

City of Philadelphia



Philadelphia, April 24, 2003

CERTIFICATION: This is to certify that Bill No. 030138, was presented to the Mayor on the tenth day of April, 2003, and was not returned to the Council with his signature at a meeting held April 25, 2003 (being more than ten days after it has been presented to him).

THEREFORE, Pursuant to the provisions of Section 2-202 of the Philadelphia Home Rule Charter, the ordinance becomes effective as if the Mayor had approved it.

A handwritten signature in cursive script that reads "Patricia Rafferty".

Patricia Rafferty
Chief Clerk of the City Council

(Bill No. 030138)

AN ORDINANCE

Enacting a new Chapter 19-2000 of The Philadelphia Code, entitled "Discounted Rates for Natural Gas Distribution and Supply Services for Senior Citizens," reaffirming and re-enacting a Senior Citizens Discount for senior citizen customers of the Philadelphia Gas Works.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. A new Chapter 19-2000 of The Philadelphia Code, entitled "Discounted Rates for Natural Gas Distribution and Supply Services for Senior Citizens," is hereby enacted to read as follows:

CHAPTER 19-2000. DISCOUNTED RATES FOR NATURAL GAS DISTRIBUTION AND SUPPLY SERVICES FOR SENIOR CITIZENS.

§19-2001 Legislative Findings. City Council hereby finds that:

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(1) *Of the 159,000 Philadelphia households which include senior citizens, approximately 127,000 of these households use natural gas for heating; and*

(2) *The vast majority of Philadelphia's senior citizens have difficulty affording the basic necessities of life, and almost 30% of Philadelphia's senior citizens have incomes which are at or below 150% FPL (Federal Poverty Level), a universally recognized standard of acute energy assistance need; and*

(3) *Ninety-seven thousand (97,000) Philadelphia senior citizens, almost one half of Philadelphia's senior citizens population, have a disability, and are therefore more vulnerable to harm caused by insufficient heat or lack of heat caused by natural gas service terminations; and*

(4) *Even those senior citizens who are not disabled are more vulnerable than most other adult customers to hypothermia and other physical harms caused by insufficient heat or lack of heat caused by natural gas service terminations; and*

(5) *Ninety-three percent (93%) of PGW senior citizen customers are heating customers; and*

(6) *Approximately one third of Philadelphia's senior citizen customers live alone, and run the health risks associated with isolation; and*

(7) *Pursuant to an Ordinance of City Council approved December 14, 1973 (Bill No. 1021) ("1973 Ordinance") the City of Philadelphia has for approximately thirty years provided for a 20% senior citizen discount for PGW customers aged 65 and older who wish to apply for the benefit; and*

(8) *PGW estimates that its Senior Citizen Discount program provides benefits of approximately \$20 million per year to 80,000 seniors by reducing the cost of natural gas service that since 2000 has increased by approximately 40%; and*

(9) *While 127,000 Philadelphia households receiving gas service include a Senior Citizen, only 80,000 have chosen to apply for the Senior Citizen Discount program, demonstrating that PGW's SCD program is utilized on the basis of perceived necessity, is not subject to substantial abuse, and does not need to be means tested; and*

(10) *For over 30 years, younger PGW customers have supported through their gas rates a 20% Senior Citizen Discount, with the justifiable expectation that they would receive the same discount when they reached age 65; and*

(11) *Senior Citizen Discounts are common for public utilities that are publicly owned by municipalities or other such public authorities, and have been recognized by courts to be just and reasonable; and*

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(12) *The Natural Gas Choice and Competition Act, at 66 Pa. C.S.A. §2212(r), has recognized City Council's power to create a Senior Citizen Discount Program, subject to review by the Pennsylvania Public Utility Commission; and*

(13) *In light of Section 2212(r) of the Natural Gas Choice and Competition Act, it is appropriate at this time that this Council reaffirm its establishment of a Senior Citizen Discount for PGW customers as authorized initially in its Ordinance of December 14, 1973.*

(14) *As stated in Bill No. 030123, introduced by the President of City Council on February 27, 2003, "to continue the senior citizen discount under its existing terms . . . would be in the best interests of the health, safety and welfare of the residents of Philadelphia."*

§19-2002. Definitions.

(1) *"Eligible Senior Citizen" shall mean a residential customer of record of the Philadelphia Gas Works age sixty-five (65) or older residing in the City of Philadelphia who directly makes payment to the operator of the Gas Works for gas services at his or her residence.*

(2) *"Philadelphia Gas Works" or "PGW" shall mean a group of real and personal assets operated by the Philadelphia Facilities Management Corporation for the sole and exclusive benefit of the City of Philadelphia.*

(3) *"1973 Ordinance" shall mean an Ordinance of City Council approved December 14, 1973 (Bill No. 1021) relating to gas rate discount for Senior Citizens.*

§19-2003. Gas Rate Reduction.

The Philadelphia Gas Works shall establish and maintain, until and unless terminated by ordinance, a reduction in charges for natural gas distribution and supply services for any eligible senior citizen in the amount of twenty percent (20%) of the charges for heating and non-heating purposes to his or her residence. In order to qualify for this reduction, an eligible senior citizen must first apply to the Philadelphia Gas Works for a rate reduction at least thirty days before the next scheduled meter reading. The reduction shall then take effect at the start of the succeeding billing period. Any senior citizen currently receiving a rate reduction under the terms of the 1973 Ordinance shall continue to receive the reduction without applying under the provisions of this Section.

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SECTION 2. This Ordinance and the 1973 Ordinance shall supersede all statutes or parts of statutes, local, special or general, or regulations, including but not limited to the Natural Gas Choice and Competition Act, 66 Pa. C.S.A. §2201 et. sec., to the extent that they are inconsistent or in conflict with either this Ordinance and the 1973 Ordinance.

SECTION 3. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect any other provision or application of this Section which can be given effect without the invalid provision or application, and to this end the provisions of this Section are declared to be severable. If any clause, sentence, paragraph or phrase of this Section shall, for any reason, be adjudged by any court of competent jurisdiction, or administrative agency, to be unconstitutional or otherwise invalid, such judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph or phrase thereof so found to be unconstitutional or invalid.

SECTION 4. This Ordinance shall be effective immediately.