

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

OCT 29 AM 9:56

Pennsylvania Public Utility Commission :

PROTHONOTARY'S OFFICE

v.

Docket No. R-00974104

Duquesne Light Company
Application for approval of a
Restructuring Plan pursuant to
66 Pa. C.S. §2806(d)

DOCKETED

OCT 29 1997

DOCUMENT
FOLDER

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SECOND PREHEARING ORDER

I canceled the second prehearing conference scheduled in this proceeding for October 21, 1997, after I determined that neither I nor the parties had any issues to raise. This Second Prehearing Order addresses: 1) party groupings and coordinators; 2) the tables and calculations, which the parties will submit with their Main Briefs; 3) the third prehearing conference; and 4) the current active parties service list.

Party Groupings & Coordinators

The First Prehearing Order issued September 10, 1997 directed the parties to group themselves into categories and select a coordinator for each group. On or before noon of October 20, 1997, the group coordinators were to submit to me and to all active parties a list of the members in their groups. I have received submissions from the coordinators of the following groups:

- Alternate Suppliers
- Commercial Customers - Large
- Commercial Customers - Small
- Labor
- Industrial Customers
- Public Interest
- Statutory
- Utilities

I shall discuss each group and, based on the submissions and the petitions to intervene, I shall assign each active party to a group. Any party wishing to object to its assignment must do so within seven days of the date of this Order. If no objection is filed, the assignments will be final.

I have received no responses from the following parties:

City of Pittsburgh
David Hughes
Electric Clearinghouse, Inc.
Pennsylvania Power Company
PECO Energy Company
Duke Energy Trading & Marketing, LLC
Allegheny County
GPU Energy
Skipping Stone
Pennsylvania Power & Light Company
Dollar Energy Fund
Pittsburgh School District
The Eastern Group
IBEW Local 2357

Accordingly, I shall designate the appropriate groupings for these latter parties as suggested in the First Prehearing Order. The assignment for these parties, together with those parties that voluntarily formed their own group, is as follows:

Alternate Suppliers

Enron Power Marketing, Inc., is the coordinator for this group. In addition to the parties Enron identifies as members of its group, I have included additional members that did not respond to the First Prehearing Order, but nevertheless should be included by virtue of their interests as portrayed in their petitions to intervene or their apparent interest in this action:

Enron Power Marketing, Inc. (Coordinator)
Allegheny Electric Cooperative, Inc.
CNG Energy Services Corporation
Duke Energy Trading & Marketing, LLC
The Eastern Group
Electric Clearinghouse, Inc.
GPU Energy
Mid-Atlantic Power Supply Association
mc², Inc.
MidCon Gas Services Corporation
New Energy Ventures East, LLC
• NorAm Energy Management, Inc.
PECO Energy Company
Pennsylvania Power Company
Pennsylvania Power & Light, Inc.
QST Energy, Inc.
Skipping Stone
Wheeled Electric Power Company

Commercial Customers - Large

Due to their unique interests, Hospital Shared Services proposes its own group, together with Administrative Resources, Inc. Hospital Shared Services volunteers to coordinate this group. No other party apparently shares the same interests in this proceeding as these two parties.

Commercial Customers - Small

The Pennsylvania Retailers' Association proposes its own group due to its unique interest in this proceeding. Since it is the sole member of this group, it is also the coordinator.

Government

The members of this group have not responded to the request of the First Prehearing Order to assign themselves a group. Nevertheless, they apparently possess a sufficiently unique perspective in this litigation to merit their own grouping. Since it appears to be the most active member, the City of Pittsburgh is hereby identified as the coordinator for the following group:

City of Pittsburgh (Coordinator)
Allegheny County
Pittsburgh School District

Industrial Customers

The following parties identify themselves as a separate group and have selected Duquesne Industrial Intervenors as their coordinator:

Duquesne Industrial Intervenors (Coordinator)
Allegheny Teledyne, Inc.
Allegheny Ludlum Corporation
Teledyne Industries, Inc.
Armco, Inc.

Labor

IBEW System Council U-10 is the coordinator for this group. In addition, I shall add IBEW Local 2357 to this group, because its apparent interest in this litigation seems to fit this category.

Non-Utility Generators

No non-utility generators have entered an appearance in this case.

Public Interest

The Environmentalists is the coordinator for this group. In addition to the parties already identified as members of its group, I have included additional members that did not respond to the First Prehearing Order, but nevertheless should be included by virtue of their interests as portrayed in their petitions to intervene or their apparent interest in this action:

The Environmentalists (Coordinator)
Dollar Energy Fund
David Hughes
Low Income Advocate Parties
Pittsburgh Chapter of the NAACP

Statutory

The Office of Consumer Advocate is the coordinator for this group, which also includes the Office of Small Business Advocate. To this group, I have added the Office of Trial Staff, which objects to its inclusion in this group. The OTS is concerned that by its grouping with the other statutory parties, its public interest obligations will be impinged by restrictions placed upon its right to cross-examine witnesses during the hearings in this case. As explained more fully infra, placement in a group will have no bearing upon an individual party's right of cross-examination. Therefore, I have placed the OTS in this group to which it apparently shares some identity of interests.

Utilities

The Peoples Natural Gas Company proposes its inclusion in this group. As the sole member of this group, it is the coordinator.

A complete listing of the party groupings and their coordinators is attached hereto as Appendix A.

General Comments

Before leaving this topic, certain additional general comments may prove helpful to correct any confusion that may have arisen regarding the proper role party groups and their coordinators will play in this proceeding. First, individual parties within a group can and should litigate their own individual positions. Second, each party will have the right to cross-examine any adverse witness. Third, each member of a group has the right to cross-examine any witness it feels is taking a position adverse to itself, irrespective of the group membership to which that witness belongs. In other words, if members of the same group submit opposing testimony, any party opposing that testimony, regardless of group affiliation, has the right and the duty to cross-examine the witness sponsoring that testimony. However, friendly cross-examination will not be allowed nor will cumulative cross-examination. Fourth, as explained in the First Prehearing Order, the coordinators will: a) submit a schedule of hearing days by topics, the order of witnesses and the order of cross-examination on or before noon of Monday, December 8, 1997 (the day before the scheduled third prehearing conference); b) attempt to prevent cumulative cross-examination; and c) derive and submit a common brief outline following the hearings. In

addition, the coordinators will facilitate whatever discussions the parties may deem appropriate for settlement of this litigation, as well as preparation of stipulations, if settlement of the entire case cannot be achieved.

Tables & Calculations to Be Submitted with Main Briefs

Attached hereto as Appendix B are five tables, which the parties must submit with their Main Briefs in this proceeding. **If a party makes a claim regarding any of the information required by these tables and does not submit the requisite table in the format appearing in Appendix B, that claim will be ignored.** The Commission, its staff, the technical reviewing staff and the presiding Administrative Law Judge do not have the time and resources to discover how a party derives its claim, unless that information is provided in the table format requested. For that reason, use of these tables in this format is mandatory for a party submitting a claim regarding any of the information required by these tables.

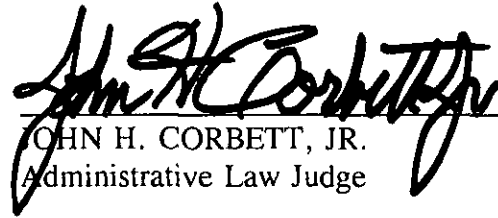
Third Prehearing Conference

At the third prehearing conference, we will discuss the following subjects, in addition to any other matters the parties may wish to discuss: 1) the schedule of hearing days by topics, the order of witnesses and the order of cross-examination, which the coordinators will submit on or before noon on Monday, December 8, 1997; 2) a general discussion concerning a common brief outline; 3) the status of the parties' efforts to enter into stipulations or to settle part or all of the litigation; and 4) a possible page limitation regarding briefs.

Active Parties Service List

The attached service list is the current active parties service list for this case.

Dated: October 23, 1997



JOHN H. CORBETT, JR.
Administrative Law Judge

INTERVENORS' GROUPINGS & COORDINATORS LIST

Application of Duquesne Light Company (Restructuring Plan) Docket No. R-00974104

Alternate Suppliers

Enron Power Marketing, Inc. (Coordinator)
Allegheny Electric Cooperative, Inc.
CNG Energy Services Corporation
Duke Energy Trading & Marketing, LLC
The Eastern Group
Electric Clearinghouse, Inc.
GPU Energy
Mid-Atlantic Power Supply Association
mc², Inc.
MidCon Gas Services Corporation
New Energy Ventures East, LLC
NorAm Energy Management, Inc.
PECO Energy Company
Pennsylvania Power Company
Pennsylvania Power & Light, Inc.
QST Energy, Inc.
Skipping Stone
Wheeled Electric Power Company

Commercial Customers - Large

Hospital Shared Services (Coordinator)
Administrative Resources, Inc.

Commercial Customers - Small

Pennsylvania Retailers' Association (Coordinator)

Government

City of Pittsburgh (Coordinator)
Allegheny County
Pittsburgh School District

Industrial Customers

Duquesne Industrial Intervenors (Coordinator)
Allegheny Teledyne, Inc.
Allegheny Ludlum Corporation
Teledyne Industries, Inc.
Armco, Inc.

Labor

IBEW System Council U-10 (Coordinator)
IBEW Local 2357

Non-Utility Generators

None

Public Interest

The Environmentalists (Coordinator)
Dollar Energy Fund
David Hughes
Low Income Advocate Parties
Pittsburgh Chapter of the NAACP

Statutory

Office of Consumer Advocate (Coordinator)
Office of Small Business Advocate
Office of Trial Staff

Utilities

The Peoples Natural Gas Company (Coordinator)

**STRANDED COST
CALCULATION - NUCLEAR**
(S000)

	Company Claim	Adjustments	Adjusted Amount
Revenue Required (1999)			
Market Revenue (1999)			
Total (Deficiency)/Excess (1999)			
PUC Jurisdictional Percent (1999)	%		
PUC (Deficiency)/Excess (1999)			
Summation of (Deficiency)/Excess Amounts (1999-2024)			
Discount Rate	%		
Net Present Value (NPV) in 1999 \$			

**SUMMARY OF
STRANDED COSTS
(\$000)**

	Company Claim	Adjustments	Adjusted Amount
Nuclear			
Fossil			
NUG			
Regulatory Assets	_____		
Total Net Present Value (NPV) in 1999 \$	=====		

**STRANDED COST CALCULATION -
CALCULATION - REGULATORY ASSETS
(\$000)**

	Company Claim	Adjustments	Adjusted Amount
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**Unrecovered Energy
Costs**

Post-Retirement Benefits

**Susquehanna Operating
Costs**

**Common Plant
 Nuclear
 Other Production**

**Retired Miners'
Healthcare Costs**

DOE Assessment

Deferred Refueling Costs

**Voluntary Early
Retirement Costs**

**Employee Transition
Costs**

Rate Case Expenses

**Taxes Recoverable
 Nuclear
 Other Production**

**Regulatory Liabilities
 Nuclear
 Other Production**

**Total PUC Amortizations
(1999-2024)**

**Net Present Value (NPV)
in 1999 \$**

**STRANDED COST CALCULATION -
NON-UTILITY GENERATION (NUG)**
(S000)

	Company Claim	Adjustments	Adjusted Amount
Cost of Purchase (1999)			
Market Value (1999)	_____		
Cost in Excess of Market Value (1999)			
Less: Buy-out Payments (1999)	_____		
Total (Deficiency)/Excess (1999)			
PUC Jurisdictional Percent (1999)		%	
PUC (Deficiency)/Excess (1999)	=====		
Summation of (Deficiency)/Excess Amounts (1999-2015)	=====		
Discount Rate		%	
Net Present Value (NPV) in 1999 \$	=====		

**STRANDED COST
CALCULATION - FOSSIL
(\$000)**

	Company Claim	Adjustments	Adjusted Amount
Revenue Required (1999)			
Market Revenue (1999)	_____		
Total (Deficiency)/Excess (1999)			
PUC Jurisdictional Percent (1999)		%	
PUC (Deficiency)/Excess (1999)	=====		
Summation of (Deficiency)/Excess Amounts (1999-2045)	=====		
Discount Rate		%	
Net Present Value (NPV) in 1999 \$	=====		

PA Public Utility Commission v. Duquesne Light Company
R-00974104

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