

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
Uniform Cover and Calendar Sheet**

<p>1. REPORT DATE: December 13, 2000</p>	<p>2. BUREAU AGENDA NO.: DEC-2000-FUS-1121*</p>
<p>3. BUREAU: Fixed Utility Services</p>	<p>5. PUBLIC MEETING DATE: January 11, 2001</p>
<p>4. SECTION(S): Energy</p>	
<p>6. APPROVED BY: Director: Rosenthal 3-5242 Supervisor: Bennett 7-5553 Legal Review by:</p>	<p>DOCKETED JAN 18 2001</p>
<p>7. PERSONS IN CHARGE: Rodrock/Deichmiller 3-6185</p>	
<p>8. DOCKET NO.: R-00974104</p>	

9. (a) **CAPTION (abbreviate if more than 4 lines)**
 (b) **Short summary of history & facts, documents & briefs**
 (c) **Recommendation**

- (a) Duquesne Light Company ("Duquesne")
 (Home Office- Pittsburgh, Pa.)
 Duquesne CTC Reconciliation and Auction Accounting Compliance Filing
- (b) On August 4, 2000, Duquesne filed its Competitive Transition Charge (CTC) Reconciliation and Auction Accounting Compliance Filing pursuant with the Commission's April 13, 2000 Opinion and Order at Docket No.

<p>10. MOTION BY: Commissioner Brownell</p> <p>SECONDED: Commissioner Bloom</p>	<p>Commissioner Chm. Quain - Yes Commissioner Wilson - Yes Commissioner Fitzpatrick - Yes</p>
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CONTENTS OF MOTION:

- The Staff recommendation at R-00974104 be modified to deny Duquesne Light Company's claim of \$1.39 million for its proposed stock repurchase and proxy solicitation; and,
- The Bureau of Fixed Utility Services is to prepare an appropriate Order consistent with this Motion.

**DOCUMENT CONTINUED
FOLDER**

A-00110150F0023.

(c) The Bureau of Fixed Utility Services recommends that the Commission:

1. Adopt the proposed draft Order which approves Duquesne's CTC Reconciliation and Auction Accounting Compliance Filing as modified.
2. That the Commission adopt the draft Order which implements this recommendation.



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265
JANUARY 18, 2001

REFER TO OUR FILE

R-00974104

TO ALL PARTIES

Pennsylvania Public Utility Commission
v.
Duquesne Light Company

DOCUMENT
FOLDER

To Whom It May Concern:

This is to advise you that an Order has been adopted by the Commission in Public Meeting on January 11, 2000 in the above entitled proceeding.

An Order has been enclosed for your records.

Very truly yours,

James J. McNulty
Secretary

Enclosure
Certified Mail
JEP

SEE ATTACHED LIST
FOR ADDITIONAL PARTIES

DOCKETED

JAN 23 2001

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA. 17105-3265

Public Meeting held January 11, 2001

Commissioners Present:

John M. Quain, Chairman
Robert K. Bloom, Vice Chairman
Nora Mead Brownell
Aaron Wilson, Jr.
Terrance J. Fitzpatrick

DOCUMENT
FOLDER

Duquesne CTC Reconciliation and Auction
Accounting Compliance Filing

Docket Number:
R-00974104

ORDER

DOCKETED
JAN 23 2001

BY THE COMMISSION:

On August 4, 2000, Duquesne Light Company ("Duquesne" or "Company") filed its Competitive Transition Charge ("CTC") Reconciliation and Auction Accounting Compliance Filing (hereinafter "Compliance Filing").

BACKGROUND

This proceeding commenced on August 1, 1997, when Duquesne filed its restructuring plan. In the Commission's May 29, 1998 Opinion and Order at Docket No. R-00974104 ("Restructuring Order") the Commission approved this proposal and ordered Duquesne to auction its generating plants to determine its

stranded costs. In compliance with that order, Duquesne filed its Auction Plan on August 27, 1998. The Auction Plan included a proposal to recover the costs incurred as a result of the auction, an accounting protocol for the auction proceeds, and a reconciliation of stranded cost collections.

On December 18, 1998, the Commission approved Duquesne's proposal to recover transaction costs. In that Order, the Commission also directed Duquesne to convene a technical conference to discuss the protocols for auction proceeds and to file a report with comments on these discussions. Duquesne revised its accounting protocols to address stakeholders concerns and on July 15, 1999, at Docket No. A-110150F0020, the Commission approved them.

On April 13, 2000, the Commission approved the sale of Duquesne's generating plants to Orion Power Midwest, L.P. ("Orion"). The Commission in its April 13, 2000 Opinion and Order at Docket No. A-00110150F0023 ("Auction Order") required Duquesne to submit a reconciliation filing that includes a reconciliation of Auction proceeds and transaction costs, as well as a proposal for future reconciliation filings of CTC amortization. This filing is the result of that requirement.

AUCTION PROCEEDS AND TRANSACTION COSTS

The purpose of this filing is to quantify and support the costs incurred by Duquesne in executing the Auction. The transaction costs total approximately \$277 million. Duquesne notes that over 65% of these costs are associated with two items: (i) the cost of terminating the Beaver Valley Unit No. 2 sale leaseback (\$117 million), and (ii) the cost of workforce reductions (\$66 million). The Auction involved the swap of nuclear and fossil assets, the buyout of

a leveraged lease, the sale of a provider of last resort service, and a portfolio of plants located in two different control areas owned by two different utilities. As a result of the Auction, Duquesne claims that its stranded costs have been significantly reduced, and that Duquesne will be able to end its stranded cost collection for most rate classes by early 2002.

The Compliance Filing contains the following items: (1) a final accounting of the auction proceeds and proposed transaction costs; (2) a methodology for reconciling CTC recoveries with the allowed level of stranded costs; (3) a proposal to compensate Orion for costs allegedly incurred during the Summer of 2000 to provide supply for Duquesne's customers that returned to Provider of Last Resort ("POLR") supply service.

On or before October 5, 2000, the following parties provided comments to the Compliance Filing: Office of Consumer Advocate ("OCA"), Duquesne Industrial Intervenors ("DII"), Mid-Atlantic Power Supply Association ("MAPSA"), Strategic Energy L.L.C. ("SEL"), South Hills Health System ("SHHS"), Alcoa, Inc. ("Alcoa"), TrizecHahn Gateway, L.L.C. ("TrizecHahn"), PNC Realty Services ("PNC"), Byham Family Limited Partnership ("BFLP"), Development Dimensions International, Inc. ("DDI"), and The Gustine Company ("Gustine").

The following is a summary of the issues in dispute as well as comments raised by the above named parties addressing these matters.

I. Incremental Capital Stock Tax Payments

Duquesne states that the Pennsylvania capital stock tax is a tax based on a company's average net income and that tax is calculated based on a lagging five-year formula. The Company has included a claim for \$3.9 million for incremental capital stock payments it claims it will be obligated to make for 2000 through 2004 for tax on average book income. The Company contends that because of the lagging, five-year nature of the tax, the capital stock tax it will pay through 2004 will be based, in part, on pre-divestiture generation book income, despite the fact that it will no longer own the generation assets.

The OCA has concern about whether this is an appropriate auction related cost which should be deducted from the proceeds of the divestiture. The OCA comments that the Company has indicated that it will amend its claim to reduce Duquesne's claim for capital stock payments from \$3.9 million to \$3.34 million. The OCA points out that if the Commission deems this to be an appropriate transaction or auction-related cost, the amount of the tax obligation should be \$3.34 million. The OCA comments that since these taxes will be incurred over the period 2000-2003, the amount of the total offset to the divestiture proceeds should be stated on a net present value basis.

DII submits that these incremental capital stock payments are not caused by the divestiture of the assets. DII does not object to paying taxes actually related to the divestiture of the assets, i.e. real estate transfer taxes, but does object to reimbursing the Company for its general tax obligations to the Commonwealth of Pennsylvania.

Duquesne agrees with the OCA's claim that Duquesne's calculations failed to account for decreases in the tax rate slated to take effect in the future under 2000 Pa. Laws 23. Duquesne agrees to recalculate its claim to reflect the reduced tax rates and to state the claim on a net present value basis. As a result, Duquesne has reduced the claim from \$3.9 million to \$3.1 million.

Duquesne disagrees with DII that all these costs should be disallowed because they are not caused by the divestiture activities. The Company submits that the divestiture requires Duquesne to pay taxes for another four years on assets from which it derives no benefit to pay those taxes.

Resolution

We disagree with DII that Duquesne's capital stock tax is not a divestiture related cost since the tax obligations in future years will include tax on generation book income even though Duquesne will no longer own the generation assets that are generating the tax. Therefore, we will allow Duquesne's incremental capital stock tax to be deducted from divestiture proceeds. However, the incremental capital stock tax should be reduced from \$3.9 million to \$3.1 million to reflect a decrease in the tax rate as well as the net present value. We direct Duquesne to reduce its claim accordingly.

II. Employee Costs

Duquesne requests recovery of \$66.2 million in employee costs associated with reducing Duquesne's employee levels to reflect the reduction in Duquesne's business. Duquesne has reduced its request to \$65.0 million in Appendix 4 of its Reply Comments to the Comments of Intervenors. The major

components of this expense are as follows: (1) an early retirement option (“ERO”) for eligible management and union employees which cost the Company over \$36 million in additional pension and retiree welfare plan costs, (2) a severance program to also reduce Duquesne’s workforce which totaled \$24,884,072, (3) costs (\$937,640) associated with the vesting of participants in its 401(k) program who transferred to First Energy, (4) \$600,920 relating to pension vesting, (5) higher health care premiums of approximately \$1.1 million based on the higher number of employees who have been separated due to the divestiture, and (6) \$2.5 million for additional costs to sublease unneeded space in its headquarters.

The OCA comments that it does not oppose recovery of \$36.2 million for an early retirement option (“ERO”) pension and retiree welfare costs and an additional \$0.6 million in pension vesting costs as a transaction cost, as long as certain conditions are met. The OCA submits that the Commission should ensure that if these costs are recovered as part of this proceeding that the Company does not seek to recover these same costs in a future rate proceeding. Also, the OCA recommends that these funds should be tracked separately and discretely to ensure that they are used for purposes intended. The OCA submits that the Commission should ensure that if the Company over collects contributions from ratepayers for pensions and other post-retirement benefits, that such over collections be subject to refund.

The OCA points out that Duquesne has committed to establish an account for collection of the ERO costs which will be used to pay the premiums of retirees who participated in the ERO plan. Furthermore, the OCA submits that Duquesne has committed to establish an account dedicated to collecting and disbursing funds necessary to pay premiums for post-retirement healthcare premiums. The OCA believes that these accounts should enable the Commission

and other parties to track the contributions and payments made for pensions and other post-retirement benefit. The OCA submits that any amounts remaining in these accounts which are not necessary to fund the Company's pension and other post-retirement benefit plans should be refunded to ratepayers.

DII agrees that Duquesne should be permitted to recover valid employee costs. However, DII comments that any costs claimed must be examined to determine whether the Company experienced savings or other gains to offset the costs. DII further comments that the Commission must look at any savings or gains that the Company has or will experience as a result of the workforce reductions.

DII submits that the remaining portions of the Company's claim should be offset against gains in the overfunding of pensions and post-retirement benefits realized in 1999. DII comments that at the beginning of 1999, the Company's pension fund was overfunded by approximately \$75.6 million. During 1999, DII suggests that the overfunding increased by \$91.732 million and the Company's underfunding of post-retirement benefits increased by \$11.840 million resulting in a net increase of \$79.892 million. DII argues that the Company should be required to use the overfunding increase to offset its transaction cost claim.

DII points out that the Company's 1999 Annual Report to Shareholders indicates the Company recognized \$17.549 million of a total claim of \$29.4 million in early retirement window pension expenses as an expense on its 1999 income statement. DII submits the Company inappropriately has not reduced its transaction cost claim to reflect this previously recognized \$12 million gain. DII contends that the Company's claim must be reduced by at least \$12 million.

MAPSA and SEL question the reasonableness of \$66.2 million in severance and retirement related costs associated with the divestiture of generation assets. MAPSA and SEL point out that Duquesne does not provide documentation that the costs were limited to generation-related employees.

MAPSA and SEL submit that the Commission should direct this matter for hearing and require Duquesne to prove these costs were prudently incurred.

SHHS, THG, PNC, BFLP, DDI and Gustine all submit that Duquesne's claimed employee cost of \$66.2 million is excessive and bears further investigation into whether the 450 employees were properly targeted and whether they held generation-related positions.

Duquesne argues that the Commission has reviewed and approved Duquesne's plans for addressing the effect of the divestiture of its assets on its employees, both those directly engaged in the generation function, and those indirectly supporting the generation function. The Company points out that the largest portion of its claim derives from approximately \$36 million related to ERO for 250 management and union employees, and approximately \$25 million in actual severance to an additional 450 employees who were voluntarily or involuntarily severed. Duquesne argues that it has provided sufficient support with the Auction Accounting Filing.

Duquesne asserts that the Competition Act and the previously-approved Accounting Protocols authorize the Company to recover costs of "employee severance, retraining, early retirement, out placement and related

expenses, at reasonable levels, for employees who are affected by changes that occur as a result of the restructuring of the electric industry.”

Duquesne disagrees with DII’s comments that focus on the alleged overfunding of Duquesne’s pension and post-retirement benefit funds. The Company disputes DII’s assumption that \$12.0 million of the pension cost was used to offset a one-time gain that the Company experienced due to the workforce reductions.

Duquesne points out that its audited financial statements broke its pension liability into two pieces, but not because of any gains Duquesne recognized as a result of the auction. Duquesne comments that the initial component of \$17.549 million, representing costs of special benefits enhancements (e.g., granting additional years of service), must be recognized immediately under FASB accounting standards. The Company submits the remaining \$12 million resulted from a net increase in Duquesne’s liability due to paying benefits to these participants sooner due to the ERO. Duquesne comments that this liability is not recognized immediately but under FASB standards must be amortized and recognized over future years. As a result, Duquesne submits the liability was not recognized on Duquesne’s 1999 income statement.

Duquesne comments that it agrees with the OCA and proposes to address its concerns as follows. First Duquesne will not request recovery of these same amounts in a future proceeding. Second, with respect to post-retirement healthcare premiums (FAS 106), Duquesne proposes to establish a bank account dedicated to collecting and disbursing the funds necessary to pay these premiums. Duquesne points out that as funds are collected through the CTC for these costs, they will accumulate in the account and be used to pay the premiums of retirees

who participated in the ERO. Third, with respect to Duquesne's pension funds, Duquesne will establish a dedicated bank account to gather these CTC collections. Fourth, Duquesne comments that any amounts remaining in these accounts that is not used as described above will be subject to refund and both accounts will be subject to Commission audit.

Duquesne contends that it is not reasonable to reduce its transaction costs by the amount of the increase in Duquesne's pension funds financial status during 1999 (\$79.892 million) as recommended by DII. Duquesne contends that adoption of DII's recommendation would restrict Duquesne's ability to make contributions because the liability was incurred during a good year for the financial markets and this would jeopardize the future solvency of the fund. Duquesne argues that the increase in funded status in 1999 was solely due to the change in financial markets and was not divestiture related. Furthermore, Duquesne notes it is prohibited under ERISA from using gains on its pension fund to fund other company liabilities such as severance initiatives.

Resolution

We agree with the OCA regarding employee costs and note that Duquesne does not object to complying with the OCA's suggestions. We will direct Duquesne to meet the following three conditions: (1) that Duquesne should commit not to recover these costs in a future proceeding, (2) that the funds should be tracked separately to ensure that they are used for the purposes intended and (3) that any over collection of these costs should be subject to refund.

We disagree with DII's contention that Duquesne's transaction costs must be reduced by at least \$12 million to reflect gains. The alleged gains are not

in fact gains, but instead are the result of FASB accounting standards which postpone the Company's liability to future years.

In addition, we agree with Duquesne that it is unreasonable to restrict Duquesne from setting aside assets to meet future obligations of the pension fund dedicated to supporting its former employees due to the fund experiencing gains during a particular year. Therefore, we will not adopt DII's proposals relative to the issue of requiring Duquesne to offset transaction costs due to gains associated with overfunding of employee costs.

III. Development and Implementation Costs

Duquesne claims it has incurred and will incur \$37.7 million in advisor fees to design and implement the Exchange with FirstEnergy, the termination of the Beaver Valley Unit No. 2 ("BV2") lease, and the Auction to Orion. Duquesne claims it has engaged lawyers, consultants, and investment bankers to advise it on all aspects of the Auction plan, including preparation of information for Auction bidders, drafting and negotiation of all relevant agreements, due diligence on the FirstEnergy assets, and preparation of all documents necessary to transfer the assets, including environmental permits and real estate transfers. Duquesne states advisors also assisted it before numerous regulatory agencies required to review the transactions.

MAPSA and SEL submit that Duquesne claims it incurred \$37.6 million in legal and consulting fees for which it provided no detailed invoices for any of these fees. MAPSA and SEL believe \$37.6 million in legal and consulting fees is excessive and that Duquesne should be required to provide information on how its consulting fees compare to those incurred in similar asset sales.

SHHS, THG, PNC, BFLP, DDI and Gustine all argue that Duquesne's claim of \$37.6 million of legal and consulting fees should receive close scrutiny.

Duquesne submits that MAPSA/SEL's argument that these fees are "excessive" has no merit since MAPSA/SEL has submitted no evidence to support its claim. The Company argues that MAPSA/SEL's claim that Duquesne should compare its costs to costs in other "similar asset sales" is also unpersuasive. Duquesne comments that there are no other similar asset sales.

Duquesne disagrees with MAPSA/SEL that only Duquesne's costs- but not the benefits of the auction proceeds- should be compared to other auctions. The Company argues that both costs and benefits of Duquesne's auction should be compared to other transactions and that comparing the net proceeds of Duquesne's auction on a per/kW basis- Duquesne's auction is one of the most successful in the country.

Resolution

We are not persuaded by the arguments of the opposing parties. Rather, we find that Duquesne has adequately described the numerous aspects of the asset exchange that required it to incur these costs. In view of the technical and legal complexities involved in these transactions, we are satisfied that the costs claimed by Duquesne are reasonable. Therefore, we allow them to be included as offsets to the Auction Proceeds.

IV. Incremental Transmission Purchases

Duquesne requests compensation for incremental transmission costs that the Company paid to FirstEnergy for the period between the closing on the exchange and the divestiture closing. Duquesne closed the Exchange with FirstEnergy sooner than the Auction to Orion to protect the Exchange from future risks, including those associated with the Allegheny litigation. For the period between the Exchange closing and the Auction closing, Duquesne was required to pay transmission charges to FirstEnergy to bring the energy generated by the Avon Lake, New Castle and Niles plants to Duquesne's service territory to serve its native load customers. According to Duquesne these transaction costs amount to approximately \$3.8 million.

The Duquesne Industrial Intervenors ("DII") submit that Duquesne's request for compensation for \$3.8 million of incremental transmission costs that the Company paid to FirstEnergy should be rejected. DII comments that Duquesne's request results in customers paying higher charges for transmission service during the relevant period than the unbundled and capped transmission rate. DII believes that this violates Section 2804(4)(i) of the Competition Act and should be rejected.

Duquesne comments that it closed the swap on December 3, 1999 prior to closing of the auction. As a direct consequence of that closing, Duquesne had to purchase transmission from FirstEnergy to deliver energy from the FirstEnergy plants to Duquesne's control area to serve its POLR customers prior to the closing of the auction.

Duquesne submits that DII's argument that recovery of these transmission costs violates the Competition Act has no merit. Duquesne suggests it has no merit because it confuses the level of cost recovery with rate levels. The Company points out that although Section 2804(4) establishes a "rate cap," it does not govern the level of costs that can be recovered under that rate cap.

The Company contends that the Commission has already approved the recovery of incremental O&M and capital expenditures arising out of the swap. Duquesne points out that DII did not contest that finding and it is now final and unappealable. Duquesne submits that these costs are the direct result of closing the swap before the auction and therefore DII's arguments should be rejected.

Resolution

We agree that the timely closing of the swap resulted in the necessity of Duquesne having to purchase transmission from FirstEnergy to deliver energy from the FirstEnergy plants to Duquesne's control area to serve its POLR customers prior to the closing of the Auction. Clearly, these costs are the direct result of closing the swap before the auction and therefore we will allow Duquesne as an offset to the divestiture proceeds its claim of \$3.8 million for incremental transmission purchases.

V. Incremental Power Purchases

Duquesne states that as part of the negotiations surrounding the Exchange, Duquesne and FirstEnergy addressed many significant economic issues that arose between the execution of the letter of intent and the execution of the final documents. According to Duquesne these issues included the apportionment

of assets and liabilities, nuclear decommissioning liability, ancillary services, and the timing of the transfer. In exchange for FirstEnergy making concessions on some of the critical issues Duquesne agreed to sell FirstEnergy approximately 200 MW of power from the Summer of 1999 until the transaction closed in December 1999. Due to the power demand during the heat wave that occurred that summer, Duquesne claims it had to replace that 200 MW with wholesale market purchases in order to avoid interruptions to firm load. The cost to Duquesne of making those purchases, after subtracting the revenues Duquesne earned on the sale to FirstEnergy was approximately \$11.5 million for which Duquesne requests compensation.

DII comments that the Company's request for the \$11.5 million of wholesale market purchases violates the generation rate cap. DII points out that including these charges as a "transaction cost" results in Duquesne collecting charges for generation service that exceed the rate cap.

DII further comments that the incremental power purchases during peak periods on the wholesale market are a cost of doing business for Duquesne, just as they would be for any other electric distribution company ("EDC") in Pennsylvania.

MAPSA/SEL argue that the Commission should require Duquesne to demonstrate that the purchases made were necessary and the costs were prudently incurred and are placed on the correct party. MAPSA/SEL submit that an evidentiary hearing is needed to examine these issues.

Duquesne submits that DII's arguments with respect to procuring power from FirstEnergy units during Summer 1999 have no merit. The Company

argues that recovery of a transaction cost affects the length of the transition period and has no effect on rate levels and therefore it does not violate the rate caps established by Section 2804(4).

Duquesne comments that it has not requested recovery of any of the other more than \$50 million in wholesale market purchases it made between the time its rates were unbundled and the time it divested its plants to Orion. Furthermore, the Company submits it is only the costs claimed in the Auction Accounting Filing, caused by the exchange with FirstEnergy, that should be offset against the auction proceeds. Duquesne claims these transaction costs were incurred as a result of its divestiture activities.

Resolution

We agree that the incremental power purchases made by Duquesne are legitimate transaction costs. If Duquesne had retained its generation assets and continued servicing its POLR customers from owned generation, it would not have incurred these costs. Therefore, we will allow Duquesne's incremental power purchases to be an offset to the divestiture proceeds as a transaction cost.

VI. Transmission Upgrades

In its Compliance Filing, the Company seeks to recover as an auction-related cost the costs for the following three types of transmission upgrades: (1) \$9.6 million for Duquesne Control Area Facility upgrades; (2) \$10 million for transmission upgrades to the First Energy Control Area; and (3) \$2.5 million of incremental capital costs associated with demarcation of Duquesne's generation facilities transferred in the Generation Exchange and Auction.

Duquesne states that the first upgrade (\$9.6 million for Duquesne Control Area Facility upgrades) relates to requiring Orion to execute Must-Run Agreements for the Cheswick and Elrama stations. Duquesne notes that these two stations provide critical voltage support to the system. These agreements, which according to Duquesne were included in Duquesne's Auction Application, provide that, during days when a unit is needed for reliability purposes and was not scheduled to operate, Orion will run the unit for the benefit of the transmission system, recovering only its incremental cost of operation. However, Duquesne argues that in order to maximize the sales price of these units, the Company did not want to encumber these assets with Must-Run Agreements for the life of these plants.

Duquesne states that the installation of capacitors is necessary to maintain reactive power levels on the system following the expiration of the Must-Run Agreements. The cost of installing capacitors at the end of the Must-Run agreements is \$15.7 million which after discounting in today's dollars amounts to \$9.6 million. Duquesne is requesting that the \$9.6 million be approved as a cost of the transaction.

Duquesne states that the second upgrade (transmission upgrades to FirstEnergy control area facility) relates to the effect of the Exchange on local reliability. Duquesne notes that intervenors in the proceeding to approve the Exchange, before the Public Utility Commission of Ohio (PUCO), alleged that the Exchange would harm reliability because the Must-Run Agreements applicable to FirstEnergy's plants had a term of only five years. At the time those allegations were made, Duquesne already completed the Auction, including the execution of the Must-Run Agreements with Orion.

Duquesne argues that it, FirstEnergy and Orion agreed that the least-cost solution was to support the cost of transmission upgrades on the FirstEnergy system to address reliability concerns of the PUCO. The Company notes that its support was capped at \$10 million, even though the total cost of the upgrades is expected to exceed \$25 million. Duquesne notes that the PUCO cited this commitment as a factor in its approval of the transaction.

Duquesne states the third upgrade (\$2.5 million of incremental capital costs associated with the demarcation of Duquesne's facilities) is made up of the following expenditures: \$1.3 million to reestablish the reliability of the transmission feed into downtown Pittsburgh which Duquesne lost as a result of the divestiture of the Brunot Island Station; \$1 million expenditure at the Phillips and Elrama plant sites on supervisory control and data acquisition (SCADA) and other equipment to convert these facilities to unmanned operations; and \$200,000 to install metering that would not have been necessary absent the divestiture.

The OCA has concern about whether the \$9.6 million costs for the Duquesne Control Area upgrades and the \$10 million for the FirstEnergy Control Area upgrades are appropriate costs to be recovered as a transaction or auction-related cost. The OCA comments that the Company will not begin to incur costs for the Duquesne Control Area Facility upgrades until 2007. The OCA states that the First Energy Control Area upgrades will not be undertaken until expiration of the five-year Must-Run Agreements associated with the FirstEnergy plants which were part of the Generation Exchange. The OCA submits that if the Commission allows Duquesne to recover these costs as a transaction or auction-related cost as part of this proceeding, then there must be assurances that the Company will not seek to recover these costs in any future rate proceedings at FERC or the PUC.

DII submits that the Company's request to recover costs associated with transmission upgrades violates the transmission and distribution rate cap under the Competition Act. DII comments that by including these costs as a transaction cost, the Company is increasing its stranded cost recovery from ratepayers and proposing to recover additional transmission or distribution charges from ratepayers in the CTC.

DII contends that it is not clear that the improvements proposed for recovery as transaction costs are related to the divestiture of assets and the Commission should not approve items as transaction costs that are not related to the divestiture.

Furthermore, DII submits that to include transmission and distribution upgrade costs as a transaction cost is inappropriate ratemaking. DII suggests that to the extent the Commission will allow the current claim as a transaction cost, the Commission must ensure that Duquesne will refund these amounts if Orion performs system upgrades necessary to terminate the Must-Run Agreements.

MAPSA/SEL argue that Duquesne's claims for upgrades to its transmission and distribution system costing \$12.1 million (\$9.6 million for installation of capacitors and \$2.5 million for upgrades to its transmission feed into downtown Pittsburgh) should not be allowed. MAPSA/SEL submit that these costs should be treated as capital costs and included in transmission and distribution rates, assuming that are deemed just and reasonable.

SHHS, THG, PNC, BFLP, DDI and Gustine all oppose Duquesne's recovery of \$10 million for upgrades to the FirstEnergy system to satisfy the Public Utility Commission of Ohio and submit that Pennsylvania's ratepayers should not be required to support Ohio's transmission system as well as their own.

Duquesne submits that the \$9.6 million upgrade and the \$10 million upgrade are necessary to mitigate "must run" problems.

Duquesne disagrees with the OCA's claim that the costs will not be incurred until 2007. Duquesne submits that the payments to FirstEnergy are expected to commence by early 2001 because FirstEnergy is required to begin constructing its upgrades immediately. Duquesne argues that the upgrades in its control area should commence in advance of 2007 because many of the projects involve significant lead times.

Duquesne agrees with the OCA that if the costs are accepted, it will not seek to recover these costs in any future rate proceedings at FERC or the Pennsylvania Public Utility Commission

The Company points out that DII only objects to the \$9.6 million associated with facilities in Duquesne's control area. Duquesne submits that DII's arguments against these costs constitutes a collateral attack on the Commission's December 17, 1998 Order.

To ensure full disclosure of this issue, Duquesne commits, if the costs are approved, to submit, at the time the upgrades are constructed, an informal filing explaining the benefits produced by the upgrades and identifying the manner in which the authorized costs have been spent.

Resolution

We agree with Duquesne that the three transmission upgrade costs are costs that should be recoverable as transaction costs. These costs appear to be necessary to reduce must run requirements and therefore we will allow Duquesne to recover the three transmission upgrade costs. However, we will order that, at the time its control area upgrades are constructed, Duquesne shall submit an informal filing explaining the benefits produced by the upgrades and identify the manner in which the transaction costs authorized by this order have been spent. Furthermore, we agree with the OCA, as does Duquesne, that Duquesne will not seek to recover these costs in any future rate proceedings before this Commission or at FERC

VII. Pollution Control Revenue Refunding Bonds

Prior to the Exchange and Auction, Duquesne had 13 issues of tax exempt pollution control revenue refunding bond securities. Duquesne explained that the collateral for the bondholders was liens on equipment that Duquesne agreed to transfer to FirstEnergy and Orion in the Exchange and Auction. Duquesne argues that in order to transfer that equipment free of the liens as required by the Exchange Agreement, Duquesne was required to redeem and reissue the bonds. At the same time, Duquesne claims it secured bond insurance in place of letters of credit, which had become prohibitively expensive without the equipment liens. Duquesne stated that bond insurance premium and closing costs associated with the restructuring of the bonds totaled approximately \$8.8 million.

Duquesne submits that it was not able to complete a maturity extension on the bonds it intended to obtain and therefore the Company postponed

the maturity extension to the later part of 2000. Duquesne estimates that the incremental insurance and legal costs associated with completing the extension and hearings will be \$961,233.

The OCA submits that the \$961,233 in incremental costs Duquesne is seeking was incurred only because Duquesne failed to complete the bond refinancing prior to closing on the Generation Exchange. The OCA adds that these costs were avoidable had Duquesne completed the transaction on a timely basis. The OCA submits that this transaction cost is improper and Duquesne's claim for \$961,233 should be rejected.

Duquesne argues that it did not complete the maturity extension prior to the exchange closing in order to avoid delays. Duquesne states that it was concerned that completing the refinancing of the bonds would delay the exchange closing and subject the transaction to risks posed by the litigation with Allegheny Energy, Inc.

Resolution

We agree with Duquesne that the estimated \$961,233 of incremental insurance and legal costs are justified. These costs would not be incurred in the absence of the auction and therefore we will allow Duquesne to offset these costs to the divestiture proceeds as a transaction cost.

VIII. Preferred Stock Repurchase (\$1.39 million)

Duquesne states that it will undertake a significant stock repurchase program made necessary by the divestiture of Duquesne's generation assets and by debt recapitalization.

Duquesne notes that because of exchange with First Energy and the generation sale to Orion, the Company has restricted its ability to issue additional first mortgage bonds. Furthermore, the Company argues, its articles of incorporation limit the amount of unsecured debt it may issue to 20% of the secured debt outstanding without the consent of the holders of a majority of the shares of the shares of preferred stock outstanding.

In order to increase its financing flexibility, Duquesne proposes to invite preferred stock holders to offer their shares for purchase and to solicit proxies or consents to amend the articles of incorporation.

Duquesne requests recovery of \$1.39 million that the Company may incur to solicit shareholders of preferred stock to tender their shares for purchase by the Company. Duquesne claims the repurchase is necessary to facilitate "new investments to maintain the reliability of the transmission and distribution system."

DII submits that the Company's claim is speculative, may not be incurred, is not caused by the divestiture and should be disallowed. DII notes that the future financing will be related to transmission and distribution facilities and should not be included in the CTC charges due to the rate caps.

Duquesne submits that this claim is only required because of the significant decrease in the amount of bondable property as a result of the divestiture. Duquesne contends that if it were not for the divestiture, Duquesne would not be required to initiate this repurchase program.

Resolution

We agree with DII that the Company's claim is too speculative to be permitted. The Commission concludes that we have no basis upon which to issue a finding that Duquesne should be permitted to recover this claim in this proceeding.

IX. Summer 2000 Switchback Costs

Duquesne requests to calculate a Generation Rate Adjustment ("GRA") for the customers that returned during the Summer of 2000 and offset that amount against the purchase price paid by Orion. Duquesne has not calculated the amount of the offset at this time.

Duquesne's Compliance Filing includes a reference to the Company's request in its POLR II filing to compensate Orion for costs incurred in serving customers who returned to POLR II service for the Summer 2000. In its POLR II Petition, Duquesne proposed that it be permitted to calculate a generation rate adjustment ("GRA") for those customers that returned to POLR service for Summer 2000 and apply it as an offset to the Auction proceeds. This mechanism would allow Duquesne to compensate Orion for the cost of serving those customers who returned for the Summer of 2000.

The OCA points out that Duquesne's proposal has several problems which make it unacceptable. The OCA submits that Duquesne's proposal rests on the assumption that had Orion known that a summer switching rule would not be in place by Summer 2000, it would have submitted a different bid for the generation assets. The OCA comments that Orion submitted its bid based on the facts at the time and Orion should have taken this risk into consideration.

The OCA submits that Duquesne's proposal delays the cost consequence for customers to the end of the stranded cost recovery period.

The OCA contends that instead of these costs being borne by the customers who returned and subsequently switched, it appears as if Duquesne seeks to impose these costs on all customers as an additional stranded cost. The OCA objects to residential ratepayers bearing any of the burden of these additional costs. Furthermore, the OCA submits that if this recovery is to be allowed, it must be allocated to the classes of customers for which a GRA has been calculated.

The OCA submits that at this time, it is not clear that there were incremental costs associated with serving this returning load. The OCA comments that if the Commission determines to adopt Duquesne's proposal, there must be a demonstration that actual incremental costs have been incurred to serve the load.

In conclusion, the OCA submits that if Duquesne's proposal is adopted, the costs must be properly allocated to the classes of customers on whose behalf the costs were incurred and there must be a clear showing that Orion did incur incremental costs to serve the load.

DII disagrees with the conclusion that Orion would not have foreseen that customers would be returning to POLR service this summer. DII comments that Orion should have prepared and reserved generation output to serve the POLR load, and Orion's failure to do so was a business decision for which the customers should not have to provide retroactive compensation.

DII submits that no reasonable bidder in the auction would have anticipated that it would be retroactively compensated for customer switching or that a switching rule would be in effect for the Summer of 2000 POLR costs.

DII contends that Duquesne's request clearly violates the generation rate cap. DII comments that the inclusion of a Summer 2000 GRA as a credit to the auction price increases the stranded costs paid by ratepayers. DII suggests that this results in customers paying higher charges for generation supply that was obtained during the Summer of 2000 than the capped generation supply rate.

MAPSA and SEL argue that recovery of the retroactive GRA through an offset against the auction proceeds has no place in this proceeding because: (1) it is not a transaction expense; and (2) it is not Duquesne's expense. MAPSA and SEL submit that these costs were incurred by Orion, the winning bidder for Duquesne's POLR service. MAPSA and SEL comment that Duquesne customers should not be expected to provide Orion with additional compensation, over and above a contracted price, through the CTC.

MAPSA and SEL urge the Commission to address this matter in the context of the POLR II collaborative and to reject any notion that GRA recovery may be tacked onto the coattails of Duquesne's transaction costs.

Duquesne submits that to the extent this proposal is approved by the Commission as a result of the collaborative process on POLR II, these costs should be authorized for recovery as transaction costs.

Resolution

On November 29, 2000, the Commission approved the Joint Petition for Settlement of Duquesne Light Company's Petition for Approval of Plan for Post-Transition POLR Service. Pursuant to this Joint Petition no recovery of the alleged costs incurred by Orion to serve customers who returned to POLR service for the Summer of 2000 was to be provided. Consistent with that resolution, we expressly reject Duquesne's claim in this proceeding.

X. SFAS 109 Costs

The OCA points out that Duquesne's Compliance Filing includes an increase in Duquesne's SFAS 109 liability by \$62.94 million over that which was claimed in the Auction Application. The OCA further states that the Company claims that this amount was originally approved by the Commission in the Restructuring Order, but was inadvertently omitted by Duquesne in its Auction Application.

The OCA questions the propriety of Duquesne's claim to include the SFAS 109 plant liability balance as part of the divestiture reconciliation. The OCA submits that it is unnecessary to separately recognize SFAS 109 taxes since Duquesne's divestiture proceeds have been determined on a net of tax basis.

DII submits that the Company previously agreed that no SFAS 109 costs are recoverable if the auction accounting in the Compliance Filing is accomplished on an after-tax basis (which it is). DII comments that the parties and the Commission addressed and agreed on the proper treatment of SFAS 109 costs in the original Generation Auction Plan filing. DII states that the Company agreed with DII that it should not recover any FAS 109 (FAS 109 and SFAS 109 are interchangeable labels for the same regulatory asset) amount as part of the auction reconciliation because the reconciliation of sales proceeds and stranded costs is being performed on an after-tax basis.

DII submits that the Commission should disallow the request to reinsert \$62.94 million SFAS 109 regulatory asset into the Company's stranded cost allowance.

MAPSA and SEL submit that Duquesne now claims it needs another six or seven months of CTC collection since the Company inadvertently omitted \$62.94 million in tax liability from its Auction Application. MAPSA and SEL disagree with Duquesne's claim that the Commission approved deferred collection of the \$62.94 million.

MAPSA and SEL submit that the \$62.94 million in tax liability was fully addressed in the Restructuring Order and need not be revisited here. MAPSA and SEL point out that the Commission denied recovery under SFAS 109 to avoid "double recovery," with the implication that the \$62.94 million was being recovered elsewhere. MAPSA and SEL add that what would have resulted in double recovery in 1998 also will result in double recovery in 2001.

SHHS points out that the Commission denied recovery of \$62.94 million to avoid double recovery under applicable accounting principles. SHHS submits that even assuming Duquesne has not recovered the \$62.94 million, allowing an extension of CTC to recover it now would act to circumvent Duquesne's rate cap.

THG, PNC, BFLP, DDI and Gustine all submit that the \$62.94 million in tax liability should be addressed now in a separate request for an exception to its rate cap.

Duquesne submits that the arguments of the OCA and DII rest on an apparent misunderstanding of two different FAS 109 costs and the arguments are foreclosed by the Commission's prior orders in this docket.

In Duquesne's restructuring proceeding, the Company comments that it requested approval of two separate assets associated with FAS 109. Duquesne submits that the first was a regulatory tax receivable in the amount of \$179 million and the second was a regulatory asset of \$63 million associated with basis differences arising primarily from Allowance for Funds Used During Construction ("AFUDC") costs. Duquesne comments it agreed to reverse the treatment of the second asset, with the costs being claimed as part of Duquesne's net book value rather than as a regulatory asset. Duquesne points out that the Commission approved this treatment in the May 20, 1998 Restructuring Order where the Commission stated this claim "should be treated as a tax liability from the balance of plant in service and not as a regulatory asset".

In the proceeding to approve the Auction Plan, Duquesne comments that the OCA and DII indicated that the divestiture would eliminate the need for

Duquesne to recover the first category of cost (\$179 million). Duquesne submits that it agreed with this position. However, Duquesne submits that its agreement with the OCA and DII did not cover the \$63 million claim associated with AFUDC asset that the Restructuring Order had included in Duquesne's book value. Duquesne contends that there is no basis upon which to disallow the claim now.

Duquesne argues that when it calculates the impact on its stranded costs of the sale of the generation plants, it would be improper to reduce the balance of the deferred taxes on the books by the total amount of current period income taxes. Duquesne submits that there is no deferred tax liability to reduce for the amount of taxes attributed to the AFUDC basis difference. Duquesne notes that when AFUDC was capitalized these interest costs were first reduced by the income tax benefit of deducting the interest from the current period taxable income. Duquesne argues that the net book value was therefore already reduced for the future tax liability effect and therefore no deferred tax liability exists for the AFUDC basis difference in a utility's plant balance.

Finally, Duquesne argues that the method of accounting for its SFAS 109 tax liability has not increased Duquesne's stranded cost and therefore, the Commission should approve Duquesne's claim.

Resolution

We will adopt the accounting protocol as filed by Duquesne to permit recognition of the treatment of the SFAS 109 Plant Balance in accounting for the auction proceeds on an after-tax basis. We find that this is consistent with our prior Restructuring Order of May 29, 1998 concerning the AFUDC based

SFAS 109 balance. We agree with the Company that our December 17, 1999 Order addressed other SFAS 109 Regulatory Asset balances.

XI. Future Adjustments to Transaction Cost Balance

Duquesne submits that there are certain additional decommissioning liability payments that may be owed to FirstEnergy depending on final rulings from the IRS that had not been received as of the date of the Auction Accounting Filing. Duquesne points out that several such rulings were received in September 2000, resulting in a minimum payment to FirstEnergy of \$1.306 million, rather than \$632,000 as originally anticipated in the Auction Accounting Filing.

Duquesne adds that a decision on the remaining issue before the Internal Revenue Service ("IRS"), whether nonqualified funds transferred to FirstEnergy are taxable, is not expected until early 2001.

Duquesne submits that the Commission's orders in this docket authorize Duquesne to include in its transaction costs excess nuclear decommissioning payments required to be made by Duquesne on behalf of or to FirstEnergy. Duquesne requests that the Commission approve recovery of \$1.306 million as well as preserve Duquesne's ability to request recovery of any additional decommissioning liability that results from remaining IRS rulings in this matter. Duquesne comments that it will submit a revised Auction Accounting Filing within 60 days of the final IRS ruling.

Resolution

We adopt the Company's request and note that future IRS rulings concerning the decommissioning liability may result in revisions to the Auction Accounting Filing.

XII. CONCLUSION

We take this opportunity to thank all of the commenters for their input to the Commission on this important matter. While these proceedings presented many issues which were unique to Duquesne, the parties' input has and will greatly assist the Commission in developing policies and practices to be applied to fully competitive electric retail market. There will be further opportunities, as Duquesne's plan proceeds, for the various parties to once again provide further input to the Commission.

We have considered all of the material that has been presented to us by the various parties in this case; THEREFORE,

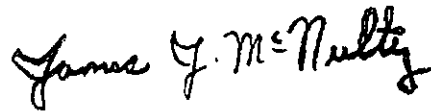
IT IS ORDERED:

1. That the CTC Reconciliation and Auction Accounting Compliance Filing is approved, as modified herein.
2. That Duquesne shall not include its requested recovery of \$1.39 million in connection with possible preferred stock repurchases.

3. That Duquesne shall reduce its capital stock tax claim from \$3.9 million to \$3.1 million.
4. That Duquesne shall, with respect to its \$36.2 million claim for early *retirement option costs and retiree welfare costs* and its \$0.6 million claim for pension vesting costs, (a) not be permitted to request recovery of these costs in a future proceedings, (b) the funds will be segregated and tracked in separate accounts in the manner set forth in Duquesne's reply comments, (c) any amounts in these accounts that are not used will be subject to refund, and (d) the accounts shall be subject to audit by the Commission.
5. That Duquesne shall offset against divestiture proceeds the transmission costs set forth in its Application, but shall be precluded from requesting recovery of those same costs in any future rate proceedings.
6. That Duquesne shall submit, at the time its control upgrades are constructed, an informational filing explaining the benefits produced by the upgrades and identifying the manner in which the transaction costs authorized by this order have been spent.

7. That consistent with the November 29, 2000 Order approving the Joint Petition for Settlement of Duquesne Light Company's Petition for Approval of Plan for Post-Transition Period POLR Service, no recovery shall be provided of the alleged costs incurred by Orion to serve customers who returned to POLR service for the Summer of 2000.

BY THE COMMISSION,



James J. McNulty

Secretary

(SEAL)

ORDER ADOPTED: January 11, 2001

ORDER ENTERED: **JAN 18 2001**

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UWUA DEREGULATION COORDINATOR
30 OLD FARM ROAD
MANSFIELD MA 02048

ROBERT J CHET PRESIDENT
LOCAL 270 UWUA
4205 CHESTER AVENUE
CLEVELAND OH 44103

KENNETH MAIMAN ATTORNEY
ANDREWS & KURTH LLP
425 LEXINGTON AVENUE
NEW YORK NY 10017-3903
.ADDRESS NO GOOD

ROGER E CLARK ATTORNEY
905 DENSTON DRIVE
AMBLER PA 19002-3901

HONORABLE GUY A TRAVAGLIO
HOUSE OF REPRESENTATIVES
HOUSE PO MAIN CAPITOL
HARRISBURG PA 17120

MESSENGER

HONORABLE VICTOR JOHN LESCOVITZ
HOUSE OF REPRESENTATIVES
HOUSE PO MAIN CAPITOL
HARRISBURG PA 17120

MESSENGER

HONORABLE FRANK LAGROTTA
HOUSE OF REPRESENTATIVES
HOUSE PO MAIN CAPITOL
HARRISBURG PA 17120

MESSENGER

HONORABLE H WILLIAM DEWEESE
HOUSE OF REPRESENTATIVES
HOUSE PO MAIN CAPITOL
HARRISBURG PA 17120

MESSENGER

HONORABLE SARA G STEELMAN
HOUSE OF REPRESENTATIVES
HOUSE PO MAIN CAPITOL
HARRISBURG PA 17120

MESSENGER

HONORABLE JAMES E SHANER
HOUSE OF REPRESENTATIVES
HOUSE PO MAIN CAPITOL
HARRISBURG PA 17120

MESSENGER

HONORABLE PETER J DALEY II
HOUSE OF REPRESENTATIVES
HOUSE PO MAIN CAPITOL
HARRISBURG PA 17120

MESSENGER

HONORABLE JAMES E CASORIO JR
HOUSE OF REPRESENTATIVES
HOUSE PO MAIN CAPITOL
HARRISBURG PA 17120

MESSENGER

HONORABLE THOMAS A TANGRETTI
HOUSE OF REPRESENTATIVES
HOUSE PO MAIN CAPITOL
HARRISBURG PA 17120

MESSENGER

HONORABLE ALBERT BELAN
SENATE OF PENNSYLVANIA
SENATE POST OFFICE MAIN CAPITOL
HARRISBURG PA 17120

MESSENGER

JOHN L MUNSCH ATTORNEY
DAVID L WILLIAMS ESQUIRE
WEST PENN POWER COMPANY
800 CABIN HILL DRIVE
GREENSBURG PA 15601-1689

DAVID E WIGHTMAN PRESIDENT
UTILITY WORKERS UNION OF
AMERICA
220 FORBES ROAD SUITE 210
BRAintree MA 02184

JOHN R JAVA RPA PRESIDENT
BLDG OWNERS & MANAGERS ASSN
425 SIXTH AVENUE #1620
PITTSBURGH PA 15219
ADDRESS NO GOOD

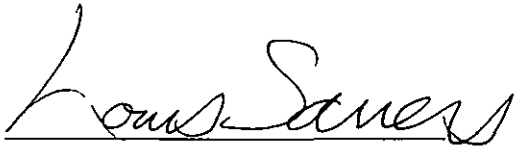
ACKNOWLEDGEMENT OF RECEIPT & ACCEPTANCE OF SERVICE

AND NOW, to wit, this 22 day of January, ²⁰⁰¹~~19~~,

the undersigned, as evidenced by execution hereof, acknowledges receipt, and accepts service of ORDER an official Commission document entered, issued, or otherwise promulgated under date of JANUARY 11, 2001 at Docket No. R-00974104 on behalf of:

LOU SAUERS

BCS


Signature

Kindly sign and date this acceptance of service and acknowledgement of receipt, and, return the same for filing to:

SECRETARY'S BUREAU RECORD RETENTION
PA PUBLIC UTILITY COMMISSION
B-20, North Office Building
Harrisburg, PA 17105-3265

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JAN 29 2001

PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

ACKNOWLEDGEMENT OF RECEIPT & ACCEPTANCE OF SERVICE

AND NOW, to wit, this _____ day of _____, 19__ ,

the undersigned, as evidenced by execution hereof, acknowledges receipt, and accepts service of ORDER an official Commission document entered, issued, or otherwise promulgated under date of JANUARY 11, 2001 at Docket No. R-00974104 on behalf of:

HONORABLE MELISSA HART

SENATE OF PENNSYLVANIA

Signature

Kindly sign and date this acceptance of service and acknowledgement of receipt, and, return the same for filing to:

SECRETARY'S BUREAU RECORD RETENTION
PA PUBLIC UTILITY COMMISSION
B-20, North Office Building
Harrisburg, PA 17105-3265

* Melissa A. Hart is now a Congresswoman for the 4th Congressional District.
Her address is 1508 Longworth House Building, Washington, DC 20515

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JAN 25 2001

PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

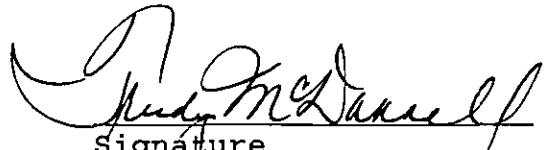
ACKNOWLEDGEMENT OF RECEIPT & ACCEPTANCE OF SERVICE

AND NOW, to wit, this 22nd day of January, 2001, 19 ,

the undersigned, as evidenced by execution hereof, acknowledges receipt, and accepts service of ORDER an official Commission document entered, issued, or otherwise promulgated under date of JANUARY 11, 2001 at Docket No. R-00974104 on behalf of:

HONORABLE JACK WAGNER

SENATE OF PENNSYLVANIA


Signature

Kindly sign and date this acceptance of service and acknowledgement of receipt, and, return the same for filing to:

SECRETARY'S BUREAU RECORD RETENTION
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01 JAN 24 AM 8:42

045809

ACKNOWLEDGEMENT OF RECEIPT & ACCEPTANCE OF SERVICE

AND NOW, to wit, this 23 day of Jan, 2001

the undersigned, as evidenced by execution hereof, acknowledges receipt, and accepts service of ORDER an official Commission document entered, issued, or otherwise promulgated under date of JANUARY 11, 2001 at Docket No. R-00974104 on behalf of:

HONORABLE SUSAN LAUGHLIN

Susan Laughlin
Signature

Kindly sign and date this acceptance of service and acknowledgement of receipt, and, return the same for filing to:

SECRETARY'S BUREAU RECORD RETENTION
PA PUBLIC UTILITY COMMISSION
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Harrisburg, PA 17105-3265

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01 JAN 23 PM 2:39
PA.P.U.C.
SECRETARY'S BUREAU

ACKNOWLEDGEMENT OF RECEIPT & ACCEPTANCE OF SERVICE

AND NOW, to wit, this _____ day of _____, 19__ ,

the undersigned, as evidenced by execution hereof, acknowledges receipt, and accepts service of ORDER an official Commission document entered, issued, or otherwise promulgated under date of JANUARY 11, 2001 at Docket No. R-00974104 on behalf of:

ANGELA JONES ESQUIRE

OSBA

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01 JAN 23 PM 3:15
P.A.P.U.C.
SECRETARY'S BUREAU

Deborah S. Pauze

Signature

Kindly sign and date this acceptance of service and acknowledgement of receipt, and, return the same for filing to:

SECRETARY'S BUREAU RECORD RETENTION
PA PUBLIC UTILITY COMMISSION
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Harrisburg, PA 17105-3265

OFFICE OF SMALL
BUSINESS ADVOCATE

JAN 19 2001

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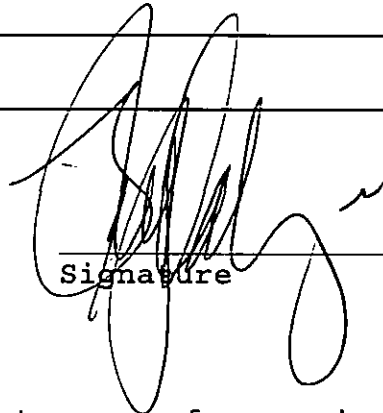
ACKNOWLEDGEMENT OF RECEIPT & ACCEPTANCE OF SERVICE

AND NOW, to wit, this 21st day of January, 192001,

the undersigned, as evidenced by execution hereof, acknowledges receipt, and accepts service of ORDER an official Commission document entered, issued, or otherwise promulgated under date of JANUARY 11, 2001 at Docket No. R-00974104 on behalf of:

HONORABLE PETER J DALEY II

HOUSE OF REPRESENTATIVES



Signature

Kindly sign and date this acceptance of service and acknowledgement of receipt, and, return the same for filing to:

SECRETARY'S BUREAU RECORD RETENTION
PA PUBLIC UTILITY COMMISSION
B-20, North Office Building
Harrisburg, PA 17105-3265

RECEIVED
01 JAN 22 PM 2:40
PA.P.U.C.
SECRETARY'S BUREAU

ACKNOWLEDGEMENT OF RECEIPT & ACCEPTANCE OF SERVICE

AND NOW, to wit, this 19th day of JANUARY, 1901.

the undersigned, as evidenced by execution hereof, acknowledges receipt, and accepts service of ORDER an official Commission document entered, issued, or otherwise promulgated under date of JANUARY 11, 2001 at Docket No. R-00974104 on behalf of:

HONORABLE H WILLIAM DEWEESE

HOUSE OF REPRESENTATIVES


Signature

Kindly sign and date this acceptance of service and acknowledgement of receipt, and, return the same for filing to:

SECRETARY'S BUREAU RECORD RETENTION
PA PUBLIC UTILITY COMMISSION
B-20, North Office Building
Harrisburg, PA 17105-3265

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01 JAN 22 PM 2:39
PA.P.U.C.
SECRETARY'S BUREAU

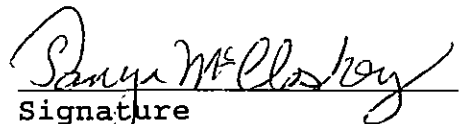
ACKNOWLEDGEMENT OF RECEIPT & ACCEPTANCE OF SERVICE

AND NOW, to wit, this 19th day of January, ²⁰⁰¹ 19 ,

the undersigned, as evidenced by execution hereof, acknowledges receipt, and accepts service of ORDER an official Commission document entered, issued, or otherwise promulgated under date of JANUARY 11, 2001 at Docket No. R-00974104 on behalf of:

MARISA SIFONTES, EDMUND J BERGER

OCA


Signature

Kindly sign and date this acceptance of service and acknowledgement of receipt, and, return the same for filing to:

SECRETARY'S BUREAU RECORD RETENTION
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Harrisburg, PA 17105-3265

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JAN 22 PM 3:55
SECRETARY'S BUREAU
PA P.U.C.

ACKNOWLEDGEMENT OF RECEIPT & ACCEPTANCE OF SERVICE

AND NOW, to wit, this 18th day of January, 2001, ~~19~~

the undersigned, as evidenced by execution hereof, acknowledges receipt, and accepts service of ORDER an official Commission document entered, issued, or otherwise promulgated under date of JANUARY 11, 2001 at Docket No. R-00974104 on behalf of:

LAWRENCE BARTH ASSISTANT COUNSEL

LAW BUREAU

Lawrence F. Barth
Signature

Kindly sign and date this acceptance of service and acknowledgement of receipt, and, return the same for filing to:

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Harrisburg, PA 17105-3265

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01 JAN 19 AM 10:24

765292

ACKNOWLEDGEMENT OF RECEIPT & ACCEPTANCE OF SERVICE

AND NOW, to wit, this 19 day of January, 2001, 19 ,

the undersigned, as evidenced by execution hereof, acknowledges receipt, and accepts service of ORDER an official Commission document entered, issued, or otherwise promulgated under date of JANUARY 11, 2001 at Docket No. R-00974104 on behalf of:

HONORABLE GUY A TRAVAGLIO

HOUSE OF REPRESENTATIVES

Guy A. Travaglio
Signature

Kindly sign and date this acceptance of service and acknowledgement of receipt, and, return the same for filing to:

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B-20, North Office Building
Harrisburg, PA 17105-3265

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01 JAN 19 AM 10:57
SECRETARY'S BUREAU

ACKNOWLEDGEMENT OF RECEIPT & ACCEPTANCE OF SERVICE

AND NOW, to wit, this 18th day of Jan., 2001, ~~19~~

the undersigned, as evidenced by execution hereof, acknowledges receipt, and accepts service of ORDER an official Commission document entered, issued, or otherwise promulgated under date of JANUARY 11, 2001 at Docket No. R-00974104 on behalf of:

KANDACE F MELILLO ESQUIRE WAYNE T SCOTT ESQUIRE

OTS

Claine C. Meisinger
Signature

Kindly sign and date this acceptance of service and acknowledgement of receipt, and, return the same for filing to:

To: → SECRETARY'S BUREAU RECORD & RETENTION
PA PUBLIC UTILITY COMMISSION
~~B-20, North Office Building~~
Harrisburg, PA 17105-3265

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01 JAN 18 AM 11:07

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01 JAN 18 PM 2:37