

Students at PUC Hearing Query: 'What's Going On?'

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About 30 Mt. Lebanon High School students sat through the morning session of a state Public Utility Commission hearing here yesterday and during a recess asked a reporter:

"What's going on?"

Administrative law Judge Joseph I. Lewis explained to the youngsters that "we made it just as interesting as it's going to get."

He said 19 additional hearings will be held on the Peoples Natural Gas Co. request for a \$14.3-million rate increase, not including a public hearing last night, in the Buhl Building, Downtown.

"How much money should the company be allowed to have, that's the substance of what you are hearing here," he told the students who are members of two classes in economics taught by Mark McCloskey.

McCloskey said the students attended the hearing in an effort to see first hand the regulatory process.

During the luncheon recess, Robert H. Young of Philadelphia, and special counsel for Peoples, and Gilbert L. Hamberg and William L. Blum, assistant counsels for the PUC, explained what they had been doing.

Young said a utility needs money for many things, such as to pay employees, buy natural gas and put pipes in the ground. It must see to it that stockholders receive a dividend and interest is paid on bonds.

Hamberg said that the morning cross-examination of Charles Heron, vice president of rates and planning for Peoples, was intended to explore revenue expenses of the utility.

"We will try to rebut his testimony later," he said. "I was questioning his

projections, his methodology, his formulas."

Blum told the students that the PUC would "put expert witnesses on the stand later" to examine the merits of Peoples' request.

Hamberg and Blum had kept Heron skipping through books piled on a chair in front of him and in a large brief case on the floor, seeking amplification on figures and explanations on Peoples rate request filed before the PUC Jan. 27.

Heron was asked to supply so much additional information that at one point Peoples' counsel Young said to Judge Lewis, "the entire rate staff of this utility is working seven days a week on answers directed to them previously by the PUC.

"We have completed this pile," he said, holding up sheaves of interrogatories, three inches thick. He said the new pile will be even greater when the information requests of yesterday are filled.

Lewis mildly suggested to the PUC attorneys that if some of the technical problems could be eliminated, days of testimony also could be eliminated. Then he said with a sigh, mocking himself:

"That kind of diatribe and moralizing we can do without."

Kathryn Katsafanas, the city's consumer advocate, urged denial of the rate increase at the public hearing, as did Richard B. Chess, administrator of the county's Bureau of Consumer Affairs, and Marvin Stein, representing the Alliance for Consumer Protection.

They also objected to Peoples collecting \$4.4 million in rate increase previously denied by the PUC, which has approved the collection pending disposal of a Peoples court appeal.