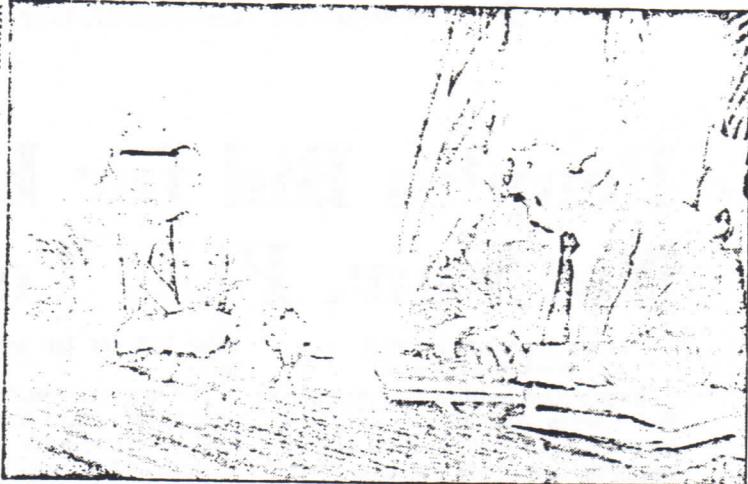


Dr. Schooley Testifies Against UGI Rate Boost

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Dr. F. Budd Schooley, Judge Charles Hoffman

Dr. F. Budd Schooley of Dallas was the only complainant present to give testimony Wednesday morning at the Public Utility Commission hearing against the \$3.2 million proposed rate increase filed by UGI.

The hearing was held at the Kingston Municipal Building with Charles Hoffman presiding as administrative law judge for the PUC.

Dr. Schooley, president of the Back Mountain Protective Association, said the formal complaint was filed in behalf of the Back Mountain consumers and various organizations in the area. He said the groups he represented feel the action is justified and the consumers are interested in obtaining reasonable utility rates.

In his testimony, Dr. Schooley noted that the utility had recorded profits of \$44 million the third quarter of last year, and the amount in the same period this year had increased to \$60 million. He considers an additional rate increase an imposition on the elderly and those on fixed incomes are being imposed

upon. Schooley commented some people are in "very desperate circumstances" and the additional burden of utility increases may be a matter of keeping or losing their homes.

"All we are asking is for justice and equity from the PUC," Dr. Schooley said. "That is our plea before the presiding as administrative Commission."

During cross-examination by Kenneth Myers, counsel for UGI, Dr. Schooley commented that private businesses have to borrow from banks, but when a utility makes an investment the cost is passed on to the consumer. Schooley feels this is a grave injustice.

Robert L. Casselberry, vice president and general manager of UGI, reported the utility's expenses have continued to increase, with interest being the biggest item. He indicated the rate increase was proposed because of hikes in wages, equipment and supplies.

Gilbert Hamberg, assistant counsel for the PUC, said the commission is primarily concerned with the rate structure and how UGI divides the increase. According to Hamberg, the company has to prove the points it is trying to establish before an increase in

rates will be granted. Should UGI file an adjustment, Hamberg said, the commission will in turn make a counter adjustment following the final recommendations.

Also present at the hearing were consumer advocates Norman Kennard and David Barish, Harrisburg.

Four formal complaints were scheduled to be heard by the PUC against the proposed increases by UGI, one by a consumer advocate and three consumers of the utility.

The hearings have been scheduled to continue today and Friday at Kingston Municipal Building.