
15 to the briefs being --

16 JUDGE VERO: I am envisioning since I
17 went to hearing and the trouble of collecting this
18 and leaving the legal, I could have just asked you to
19 brief it and then we would go into hearings, but
20 because there were two topics to be briefed and the
21 statute of limitations was a fact finding kind of
22 issue, I needed to have the facts, I decided I would
23 just wait it out; we'll have the hearings, collect
24 all the information and then we will brief it.

25 So, my decision on the legal issue will

1 be part of the initial decision you will get. You
2 will only get one initial decision. You will get the
3 ruling on the legal issue as part of the initial
4 decision on each consolidated case.

5 MS. ROSS: So, basically, we shouldn't
6 expect an order before May?

7 JUDGE VERO: May is when you're filing
8 the last brief. I think it's the last deadline for
9 filing. I think it's May 5th, last day for filing
10 reply briefs.

11 MS. ROSS: So, we won't get an order
12 before July more or less?

13 MR. FARINAS: It will be an initial
14 decision.

15 JUDGE VERO: Initial decision.

16 MS. ROSS: Fair enough. I just don't
17 want to say I'll get it like next week or something
18 like that.

19 JUDGE VERO: Any other questions?

20 MR. FARINAS: No questions.

21 JUDGE VERO: Then this concludes today's
22 hearing on these consolidated matters. Thank you for
23 your appearance and participation today. Have a
24 pleasant day, everybody. Good bye. We're off the
25 record.

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(Whereupon, at 5:50 p.m., the hearing was adjourned.)

* * *

C E R T I F I C A T E

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

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