

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17105**

**Investigation Into Financial and
Collection Issues regarding the
Philadelphia Gas Works.**

**PUBLIC MEETING September 30, 2004
SEP-2004-OSA-0248*
Docket No. P-00042090, et al**

**DISSENTING STATEMENT OF
CHAIRMAN TERRANCE J. FITZPATRICK**

This matter involves the investigation into financial and collection issues regarding the Philadelphia Gas Works ("PGW"). The Commission today adopts the Motion of Vice Chairman Bloom that disposes of the numerous issues in this proceeding. I agree with some aspects of the Motion, however, my disagreement with other aspects of the decision requires me to respectfully dissent. This Statement sets forth my position on some of the important issues in this proceeding.

First, I agree with the rejection of the proposed means-tested senior citizen discount ("SCD"). If this Commission were to approve yet another costly social program for PGW, it would be contributing to the very problem that this proceeding is designed to solve. The means-tested SCD would, over time, impose a costly burden on PGW's paying customers, and must be rejected.

Second, I would grant in substantial part the Exceptions of the Office of Small Business Advocate to the extent they call for a cap on the number of participants in PGW's customer responsibility program ("CRP").¹ I believe that a temporary cap is warranted on these spiraling costs, pending the outcome of the study of the CRP. While I understand the point raised by staff and others that the CRP costs are high because of the large number of low-income customers in Philadelphia, I do not believe we are giving sufficient consideration to the fact that a large number of PGW's customers have modest incomes, and they struggle to pay their own bills, let alone the bills of others.

Finally, with respect to the waivers of Chapter 56 regulations requested by PGW, I would grant these waivers in full – as a three-year pilot -- except for the request to limit the "change in circumstances" that warrant a new payment arrangement to a decrease in income. Everyone agrees that there is a balance that must be achieved here between solving the financial problems of PGW and protecting customers. There are no easy solutions to PGW's financial difficulties, and I believe the Commission's best option would be to grant in substantial part the waivers requested by PGW. Moreover, I am persuaded that a system that leads to 90% of the payment arrangements being broken within twelve months requires major, not minor, revisions.

In conclusion, I agree with some aspects of the Commission's decision, but disagree with others; accordingly, I respectfully dissent.

DATE: September 30, 2004

**TERRANCE J. FITZPATRICK
CHAIRMAN**

¹ Rather than cap the number of participants at 60,000, I would cap the program at current enrollment levels.