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BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

1945 JUL 6 AM 11 17

***** SECRETARY'S OFFICE
PUBLIC UTILITY COM.

RE: APPLICATION OF NORTHERN PENNSYLVANIA POWER COMPANY
AND
VALLEY CITIES GAS COMPANY No. A-64933

HEARD AT TOWANDA, PA., JUNE 28, 1945,
BEFORE EXAMINER BIDEISPACHER.

ORIGINAL

Reported by:-

Helen S. Shay,
Official Stenographer,
Williamsport, Pa.

DOCKETED
APPLICATION DOCKET
JUL 9 1945
ENTRY No.

TESTIMONY-FOLDER

BEFORE THE
PENNSYLVANIA
PUBLIC UTILITY COMMISSION

* * * * *

Re. Application of Northern Pennsylvania Power Company and Valley Cities Gas Company for approval of (1) the transfer by sale of all of the gas properties of Northern Pennsylvania Power Company to Valley Cities Gas Company; (2) the abandonment of gas service by Northern Pennsylvania Power Company; and (3) the beginning of the exercise of the right, power or privilege by Valley Cities Gas Company of supplying gas service to the public in the Borough of Towanda and vicinity thereof, Bradford County. Initial hearing.

* * * * *

TRANSCRIPT OF PROCEEDINGS HAD June 28, 1945, beginning at ten o'clock a.m., Eastern war time, at the court house in Towanda, Bradford County, Pennsylvania, before Charles F. Bidelspacher, Esq., Examiner.

* * * * *

APPEARANCES:

Seth McCormick Lynn, Esq., and Carl W. Herdic, Esq., of 429 Pine Street, Williamsport, Pa., appeared for Valley Cities Gas Company;

Joseph F. Monaghan, Esq., of 61 Broadway, New York, 6, N. Y., appeared for Northern Pennsylvania Power Company.

Reported by Helen S. Shay, Official Stenographer,
Williamsport, Pennsylvania.

I N D E X

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There were no Protestants appeared at the time of hearing.

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* * * * *

APPLICANTS' TESTIMONY

By Mr. Monaghan;

May it please the Examiner, I think the appearances have all been noted.

At the outset, to facilitate the introduction of the various exhibits, I would like to ask that this (indicating) be marked Exhibit No. 1 for identification. We will, subsequently, have testimony concerning that.

The petitioners in this proceeding received from the Commission a questionnaire and we were requested at the hearing to supply the necessary answers to the questions therein.

By the Examiner;

The answer to question number one is as follows:-

By Mr. Monaghan;

The answer to question number one contains some facts which I would like to have the witness testify to.

The answer to question two, however, calls for evidence that notice of this hearing and a copy of the application was given to the municipal authorities, and I have here a letter from David R. Smith, President of the Northern Pennsylvania Power Company, to Charles Dixon, President of Towanda Borough Council. We have no affidavit of service, but received a letter and enclosure, as acknowledged by Mr. Dixon, admitting the service, and I would like to have this (indicating) marked as Exhibit No. 2.

As to the answer to question three, for the record, I have an affidavit of service by publication executed by T. J. Finn, the Business Manager of the Towanda Daily Review, which indicates the publication was made of the notice of this hearing in accordance with the instructions received from the Commission. I would like to have this (indicating) marked as Exhibit No. 3.

Now, if the Examiner please, I would like to state briefly, the nature of this application, before I call the ~~first~~ witness. This is an application by the Northern Pennsylvania Power Company, hereafter to be referred to as "North Penn", and the Valley Cities Gas Company, hereafter to be referred to as "Valley". The application involves three separate and distinct matters.

First, it has asked for the approval of the sale by North Penn of all the gas facilities of the Northern Pennsylvania Power Company located in and around the Borough of Towanda; second, the Commission is asked to approve the abandonment by North Penn of gas service in and around the borough of Towanda; and finally, the Commission is asked to approve the beginning of the exercise of the right, power or privilege by Valley Cities Gas Company, of supplying gas in that area.

A copy of the contract is included with the application, calling for the sale of the property involved, at a base price of \$12,139, and there were various minor adjustments in the base price also revealed in the contract.

I would like to call as my first witness for North Penn, John A. Dunlap.

* * * * *

JOHN A. DUNLAP, a witness produced on behalf of the Northern Pennsylvania Power Company, being first duly sworn according to law and examined, testified as follows:-

By Mr. Monaghan;

Q- State your full name and address for the record?

A- John A. Dunlap, 229 East Walnut Street, Shillington, Pennsylvania.

Q- Are you an officer of the Northern Pennsylvania Power Company

A- I am.

Q- Will you state what office or offices you hold?

A- Yes, Sir, I am secretary-treasurer.

Q- How long have you held such position?

A- Since June 27, 1942.

Q- Are you familiar with the pending application filed in this proceeding by Northern Pennsylvania Power Company, together with the Valley Cities Gas Company?

A- I am.

Q- Was that application in so far as the, - in so far as it concerns Northern Pennsylvania Power Company prepared by you or under your supervision?

A- It was.

Q- Are the statements contains in said application so far as your knowledge goes, truthful and correct?

A- They are.

Q- I would like you to examine what has heretofore been marked as Exhibit No. 1 for identification, and ask you to describe that document?

A- This Exhibit contains or consists of a series of questions which were addressed to the Applicants in this proceeding by the Pennsylvania Commission. The Exhibit also contains the answers to the various questions, part of which were answered by Northern Pennsylvania Power Company and others by the Valley Cities Gas Company.

Q- Were the answers to the questionnaire supplied by North Penn prepared by you or under your supervision?

A- They were.

Q- Are these answers truthful and correct?

A- They are, to the best of my knowledge and belief.

Q- Will you identify the specific questions to which you prepared the answers, or caused the answers to be prepared?

A- The answers which I prepared or which were prepared under my supervision are as follows: One, five, seven, nine, ten, eleven, twelve, thirteen, fifteen, sixteen, nineteen and twenty. The answer to question number seventeen could not be answered in its entirety by either applicant. In answering that, we broke this question down into two separate parts, -

By the Examiner;

Q- Which question is that?

A- Seventeen. The first half of this question has to do with the rates presently charged to gas customers in the territory involved. I have here the service classifications tariffs which are on file with the Public Utility Commission. They are called "Service Classification A" and "Service Classification B" and constitute the entire rate structure now charged.

By Mr. Monaghan;

I now offer as Exhibit 5A and 5B respectively, Service Classifications A. and B, which the witness has just testified to, constituting the entire tariff structure for gas service previously

rendered and filed by North Penn.

By the Witness;

A- (continuing) The second half of the answer to question number seventeen, I understand, has been answered by the Valley Cities Gas Company.

By Mr. Monaghan;

I would now like to have this (indicating) marked as Exhibit No. 4 for identification.

(The Exhibit is so marked).

Q- Mr. Dunlap, I show you what has been marked Exhibit No. 4 for identification. Will you examine that and state what it is?

A- This is a map which shows, principally, the gas distribution system which is to be sold. At the extreme left hand corner, just west of the Susquehanna River, is shown the gas plant, which constitutes the sole source of supply. This map was prepared in response to question four of the Commission's questionnaire.

I would now like to offer the map in evidence.

By the Examiner;

It is admitted.

By Mr. Monaghan;

Q- Now, Mr. Dunlap, will you state, briefly, the major provisions of the contract pursuant to which it is proposed to effect the sale of the gas property involved in this application?

A- Northern Pennsylvania Power Company under the terms of the contract, agrees to sell, and Valley Cities Gas Company agrees to purchase the gas facilities of the Northern Pennsylvania Power Company in and around Towanda, for a base price of \$12,139. Various conditions of the contract, one of which is the securing of the approval of this Commission. A further condition is the written consent of the indirect parent of Northern Pennsylvania Power Company, which must be obtained. Northern Pennsylvania Power Company has been advised by counsel that the contract is not necessary to be approved by any other State or Federal regulatory agency. The adjustments contained in the agreement are all of a minor character; certain tools and equipment are to be sold for \$50; materials and supplies on hand at the date of closing are to be sold to Valley Cities at the cost of said materials and supplies to North Penn; residuals which will be on hand at the date of closing will also be sold at a fair market value.

Q- The various items that you have just referred to, Mr. Dunlap, as adjustments, - as I understand these were \$50, payment for certain tools and equipment; the other additional payment for materials and supplies and residuals, are all in addition to the base purchase price, is that correct?

A- That is correct.

Q- Are you familiar with the negotiations which led to the execution of the contract you have just described?

A- I am.

Q- Will you briefly describe such negotiations?

A- The Northern Pennsylvania Power Company is primarily an electric utility. Consequently, not more than one half of one per cent. of the gross revenue of the company was derived from gas sales. Some time ago the officers decided it was advisable to dispose of the gas business if possible. Discussions were had with various interested parties, after which two offers were received for the sale of this gas property. The Valley Cities offer, which was \$2,000 more than the other offer received, was accepted.

Q- Mr. Dunlap, when and if this sale is consummated, will Northern Pennsylvania Power Company be any longer engaged in the gas business to any extent?

A- No.

By Mr. Monaghan;

I have no further questions. Does the Examiner wish to ask any questions?

By the Examiner;

No, I have no questions.

By Mr. Monaghan;

I guess the witness is excused.

(Witness leaves the stand)

* * * * *

By Mr. Monaghan;

I offer Exhibits two and three in evidence.

By the Examiner;

They are admitted.

* * * * *

C. J. CRABILL, a witness produced on behalf of Valley Cities Gas Company, being first duly sworn according to law and examined, testified as follows:-

By Mr. Lynn;

Q- Mr. Crabill, you are an officer of the Valley Cities Gas Company?

A- Yes, Sir.

Q- What position do you hold?

A- Vice president.

Q- How long have you held such position?

A- Since February of this year.

Q- Are you familiar with the combined application filed in this proceeding by Northern Pennsylvania Power Company and Valley Cities Gas Company?

A- I am.

Q- Was that application, as far as it concerns Valley Cities Gas Company, prepared by you or under your supervision?

A- No, Sir.

Q- By whom was it prepared and under whose supervision was it

prepared, do you know?

A- Mr. Williams.

Q- State his full name?

A- G. R. Williams, assistant treasurer.

Q- Of the Valley Cities Gas Company?

A- That's right.

Q- State whether or not the statements contained in said application, to the best of your knowledge and belief, are true and correct?

A- They are, to the best of my knowledge.

Q- Mr. Crabill, there has been put in evidence and marked Exhibit 1, a series of questions addressed to the applicants by the Public Utility Commission, and this document also contains the answers to said questions, some of which were supplied by Northern Pennsylvania Power Company and some of which were supplied by Valley Cities Gas Company. I show you this Exhibit and ask you whether or not the answers supplied by Valley Cities Gas Company were prepared by you or under your supervision?

A- No, Sir.

Q- Have you read the questions concerning Valley Cities, in that questionnaire?

A- I have.

Q- And the answers supplied in the Exhibit?

A- They are true to the best of my knowledge.

Q- They are true, you say, to the best of your knowledge?

A- Correct.

Q- By whom were these answers prepared in so far as Valley Cities Gas Company is concerned?

A- G.R. Williams.

Q- Will you identify by number the questions that were prepared by Mr. Williams, if you know?

A- Questions six, eight, fourteen, seventeen "B", eighteen and twenty-one.

Q- Mr. Crabill, what has been your experience in gas utility company business?

A- I have been engaged in the gas business since 1929.

Q- And during that period have you become conversant with all phases of the operation of gas utility companies?

A- I think so, yes.

Q- Will you express your opinion, if you have one, as to whether or not the public interest will be benefitted by this proposed transfer?

A- Well, it is my belief, -

Q- Answer "yes" or "no"?

A- Yes.

Q- Will you state why, please?

A- It is my belief that a company engaged one hundred per cent. in the furnishing of gas service to the public can probably render satisfactory service to a better degree than one who is interested

to the extent of one-half of one per cent. of the total business.

By Mr. Lynn;

I have no further questions.

(Witness leaves the stand)

* * * * *

By Mr. Monaghan;

If that is all for this witness, I would now like to offer in evidence Exhibit No. 1, heretofore marked for identification.

By the Examiner;

Admitted.

By Mr. Herdic;

We desire to submit the case on the record.

By Mr. Monaghan;

Submit it on the record.

* * * * *

CERTIFICATE OF OFFICIAL STENOGRAPHER:

I hereby certify that the proceedings, evidence and rulings of the Examiner are contained fully and accurately in the notes taken by me on the hearing of above application and that this is a correct transcript of the same.

Helen S. Shay

Helen S. Shay,
Official Stenographer,
Williamsport, Pa.

APPROVAL:

The foregoing record of the proceedings upon the hearing of above application is hereby approved and directed to be filed.

Exhibit 2
June 28, 1945

RECEIVED

COMMONWEALTH OF PENNSYLVANIA

1945 JUL 6 AM 11 17

PENNSYLVANIA PUBLIC UTILITY COMMISSION

SECRETARY'S OFFICE
PUBLIC UTILITY COM.

A 64933

Answers to Questionnaire

1. SUBMIT PROOF THAT NOTICE AND A COPY OF THE APPLICATIONS HAVE BEEN SERVED ON THE INTERESTED PARTIES.

No individual, partnership or corporation furnishes service similar to or competitive with that furnished by the facilities being sold in the instant franchise territory. Northern Pennsylvania Power Company ("Seller") renders electric service in such territory; Valley Cities Gas Company ("Purchaser") renders gas service approximately sixteen miles from Towanda. There are no parties interested in this Application other than Petitioners and no notice could therefore be given to "interested parties."

2. SUBMIT EVIDENCE THAT ALL OFFICERS OF THE MUNICIPALITIES IN WHICH RIGHTS ARE SOUGHT HAVE BEEN SERVED WITH NOTICE AND A COPY OF THE APPLICATION.

See Exhibit 2.

3. SUBMIT EVIDENCE THAT THE NECESSARY NEWSPAPER ADVERTISEMENTS HAVE BEEN CARRIED OUT AS SET FORTH IN THE COMMISSION LETTER TO THE ATTORNEYS FOR THE PETITIONERS.

See Exhibit 3.

4. SUBMIT A MAP SHOWING THE LOCATION OF THE PRESENT AND FUTURE, IF ANY, SOURCE OF SUPPLY OF GAS AND THE TRANSMISSION AND DISTRIBUTION FACILITIES IN THE TERRITORY PRESENTLY SERVED BY NORTHERN PENNSYLVANIA POWER COMPANY IN THE BOROUGH OF TOWANDA AND VICINITY.

See Exhibit 4.

5. WITH RESPECT TO THE SOURCE OF SUPPLY OF GAS PRESENTLY USED IN FURNISHING CONSUMERS OF NORTHERN PENNSYLVANIA POWER COMPANY IN TOWANDA AND VICINITY, GIVE SOURCE AND, IF PURCHASED IN PART OR WHOLE, GIVE THE NAME OF THE VENDOR PARTIES AND THE QUANTITY PURCHASED.

Source of supply - Towanda Plant (retort coal gas);
none purchased.

TESTIMONY-FOLDER

DOCKETED
APPLICATION DOCKET
JUL 9 1945
ENTRY No. 1

PA. PUBLIC UTILITY COMM.
DOCKET NO. A64933
EXHIBIT NO. 1
June 28, 1945
Hearing held
REPORTER Shry

6. WITH RESPECT TO THE SOURCE OF SUPPLY OF GAS TO BE FURNISHED CONSUMERS IN TOWANDA AND VICINITY FOLLOWING PURCHASE OF GAS FACILITIES BY VALLEY CITIES GAS COMPANY, GIVE SOURCE AND, IF TO BE PURCHASED IN PART OR WHOLE, GIVE THE NAME OF VENDOR PARTIES AND QUANTITY TO BE PURCHASED.

Supply of gas to be manufactured at Towanda as heretofore. No gas will be purchased.

7. WITH RESPECT TO GAS PRESENTLY SUPPLIED TO TOWANDA AND VICINITY, IF PRODUCED BY NORTHERN PENNSYLVANIA POWER COMPANY, GIVE MAXIMUM CAPACITY OF PLANT, TYPE OF GAS PRODUCED AND AMOUNT PRODUCED ANNUALLY FOR THE YEARS 1941 to 1944, INCLUSIVE.

Maximum gross capacity, Towanda Plant - 50 M.C.F.

	<u>1941</u>	<u>1942</u>	<u>1943</u>	<u>1944</u>
Production (M.C.F.)	7,279	7,783	9,153	8,783

8. WITH RESPECT TO GAS TO BE SUPPLIED BY VALLEY CITIES GAS COMPANY, FOLLOWING PURCHASE OF GAS FACILITIES IN TOWANDA AND VICINITY, IF TO BE PRODUCED BY VALLEY CITIES GAS COMPANY, GIVE MAXIMUM CAPACITY OF PLANT, TYPE OF GAS TO BE PRODUCED AND ESTIMATED AMOUNT IT PROPOSES TO PRODUCE.

Gas to be manufactured at Towanda and not purchased from Valley Cities Gas Company.

9. GIVE TOTAL AMOUNT OF GAS PURCHASED AND PRODUCED ANNUALLY BY NORTHERN PENNSYLVANIA POWER COMPANY FOR TOWANDA AND VICINITY FOR THE YEARS 1941-1944, INCLUSIVE.

None purchased.

Produced annually - see answer to No. 7 supra.

10. GIVE TOTAL ANNUAL SALES OF GAS BY NORTHERN PENNSYLVANIA POWER COMPANY IN TOWANDA AND VICINITY FOR THE YEARS 1941-1944, INCLUSIVE.

	<u>1941</u>	<u>1942</u>	<u>1943</u>	<u>1944</u>
Sales (M.C.F.)	5,934	5,964	7,338	7,303

11. STATE THE PRICE THAT VALLEY CITIES GAS COMPANY WILL PAY FOR THE GAS FACILITIES NOW IN USE IN RENDERING SERVICE TO THE PUBLIC IN TOWANDA AND VICINITY, TO WHOM THE CONSIDERATION IS TO BE PAID AND IN WHAT MANNER IT WAS DETERMINED.

\$12,139, subject to adjustment as set forth in Contract; consideration is to be paid to Northern Pennsylvania Power Company; consideration determined by arm's length bargaining between Northern Pennsylvania Power Company and Valley Cities Gas Company.

12. SUBMIT A STATEMENT SHOWING THE ORIGINAL COST (WHEN FIRST DEVOTED TO PUBLIC USE), IF KNOWN, OF THE GAS FACILITIES NOW SERVING THE PUBLIC IN TOWANDA AND VICINITY, TOGETHER WITH DEPRECIATION RESERVE REQUIREMENTS APPLICABLE TO SUCH COST.

Not known.

13. SUBMIT A STATEMENT SHOWING THE COST TO NORTHERN PENNSYLVANIA POWER COMPANY OF THE GAS FACILITIES IN TOWANDA AND VICINITY, TOGETHER WITH THE DEPRECIATION RESERVE REQUIREMENTS APPLICABLE TO SUCH COST. IF SAID FACILITIES, OR ANY OF THEM, WERE ACQUIRED FROM AN AFFILIATE AT A GREATER COST THAN THE AFFILIATE'S COST, THEN SHOW (a) THE EXCESS OF NORTHERN PENNSYLVANIA POWER COMPANY'S COST OVER THE AFFILIATE'S COST REMAINING IN THE PLANT ACCOUNTS OF NORTHERN PENNSYLVANIA POWER COMPANY AND (b) THE CURRENT DEPRECIATION RESERVE REQUIREMENTS APPLICABLE TO (a).

Statement of Cost of Gas Property
and Related Depreciation Reserve
as of March 31, 1945

Gross Cost of Property at date of acquisition	\$124,278.85
Depreciation Reserve at date of acquisition	20,480.60
Net Cost at date of acquisition	<u>\$103,798.25</u>
Net Additions at cost since date of acquisition	116.82
Net Cost of Property at March 31, 1945	<u>\$103,915.07</u>
Net Increase in Depreciation Reserve since date of acquisition	<u>80,398.44</u>
Depreciated Cost of Property to be sold to Valley Cities Gas Company	<u>\$ 23,516.63</u>

None of the gas facilities were acquired by Northern Pennsylvania Power Company from an affiliate at a greater cost than the cost to the affiliate.

14. IF ANY OF THE FACILITIES IN TOWANDA AND VICINITY WILL NOT BE USED OR USEFUL TO VALLEY CITIES GAS COMPANY, SUBMIT A STATEMENT SHOWING (a) THE ESTIMATED SALVAGE VALUE THEREOF, (b) THE ORIGINAL COST THEREOF WHEN FIRST DEVOTED TO PUBLIC USE, IF KNOWN, AND THE DEPRECIATION RESERVE REQUIREMENTS APPLICABLE TO SUCH COST, (c) THE COST THEREOF TO NORTHERN PENNSYLVANIA POWER COMPANY AND THE DEPRECIATION RESERVE REQUIREMENTS APPLICABLE TO SUCH COST, AND (d) IF SUCH NONUSED OR USEFUL FACILITIES WERE ACQUIRED FROM AN AFFILIATE, THE AMOUNT AT WHICH SAID FACILITIES ARE CARRIED IN NORTHERN PENNSYLVANIA POWER COMPANY'S PLANT ACCOUNTS OVER THE AFFILIATE'S COST, AND THE DEPRECIATION RESERVE REQUIREMENTS APPLICABLE TO SUCH EXCESS.

Present facilities in Towanda and vicinity will be used or useful to the Valley Cities Gas Company.

15. IF THE COST TO NORTHERN PENNSYLVANIA POWER COMPANY OF THE PROPERTY IN TOWANDA AND VICINITY, LESS THE ACCRUED DEPRECIATION, WAS LESS THAN THE PROPOSED PURCHASE PRICE, THEN SUBMIT AN INVENTORY OF THE PROPERTY WITH THE AGES AND ESTIMATED LIVES, AND ESTIMATED REPRODUCTION COST BOTH NEW AND DEPRECIATED AT AVERAGE PRICES DURING 1940.

The cost to Northern Pennsylvania Power Company of the property in Towanda and vicinity, less the accrued depreciation, is more than the proposed purchase price.

16. STATE THE NUMBER AND CLASSIFICATION OF CONSUMERS NOW BEING FURNISHED GAS SERVICE IN TOWANDA AND VICINITY.

At May 31, 1945, Northern Pennsylvania Power Company served the following customers in Towanda and vicinity:

	<u>Number of Customers</u>
Residential	387
Commercial	55
Industrial	4
Total	<u>446</u>

17. STATE THE RATES (a) NOW BEING PAID BY CONSUMERS IN TOWANDA AND VICINITY TO NORTHERN PENNSYLVANIA POWER COMPANY AND (b) THE RATES TO BE PAID BY CONSUMERS IN SAID DISTRICT UNDER TARIFF SCHEDULES OF VALLEY CITIES GAS COMPANY FOLLOWING ACQUISITION OF THE GAS FACILITIES.

(a) See Exhibit 5.

(b) Immediately after acquisition, Valley Cities Gas Company proposes to continue in effect the rate schedules heretofore on file for service in Towanda and vicinity. No intelligent decision can be made whether any modification in rates should be sought until Valley Cities has operated the Towanda facilities for a reasonable period of time.

18. STATE WHETHER OR NOT, FOLLOWING ACQUISITION OF GAS FACILITIES IN TOWANDA AND VICINITY BY VALLEY CITIES GAS COMPANY, SERVICE WILL BE SIMILAR TO THAT NOW RENDERED BY NORTHERN PENNSYLVANIA POWER COMPANY, AND THAT THE QUALITY OF THE GAS WILL REMAIN THE SAME.

Service in Towanda and vicinity by Valley Cities Gas Company will be similar to that rendered by the Northern Pennsylvania Power Company, and the quality of the gas will remain the same.

19. SUBMIT A STATEMENT OF THE GAS OPERATING REVENUES OF TOWANDA AND VICINITY FOR THE YEARS 1941-1944, INCLUSIVE, TABULATED IN CONFORMITY WITH THE UNIFORM SYSTEM OF ACCOUNTS.

Operating Revenues

	<u>1941</u>	<u>1942</u>	<u>1943</u>	<u>1944</u>
Residential	\$ 9,724.97	\$ 9,537.57	\$10,163.51	\$11,284.87
Commercial	2,937.56	2,781.82	3,208.17	3,236.49
Industrial	156.26	350.13	978.80	166.76
Total Revenues	<u>\$12,818.79</u>	<u>\$12,669.52</u>	<u>\$14,350.48</u>	<u>\$14,688.12</u>

20. SUBMIT A STATEMENT OF THE GAS OPERATING EXPENSES FOR TOWANDA AND VICINITY FOR THE YEARS 1941 to 1944, INCLUSIVE, TABULATED IN CONFORMITY WITH THE UNIFORM SYSTEM OF ACCOUNTS.

Operating Expenses
Gas Department
Years 1941 to 1944, Inclusive

Production	\$10,759.15	\$11,001.15	\$12,921.45	\$13,448.62
Distribution	1,063.74	1,184.66	1,096.47	1,060.96
Customers' Accounting	1,016.51	679.14	672.52	581.26
Sales Promotion	6.00		7.20	
Administrative and General	1,507.07	179.92	829.20	1,108.22
Total Operating Exp.	<u>\$14,352.47</u>	<u>\$12,685.03</u>	<u>\$15,526.84</u>	<u>\$16,199.06</u>

Production and Distribution expenses reflected above are actual expenditures. Customers' Accounting expenses represent in part actual expenditures and in part an allocation based on number of customers. Sales Promotion and Administrative and General expenses reflected above are actual expenditures; no allocation has been made between Electric and Gas Departments, for such expenses.

21. SUBMIT A STATEMENT SHOWING THE ESTIMATED ANNUAL GAS OPERATING EXPENSES FOR TOWANDA AND VICINITY FOLLOWING ACQUISITION OF THE GAS FACILITIES BY VALLEY CITIES GAS COMPANY, TABULATED IN CONFORMITY WITH THE UNIFORM SYSTEM OF ACCOUNTS.

It is anticipated that direct operating expenses will remain substantially the same following sale as they were in 1944. It is impossible at this time to estimate with any degree of accuracy what additional indirect expenses will be incurred by Valley Cities Gas Company following acquisition of the Towanda facilities.

Exhibit No. 2
June 29, 1945

Towanda, Pennsylvania

RECEIVED
1945 JUL 6 AM 11 17

June 11, 1945

SECRETARY'S OFFICE
PUBLIC UTILITY COM.

Mr. Charles Dixon, President
Towanda Borough Council
Towanda, Pennsylvania

Dear Sir:

Please be advised that the undersigned Company executed an agreement under date of May 4, 1945 with Valley Cities Gas Company, providing for the sale of all the gas facilities of the undersigned Company in and around the Borough of Towanda, Bradford County, Pennsylvania. The agreement may not be consummated unless and until approved by the Pennsylvania Public Utility Commission. The undersigned Company is advised and believes that the agreement is subject to no other regulatory commission approval.

On or about May 21, 1945 the undersigned Company and Valley Cities Gas Company filed a Joint Application with the Pennsylvania Public Utility Commission, seeking approval for the consummation of the above agreement. A copy of such Application (in which the Sale Agreement is included as Exhibit C) is attached. The Commission has set Thursday, June 28, 1945, at 10:00 A.M. in the Court House at Towanda, as the time and place for hearing upon the above mentioned Application.

The within Application is served upon you and this notice is sent you pursuant to the direction of the Pennsylvania Public Utility Commission. Please acknowledge receipt of this letter and the enclosure above referred to, in the place indicated on each of the carbon copies of this letter submitted herewith.

Very truly yours,

NORTHERN PENNSYLVANIA POWER COMPANY

DOCKETED
APPLICATION DOCKET
JUL 9 1945
ENTRY No. _____

TESTIMONY-FOLDER

By W. R. Smith Pres.

Receipt of the above letter and enclosure therein referred to acknowledged this 16 day of June, 1945.

Charles Dixon

PA. PUBLIC UTILITY COMM.
DOCKET NO. A64953
EXHIBIT NO. 21
June 28 1945
Hearing held
REPORTER Shay

Exhibit 3
June 21 1945

RECEIVED

1945 JUL 6 AM 11 17

SECRETARY'S OFFICE
PUBLIC UTILITY COM.

Commonwealth of Pennsylvania } ss:
Bradford County

Personally appeared before me this 21st day of June, A. D. 19 45, T. J. Finn, who being duly sworn, doth depose and say that he is the Business Manager of the DAILY REVIEW, a daily newspaper published in the Borough of Towanda, county aforesaid, and that the notice hereto attached ^{is exactly as} was printed in said paper once a week for Two consecutive weeks prior to this date, viz: June 16 - 21 - 1945

The affiant is not interested in the subject matter of the notice or advertising, and that all of the allegations of the statement as to the time, place, and character of publication are true.

T. J. Finn

Sworn and subscribed before me this 21st

day of June A. D. 19 45

Jennie M. Baker
Notary Public.

PENNSYLVANIA PUBLIC UTILITY COMMISSION NOTICE TO BE PUBLISHED

Notice is hereby given that application has been made to the Pennsylvania Public Utility Commission under the provisions of the Public Utility Law, by Northern Pennsylvania Power Company and Valley Cities Gas Company for an order pending the Commission's approval of (a) the transfer by sale or all of the gas properties of Northern Pennsylvania Power Company to Valley Cities Gas Company, (2) the abandonment of gas assets by Northern Pennsylvania Power Company, and (3) the beginning of the exercise of the right power or privilege by Valley Cities Gas Company of supplying gas service to the public in the Borough of Towanda and vicinity thereof, Bradford County, (A. 64933).

A public hearing upon this application will be held in the Court House at Towanda on Thursday, June 28, 1945, at 10:00 a. m. when and where all persons of interest may appear to be heard and they so desire.

NORTHERN PENNSYLVANIA POWER COMPANY, VALLEY CITIES GAS COMPANY.

DOCKETED
APPLICATION DOCKET
JUL 9 1945
ENTRY No. 11

My Commission Expires June 30, 1946
TESTIMONY-FOLDER

PA. PUBLIC UTILITY COMM.
DOCKET NO. A 64933
App EXHIBIT NO. 3
June 28, 1945
Hearing held
REPORTER Shy

OVERSIZE
DOCUMENTS

Exhibit 5A
June 28, 1945

RECEIVED

SERVICE CLASSIFICATION 1015 JUL 6 AM 11 17

APPLICABLE TO:

General Gas Service.

SECRETARY'S OFFICE
PUBLIC UTILITY COM.

CHARACTER OF SERVICE:

Low Pressure, Manufactured Gas.

RATE: (Per Month)

(R)

- 50.c for the first 100 cu. ft. or less
- 25.0c per 100 cu. ft. for the next 400 cu. ft.
- 20.0c per 100 cu. ft. for the next 500 cu. ft.
- 17.5c per 100 cu. ft. for the next 4000 cu. ft.
- 15.0c per 100 cu. ft. for all over 5000 cu. ft.

MINIMUM CHARGE:

50c per month.

TERMS OF PAYMENT:

Net Cash, monthly.

TERM OF CONTRACT:

Not less than one year.

TESTIMONY-FOLIO

PA. PUBLIC UTILITY COMM.
 DOCKET NO. A 64,933
 EXHIBIT NO 5A
June 28, 1945
 Hearing held
 REPORTER fly

DOCKETED
 APPLICATION DOCKET
 JUL 9 1945
 ENTRY No.

(R) Indicates Reduction No.

*Exhibit 5B
June 28 1945*

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SERVICE CLASSIFICATION **B** 1945 JUL 6 AM 11 17

SECRETARY'S OFFICE
PUBLIC UTILITY COM.

APPLICABLE TO:

General Gas Service (Optional).

CHARACTER OF SERVICE:

Low Pressure, Manufactured Gas.

RATE (Per Month)

\$1.75 for the first 200 cu. ft. or less
12.5c per 100 cu. ft. for the next 9,800 cu. ft.
10.0c per 100 cu. ft. for all over 10,000 cu. ft.

MINIMUM CHARGE:

\$1.75 per month per meter. Where no registration is shown in any monthly billing period, no bill will be rendered.

TERMS OF PAYMENT:

Net cash, monthly.

TERM OF CONTRACT:

Not less than one year.

TESTIMONY-FOLDER

DOCKETED
APPLICATION DOCKET
JUL 9 1945
ENTRY No. *4*

PA. PUBLIC UTILITY COMM.
DOCKET NO. *A64933*
App EXHIBIT NO. *5B*
June 28, 1945
Hearing held
REPORTER *Shy*