

PUC Hearing Reveals

Ailing Gas Co. Makes \$150,000 Unsecured Loan To Texas Owner

CLAYSVILLE: The Public Utility Commission (PUC) hearing regarding the Taylorstown Natural Gas Company's request for a 45 percent rate increase, held here in the elementary school last Thursday evening, did little to dispel the belief among nearly 200 customers who attended that they were being "ripped off" by the gas company.

This belief was practically confirmed when PUC representatives revealed that \$150,000 was

skimmed from the Taylorstown Company's revenue and sent to the parent company (Chilcan), which has offices located in Bermuda, Houston, Texas and Mexico. The gas customers were left wondering why a supposedly closely scrutinized public utility company with leaking gas pipes and antiquated equipment was allowed to be so charitable as to make an unsecured "loan" such as this.

When Chilcan first took over

the local gas company, one of its officials boasted to a Recorder reporter, "Chilcan is one of the world's largest international conglomerates." At that time, we questioned this statement, but now it is understandable, as we sit here with the thermostat turned down to a chilly 62 and visualize the executives lounging in their plush offices in Bermuda, Houston and Mexico, scheming about how to bleed their gas customers up north.

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(Continued from Page One)

tives told the audience, is the fact that Taylorstown Natural Gas Company is enmeshed in bankruptcy proceedings. He said, however, that this would not affect the outcome of the rate hearing. A bankruptcy hearing for the company was scheduled for last Friday afternoon in Federal Court, Pittsburgh.

When the bankruptcy was first filed on October 4, Columbia Gas Transmission was listed as being owed over \$200,000. That amount has now swelled to beyond \$300,000, indicating the gas company is doing nothing to satisfy its debtors. Mr. Hamburg of the PUC confirmed this when he told the meeting that the company had made no plans to remedy the bankruptcy problem.

Rep. Roger Raymond Fischer told the hearing that any increases in Taylorstown Natural Gas rate and the continuation of the fuel adjustment costs would be devastating to the people served by the company. He pointed out that many of the gas company customers are living on fixed incomes and are already meeting hardships in paying their fuel bill.

Mr. Fischer also brought up the question of how an apparently distitute public utility could be allowed by the PUC to make an unsecured loan of \$150,000 to an out-of-state company. He also questioned the true ownership of Taylorstown Natural Gas Company and hinted that an investigation may be in order to establish the identity of the stockholders

The three PUC representatives seemed to show some sympathy as each of the Taylorstown Gas customers complained of escalating fuel bill and of how the fuel adjustment charges grow faster than the base rate. One angry customer told of her house, which stood vacant for a month with the thermostat set very low, netting a \$200-plus gas bill. Another customer presented his bill for the past three Januarys as evidence of the uncontrollable increase in fuel costs.

Mr. Hamburg and Mr. Blum told the gathering that a rate increase, if any, would be based solely on what the company needs to cover expenses and make a reasonable profit.

Attorney George Retos, Jr., representing Consumers Against Taylorstown Increase on Natural Gas (CATING) questioned the PUC on numerous points and brought out many of the unjust aspects of the fuel adjustment procedure allowed the utilities. Basil McCracken, chairman of CATING, and Mr. Retos will represent the protestors at the formal PUC hearing.

It is believed by many that the eventual outcome of the bankruptcy proceedings will be the takeover of the company by Columbia Gas. A Pittsburgh attorney, well versed in PUC hearings and procedures, told the Recorder that the Columbia Gas Company is as interested in the rate increase as Taylorstown Gas Company. Two representatives of Columbia Gas were in the audience at the hearing.

Listening to the complaints, and candidly answering questions asked by irate customers were: - Administrative Judge Joseph I. Lewis, William Blum, and Gilbert Hamburg. Taylorstown Natural Gas Company had no spokesman present.

Making the situation more confusing, the PUC representa-

(Continued on Page Eighteen)