

City of Philadelphia



Council of the City of Philadelphia
Office of the Chief Clerk
Room 402, City Hall
Philadelphia

(Resolution No. 020748)

RESOLUTION

Authorizing City Council's Committee on Transportation and Public Utilities to convene public hearings to take public testimony from the City Administration, Philadelphia Gas Works (PGW) management, the general public and other interested parties in order to develop recommendations including legislative strategies for modifying PGW's Senior Citizen Discount program in light of Pennsylvania's Natural Gas Choice and Competition Act, which abolishes the Senior Citizen Discount for Senior Citizen customers of PGW effective September 1, 2003.

WHEREAS, The City of Philadelphia operates the municipally owned PGW pursuant to a Management Agreement and ordinance enacted on December 29, 1972; and

WHEREAS, The Management Agreement was amended by ordinance on December 14, 1973 to authorize the Philadelphia Gas Commission to establish a Senior Citizen Discount of 20% of all charges for any PGW applicants 65 years or older who is a PGW heating and/or non-heating customer; and

WHEREAS, For almost 30 years, Philadelphia's Senior Citizens who are PGW customers have been receiving the Senior Citizen Discount. Throughout those years, the Senior Citizen Discount program has provided critical protection to Philadelphia Seniors, many of whom live on fixed incomes which are not sufficient to meet the spiraling costs of healthcare, prescription drugs, energy costs and other living expenses; and

WHEREAS, The Senior Citizen Discount program currently assists approximately 82,000 PGW customers by reducing the cost of natural gas service that since 2000 has increased by approximately 40%; and

WHEREAS, On June 22, 1999, the Pennsylvania General Assembly enacted the Natural Gas Choice and Competition Act (hereinafter the "Act"); and

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WHEREAS, The Act provided for the transfer of jurisdiction over PGW's rates and Tariff as of July 1, 2000 from the Philadelphia Gas Commission to the Pennsylvania Public Utility Commission; and

WHEREAS, Section 2212 (r) of the Act provides that only Senior Citizens receiving the Senior Citizen Discount as of the effective date of PGW's restructuring plan would continue to receive the Senior Citizen Discount, and that absent action by the City no other PGW customers would be admitted to the Senior Citizen Discount program. According to PGW estimates, the impact of this provision, if unaltered, would be to reduce the number of Senior Citizens receiving the Senior Citizens Discount by 8,000 per year over the next decade; and

WHEREAS, The Act also provides that "the governing body of the City" may "by ordinance" modify the Senior Citizen Discount program and secure for Senior Citizens making application after August 31, 2003 the opportunity to participate in a Senior Citizen Discount program; and

WHEREAS, The Act authorizes the PUC to approve a modified Senior Citizen Discount program provided that the "rates and terms of such program are just and reasonable"; and

WHEREAS, Public hearings would allow City Council the opportunity to determine how the protections that the City has long afforded to Senior Citizen PGW customers may best be preserved; and

WHEREAS, The Council is committed to helping to assure the affordability of natural gas service provided to Philadelphia Senior Citizens by PGW; now therefore

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That it hereby authorizes Council's Committee on Transportation and Public Utilities to convene public hearings to take public testimony from the City Administration, Philadelphia Gas Works (PGW) management, the general public and other interested parties in order to develop recommendations and strategies for modifying PGW's Senior Citizen Discount program in light of Pennsylvania's Natural Gas Choice and Competition Act, which abolishes the Senior Citizen Discount for Senior Citizen customers of PGW effective September 1, 2003. And further authorizing the Chairman of the committee to issue subpoenas and such other process as may be appropriate to compel the attendance of witnesses and the production of documents to the fullest extent authorized by Section 2-401 of the Home Rule Charter in furtherance of City Council's power to legislate respecting management and operation of the Philadelphia Gas Works.

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CERTIFICATION: This is a true and correct copy of the original Resolution, Adopted by the Council of the City of Philadelphia on the twenty-first of November, 2002.

Anna C. Verna
PRESIDENT OF THE COUNCIL

Marie B. Hauser
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmembers Ortiz, Goode and Reynolds Brown

Sponsored by: Councilmembers Ortiz, Goode, Reynolds Brown, Clarke, O'Neill, Nutter, Kenney, Mariano, Miller, DiCicco and Cohen