



City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

Legislation Text

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Authorizing City Council's Public Property Committee to hold public hearings on the potential benefits and drawbacks to the City of selling the Philadelphia Gas Works.

WHEREAS, The Philadelphia Gas Works' recent 24% rate increase for the typical homeowner will make their rates the highest in the country; and

WHEREAS, Corporate patronage continues to take too large of a share of the Gas Works' limited resources, with millions of dollars over the last several years distributed to law firms and other politically connected companies, without requiring competitive bidding for a single contract; and

WHEREAS, The Gas Works management still has not resolved the many problems with their computerized billing system, while only last year executives were abusing their expense accounts at the expense of the customers; and

WHEREAS, The future for the Gas Works looks even bleaker, since the recent rate increases are merely "interim" and are likely to continue to increase, due to future warm winters, enormous debt, increasingly worse bond ratings, and deregulation, while the City has become dependent upon the annual \$18 million Gas Works contribution; and

WHEREAS, Mismanagement, poor service, patronage, and a lack of accountability at the Gas Works have a long history, going back to when the City first got in the gas business in 1835, yet despite many different reforms and structures over the years, the City has repeatedly demonstrated it is not capable of running a gas company effectively; and

WHEREAS, The possibility of selling the Gas Works to a private corporation could guarantee rates and jobs and provide improved management and service to its half million customers, while relieving the utility of choking debt and continuing some financial payment to the City; now therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That authority be given to the Public Property Committee to hold public hearings on the potential benefits and drawbacks to the City of selling the Philadelphia Gas Works.