

Legislation Text

File #: 010027, **Version:** 0

Concurring in the finding of the Philadelphia Gas Commission that the Philadelphia Gas Works has submitted an adequate Five Year Financial and Management Plan.

WHEREAS, on November 2, 2000, City Council passed, and on November 15, 2000, the Mayor signed into law, Bill No. 000583 ("Bill 583"), which authorized amendment of that certain Agreement Between the City of Philadelphia and the Philadelphia Facilities Management Corporation for the Management and Operation of the Philadelphia Gas Works, originally dated December 29, 1972, authorized pursuant to an Ordinance of City Council, approved December 29, 1972 (Bill No. 455) ("the PFMC Management Agreement"); and

WHEREAS, Section 1 of Bill 583 authorized amendment of the PFMC Management Agreement to allow certain temporary advances in anticipation of revenues from the City to the Philadelphia Gas Works ("PGW") in an amount not to exceed forty-five million dollars during the period September 1, 2000 through August 31, 2002 and authorized the City to advance such amount to PGW; and

WHEREAS, Section 2 of Bill 583 provides that PGW may not draw upon more than twenty-five million dollars of such advance by the City to PGW, "until such time as the Gas Commission has informed City Council, and City Council has concurred by Resolution. that PGW has submitted an adequate Five Year Financial and Management Plan;" and

WHEREAS, At the time Bill 583 was passed, PGW anticipated needing the second installment of such advance in May of 2001; and

WHEREAS, The cost of natural gas has increased 100% since Bill 583 was passed, PGW did not receive adequate rate relief from the Pennsylvania Public Utility Commission, and PGW needs to be able to draw upon the full 45 million dollars authorized pursuant to Bill 583 immediately; and

WHEREAS, The President of City Council, the Chairwoman of the Philadelphia Gas Commission and the Mayor have agreed to co-chair a Collaborative Recovery Team consisting of themselves and other stakeholders in order to develop a financial and operational recovery plan for PGW; and,

WHEREAS, The Philadelphia Gas Commission has informed City Council by delivery of a Resolution dated January 22, 2001 that PGW has submitted "an outline for a Five Year Financial and Management Plan which, together with the Mayor's and PGW's commitments to revise and complete this document and with the creation of the Recovery Team for PGW to more effectively address PGW's financial crisis and develop a plan for PGW's recovery, constitutes an adequate Five Year Financial and Management Plan as contemplated by City Council of Philadelphia Ordinance (Bill No. 000583,, Section 2(c))"; and

WHEREAS, City Council has received PGW's Five Year Financial and Management Plan and agrees with the Gas Commission; therefore be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA:

That City Council concurs in the finding of the Philadelphia Gas Commission that PGW has submitted an outline for a Five Year Financial and Management Plan which, together with the Mayor's and PGW's commitments to revise and complete this document and with the creation of the Recovery Team for POW to more effectively address PGW's financial crisis and develop a plan for PGW's recovery, constitutes an adequate Five Year Financial and Management Plan as contemplated by City Council of Philadelphia Ordinance (Bill No. 000583, Section 2(c)).