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KJR

September 18, 1997

VIA HAND DELIVERY

James McNulty, Acting Secretary
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

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PA PUBLIC UTILITY COMMISSION
PROTHONOTARY'S OFFICE

RE: Application of PECO Energy Company
for Approval of its Restructuring Plan
Under Section 2806 of the Public Utility Code;
Docket No. R-00973953

Dear Mr. McNulty:

On behalf of Pennsylvania Electric Competition Coalition enclosed for filing please find an original and three copies of its Answer in the above-captioned matter.

Copies of the attached have been served as indicated on the attached Certificate of Service.

Please contact me if you have any questions with respect to the enclosed

Very truly yours,

Daniel Clearfield/lww
Daniel Clearfield

For WOLF, BLOCK, SCHORR and SOLIS-COHEN

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DC/lww
Enclosure

cc: All Parties of Record w/enc.

DSH:9847.1

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ORIGINAL

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of PECO Energy Company : Docket No. R-00973953
for Approval of its Restructuring Plan :
Under Section 2806 of the Public :
Utility Code :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document to participants, listed below, in accordance with the requirements of § 1.54 (relating to service by a participant):

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Daniel Clearfield

Dated: September 18, 1997

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PROTHONOTARY'S OFFICE

ORIGINAL

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of PECO Energy : Docket No. R-00973953
Company for Approval of Its :
Restructuring Plan Under Section :
2806 of the Public Utility Code :

ANSWER OF
PENNSYLVANIA ELECTRIC COMPETITION COALITION

Enron Power Marketing Inc. ("Enron"), New Energy Ventures and Correctiv

Energy (hereinafter the "Pennsylvania Electric Competition Coalition" or "PECC"), by their undersigned counsel, hereby respond to the Petition of Certain Parties to Suspend Consideration of Certain Issues Pending a Commission Determination of Proper Forum. PECC opposes PECO's (and other parties') request that the issues raised in PECO's restructuring that are not included in the "Joint Petition for Partial Settlement" ("Proposed Settlement") filed with the Commission be suspended and not be resolved in the hearings presently scheduled before the ALJs on PECO's restructuring plan, and be consigned to various, unspecified "generic" proceedings which may or may not resolve these important issues in a timely fashion. The present schedule, which includes a two-phase process for resolving the issues not included in the Proposed Settlement, will permit their timely and company-specific resolution while nonetheless permitting the Commission to consider the Proposed Settlement in a more expedited fashion if it so chooses.

By way of specific answer:

1. The first sentence of this paragraph is admitted. It is further admitted that issues that are not addressed in the Proposed Settlement are designated in Appendix H of that document. There are, however, additional issues that are not addressed in the Proposed

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Settlement which are not designated in Appendix H, including, without limitation, an appropriate distribution services tariff and an appropriate electric generation supplier tariff, the ability of suppliers to act an agent for customers and others. In most instances the issues that have not been resolved are specifically critical to the development of a robust competitive market in PECO's service territory. This is particularly true with respect to a Code of Conduct (including allocation and physical separation rules) and the unbundling and competitive offering of non-wire services such as metering and billing, neither of which are addressed by the Proposed Settlement.

2. Denied. Although some of the non-addressed issues are also being addressed elsewhere, not all of them are being so addressed, and there is no assurance that any of them will be fully and finally addressed in a timely manner. For example, the Working Group considering the development of a Generic Code of Conduct is not under a statutory deadline by which to issue a report, the Commission has not committed to a specific time for the issuance of a proposed rule on the subject and, most importantly, in light of the requisite "IRRC process," there is no way of knowing when such a rule would be finalized and in place. In the meantime, PECO would apparently not be subject to any Code of Conduct with respect to the permanent implementation of direct access. Similarly, a generic decision on the unbundling of metering and billing is not subject to any set time line and the Commission has not indicated when it intends to issue a final decision on this subject.

3. Denied that the multi-form approach is not appropriate. Until any of the non-addressed issues are resolved generically, or by way of state-wide settlement, it is necessary that each be addressed in each EDC's individual restructuring hearings so that a record is made

and the Commission is in a position to decide those issues based on the record if they are not otherwise resolved generically. If this proceeding is indicative, many aspects of these "unresolved issues" are company-specific. For example, Enron has submitted testimony in the PECO restructuring requesting specific physical separation rules and cost allocations rules be submitted by PECO in order to prevent cross subsidies. Moreover, Enron has urged that PECO be required to establish specific delivery and supply tariffs to govern the rates and interaction between PECO and suppliers as agents for end-user customers. The process proposed by the Petition would necessarily appear to eliminate a PECO-specific resolution of such issues. It is contemplated that each EDC would be subject to such company-specific determinations and that the restructuring cases would be the forum in which such determinations would be made.

4. Denied. By reviewing any non-addressed issues separately, a body of learning will be created that may be useful in developing a possible generic resolution of such issues. Without a record, it will not be possible to resolve these issues. It is important for all parties to know the ground rules for the individual EDC's restructuring plans in order to make their own appropriate future plans in a timely manner.

5. Denied. The Coalition believes that opening a new docket to determine whether to treat non-addressed issues on a generic, state-wide basis will simply delay the resolution of these important issues. These issues have all been included in the various restructuring proceedings. If it were not for the Proposed Settlement filed in this case, the non-addressed issues would already have been litigated and briefed in this case. To meet the deadline for competition, it is important that each case proceed on its own to resolve company-specific separate issues unless and until this Commission generically resolves any of them

through a rulemaking. The Pennsylvania Electric Competition Coalition sees no sense in initiating another new docket at this time simply to determine how the issues not addressed in the Proposed Settlement, which are already pending in this case and other cases, should be addressed.

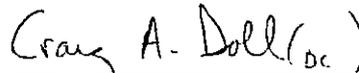
6. Denied. The proposal would prejudice all those parties who have a stake in making sure that the promise of the Competition Act for real competition will be realized. The parties have agreed to a complete schedule, which has been adopted by the ALJs, that will allow the Proposed Settlement to be considered on an expedited basis and the non-addressed issues to be considered separately on a track that will obtain a final determination from this Commission in early March 1998. This 2-track process will allow the Commission to consider the proposed settlement in a time frame it believes appropriate while still assuring that timely resolution of "unresolved" issues. The Pennsylvania Electric Competition Coalition believes there is no reason to depart from this schedule.

WHEREFORE, the Pennsylvania Electric Competition Coalition, by its undersigned counsel, requests that the Commission (a) deny the Petition to Suspend Consideration of Certain Issues Pending a Commission Determination of Proper Forum; (b) decline to open a separate docket for comments; and (c) allow issues not addressed by the Proposed Settlement to proceed according to the schedule that has been adopted by the ALJs in this matter.

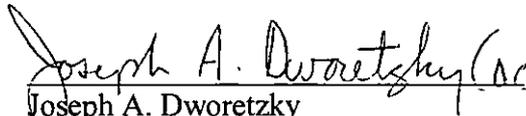
Respectfully submitted,



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Dated: September 18, 1997

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****HONORARY CONSUL GENERAL OF GERMANY

DIRECT DIAL: ~~609~~

(717) 221-7920

September 18, 1997

James McNulty, Prothonotary
Pennsylvania Public Utility Commission
Room B-20, North Office Building
Harrisburg, PA 17120

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PROTHONOTARY'S OFFICE

Re: **Application of PECO Energy Company for Approval of its
Restructuring Plan Under Section 2806 of the Public Utility Code
Docket No. R-00973953**

Dear Prothonotary McNulty:

Enclosed for filing please find an original and three copies of a Joint Petition for Approval of Stipulation and Agreement Entered Into Between PECO Energy Company and Indianapolis Power and Light Company. We are requesting expedited consideration of this Joint Petition by the Pennsylvania Public Utility Commission because the Stipulation and Agreement, if approved, will affect the procedural schedule in the above-captioned Restructuring Proceeding.

Copies of the Petition and Stipulation and Agreement are being served by first class mail on all parties of record.

Respectfully submitted,

Walter W. Cohen

Walter W. Cohen
Counsel for Indianapolis Power and Light Company

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Enclosures

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PROTHONOTARY'S OFFICESeptember ¹⁸ 17, 1997

**Re: Application of PECO Energy Company for Approval of its Restructuring
Plan Under Section 2806 of the Public Utility Code
Docket No. R-00973953**

Dear Counsel:

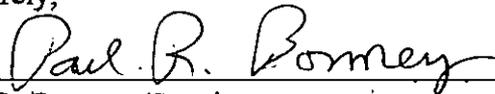
With this letter, we are enclosing a Stipulation and Agreement entered into by PECO Energy Company and Indianapolis Power and Light Company and a Petition to the Pennsylvania Public Utility Commission for Approval of the Stipulation and Agreement.

The Office of Consumer Advocate has indicated that it does not object to this Stipulation in that it has not raised and does not intend to raise Commerce Clause Issues in this proceeding. However, the OCA has asked us to notify all other parties that approval of the Stipulation could affect their rights in any appellate proceeding involving Commerce Clause Issues.

It is our understanding from discussions we have had with several parties, and from the on-the-record discussion at the Third Prehearing Conference, that no parties other than IPL are intending to raise Commerce Clause Issues in this proceeding.

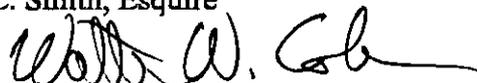
We have decided not to seek the signature of every party on this document because of the cumbersome nature of such a process. However, we are requesting that any party that objects to the intent of the Stipulation and Agreement so state within seven (7) days so that we can then proceed to our deposition and prepare for cross-examination on these issues. If any party objects, we will withdraw the document.

Sincerely,



Paul R. Bonney, Esquire

Ward L. Smith, Esquire



Walter W. Cohen, Esquire

WWC/dhs

Enclosure

cc: Administrative Law Judge Marlane R. Chestnut
Administrative Law Judge Charles E. Rainey, Jr.
All Parties on Certificate of Service

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission

v.

PECO Energy Company

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Docket No.

R-00973953

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**JOINT PETITION FOR APPROVAL OF
STIPULATION AND AGREEMENT ENTERED INTO BETWEEN
PECO ENERGY COMPANY AND INDIANAPOLIS POWER AND LIGHT COMPANY**

PECO Energy Company ("PECO") and Indianapolis Power and Light Company ("IPL"), through their undersigned counsel, submit this Joint Petition for Approval of the attached Stipulation and Agreement between the two parties, and represent as follows:

1. In the attached Stipulation and Agreement, the parties agree that the outcome of certain issues currently on appeal in PECO's securitization appeal will apply and be binding in the instant restructuring proceeding. If approved, this will eliminate duplicative litigation of certain United States Constitutional issues and simultaneously remove the need for IPL to be an active participant in the hearings or briefing in PECO's restructuring proceeding.

2. On or about August 27, 1997, PECO and ten (10) other parties submitted to the Pennsylvania Public Utility Commission ("Commission") for approval a Joint Petition for Partial Settlement of PECO Energy Company's Proposed Restructuring Plan and Application for a Qualified Rate Order ("Partial Settlement"), signed by several but not all of the parties in the

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proceeding at Commission Docket No. R-00973953 variously captioned as “Application of PECO Energy Company for Approval of its Restructuring Plan Under Section 2806 of the Public Utility Code” or “Pennsylvania Public Utility Commission v. PECO Energy Company.”

3. IPL is a party to this proceeding but not a signatory to the Partial Settlement.

4. IPL was also a party to the previous Commission proceeding at Docket Nos. R-00973877, R-00973877C0001 and R-00973877C0002, captioned as Application of PECO Energy Company for Issuance of a Qualified Rate Order Under Sections 2808 and 2812 of the Public Utility Code (“Securitization Proceeding”).

5. On May 22, 1997, the Commission issued an Opinion and Qualified Rate Order (“Securitization Order”) granting, in part, PECO’s Application.

6. On June 18, 1997, IPL filed a Petition for Review of the Commission’s Securitization Order in the Commonwealth Court.

7. In an Order issued by President Judge James Gardner Colins on August 20, 1997, an expedited briefing schedule was set for this matter, with IPL’s advance form brief due on September 22, 1997, and oral argument scheduled for the first or second week of December, 1997.

8. In its Commonwealth Court brief due on September 22, 1997, IPL will address the constitutional issue of whether the provisions of the Electricity Generation Customer Choice and Competition Act, 66 Pa. C.S. §§ 2801 et seq. ("Electricity Generation Act") providing for stranded cost recovery and securitization are invalid and unconstitutional because they conflict with the Commerce Clause of the Constitution of the United States, U.S. Const., Art. I, § 8, cl.3. ("Commerce Clause Issues").

9. On or about September 10, 1997, PECO and the signatory parties to the Partial Settlement filed a Petition with this Commission to expedite the procedure for evaluation of the Partial Settlement by foregoing the use of a Recommended Decision.

10. With a similar purpose to expedite the procedure for consideration of the Partial Settlement, PECO and IPL propose in the attached Stipulation and Agreement that all evidence concerning stranded cost recovery and securitization from the record of the Securitization Proceeding be incorporated into the proceeding on the Partial Settlement.

11. PECO and IPL propose further that the record for purposes of judicial review of the Commerce Clause Issues be limited to matters already of record in the Securitization Proceeding.

12. By Notice dated September 11, 1997, as a follow-up to the Third Prehearing Conference held on September 10, 1997, the presiding Administrative Law Judges scheduled

only four (4) days of evidentiary hearings to consider all issues raised by all parties relevant to the Partial Settlement.

13. IPL projects that without the Stipulation and Agreement, it will have extensive cross-examination of the witnesses of PECO and the other parties which could take a number of days to complete.

14. PECO and IPL submit that approval by the Commission of the procedure set forth in the attached Stipulation and Agreement is appropriate to expedite consideration of the Partial Settlement because there are no differences between PECO's stranded cost recovery requests in this proceeding and its requests in the Securitization Proceeding, or in the facts pertinent to such requests, which would cause or justify any decision on the Commerce Clause Issues in this proceeding to be any different than with respect to the Securitization Order.

15. If the attached Stipulation and Agreement is approved by the Commission, IPL agrees that it will not object to the Partial Settlement, except on Commerce Clause grounds.

16. A draft of the proposed Stipulation and Agreement was circulated to all parties in attendance at the Third Prehearing Conference and the final signed copy is being circulated to all parties on the service list of this proceeding to offer them an opportunity to object.

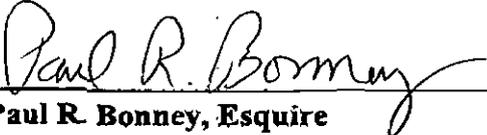
17. No party indicated in its Prehearing Memorandum or in the discussion on the record at the Third Prehearing Conference that it intended to address the stranded cost recovery or securitization issues in this proceeding. However, PECO and IPL are notifying all parties to this proceeding that approval of this Stipulation and Agreement could affect their rights in any appellate proceeding involving Commerce Clause Issues.

WHEREFORE, PECO and IPL respectfully request that this Honorable Commission issue an Order approving the attached Stipulation and Agreement.

Respectfully submitted,

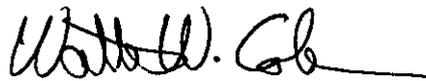
PECO ENERGY COMPANY

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**Attorneys for Indianapolis Power and
Light Company**

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission

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Docket No.

v.

R-00973953

PECO Energy Company

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STIPULATION AND AGREEMENT

PECO Energy Company ("PECO") and Indianapolis Power & Light Company ("IPL")
hereby stipulate and agree as follows:

1. There is presently pending in the Commonwealth Court an appeal by IPL of the Commission's Opinion and Qualified Rate Order dated May 22, 1997 (the "Securitization Order") in Docket Nos. R-00973877, R-00973877C0001 and R-00973877C0002 (the "Securitization Proceeding").

2. IPL's appeal of the Securitization Order involves the following issues (the "Commerce Clause Issues"): (a) whether the provisions of the Electricity Generation Customer Choice and Competition Act, 66 Pa. C.S. §§ 2801 *et seq.* (the "Electricity Generation Act") and the Securitization Order which provide for stranded cost recovery and securitization are invalid and unconstitutional because they conflict with the Commerce Clause of the Constitution of the United States, *i.e.* U.S. Const., Art. I, § 8, cl. 3, and (b) whether those statutory provisions are severable from the remaining provisions of the Electricity Generation Act.

3. The record in the Securitization Proceeding including all testimony, exhibits, cross-examination, briefs and other filings shall be incorporated by reference in this proceeding. All evidence accepted in the Securitization Proceeding shall be considered to be evidence in this proceeding.

4. In the event of any appeal by PECO, IPL or any other party of any order in this proceeding authorizing or denying in whole or in part the recovery of stranded costs by way of intangible transition charges (“ITC”) or competitive transition charges (“CTC”), the record for purposes of judicial review of the Commerce Clause Issues shall be limited to matters of record in the Securitization Proceeding. No party to any such appeal shall rely upon or cite in support of any position with respect to the Commerce Clause Issues any matters not of record in the Securitization Proceeding.

5. There are no differences between PECO’s stranded cost recovery requests in this proceeding and its requests in the Securitization Proceeding or in the facts pertinent to such requests which would cause or justify any decision on the Commerce Clause Issues in this proceeding (or any appeals from any orders issued in this proceeding) to be any different than with respect to the Securitization Order (and any appeals therefrom).

6. The outcome of IPL's appeal of the Securitization Order on the Commerce Clause Issues (including any subsequent levels of judicial review, whether in state courts or federal courts) shall apply and be binding in this proceeding (Docket No. R-00973953) and shall apply to any orders in this proceeding authorizing or denying stranded cost recovery in whole or in part whether by way of ITC or CTC. IPL agrees that the only issues it intends to pursue on appeal in this proceeding are the Commerce Clause Issues.

7. If the United States Supreme Court issues an order addressing, in whole or in part, the Commerce Clause Issues identified in paragraph 2 of this Stipulation and Agreement, or if such a court issues an order addressing whether stranded cost recovery in general or securitization in general violates the Commerce Clause of the United States Constitution, then such order shall apply and be binding in this proceeding (Docket No. R-00973953) and the Securitization Proceeding, if dispositive on the facts.

8. IPL shall file its brief in its appeal of the Securitization Order on or before the current due date of September 22, 1997 and the procedural schedule in such appeal shall not be extended or held in abeyance on account of any settlement agreements or negotiations in this proceeding or for any other reason unless PECO and IPL mutually agree thereto. It is the intent of this provision that resolution of the Commerce Clause Issues in both this proceeding and the appeal of the Securitization Order not be delayed.

9. This Stipulation and Agreement shall be submitted to the Commission for approval. Absent objection by any party and after approval of this Stipulation and Agreement by the Commission, IPL will not object to the "Joint Petition for Partial Settlement of PECO Energy Company's Proposed Restructuring Plan and Application for a Qualified Rate Order" ("Partial Settlement") served on or about August 27, 1997, except on Commerce Clause grounds, or to the extent necessary to preserve its appeal rights. Furthermore, IPL will not object to the admission in evidence of testimony and exhibits offered by PECO in support of the Partial Settlement, or cross-examine witnesses sponsoring such testimony. Also, IPL will not object to the admission of evidence by PECO with respect to issues not resolved by the Partial Settlement or cross-examine PECO's witnesses on such issues. However, notwithstanding the foregoing, IPL shall at all times be free to participate in this proceeding to the extent necessary to support approval of this Stipulation and Agreement, enforce the terms of this Stipulation and Agreement, and preserve its appellate rights solely with respect to the Commerce Clause Issues.

10. If any other party objects to this Stipulation and Agreement or if the Commission does not approve it, the signatory parties agree that they shall seek reopening of the evidentiary hearings in this proceeding (if previously completed) or resumption of the hearings (if not completed) so that IPL will be afforded the opportunity to cross-examine all witnesses whose testimony has been submitted or will be submitted in support of the Partial Settlement or PECO's application. A prehearing conference will be requested and convened to establish a procedural schedule for this purpose. The procedural schedule shall include an opportunity for IPL to take

the deposition of PECO witness Sidak which was previously noticed but postponed pursuant to an agreement between IPL and PECO to accommodate PECO's settlement discussions.

PECO ENERGY COMPANY

INDIANAPOLIS POWER & LIGHT COMPANY

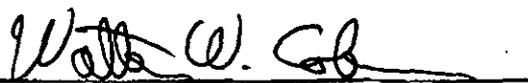


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Date: September 17, 1997

CERTIFICATE OF SERVICE

RECEIVED

I hereby certify that I have this 18th day of September, 1997, served a copy of the foregoing documents by U.S. Mail, upon the persons addressed below

07 SEP 19 PM 3:08

P.A.P.U.C.
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Via Regular Mail

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OBERMAYER REBMANN MAXWELL &
HIPPEL LLP

A handwritten signature in black ink, appearing to read "Walter W. Cohen", written over a horizontal line.

Walter W. Cohen, Esquire

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DANIEL CLEARFIELD
DIRECT DIAL: (717) 237-7173
E-MAIL: DCLEARFIELD@WOLFBLOCK.COM

RECEIVED

SEP 22 1997

September 19, 1997

PA PUBLIC UTILITY COMMISSION
PROTHONOTARY'S OFFICE

VIA FEDERAL EXPRESS
and FACSIMILE

Paul R. Bonney, Esq.
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DOCUMENT
FOLDER

KJR

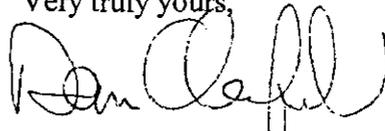
RE: Application of PECO Energy Company for Approval
of its Restructuring Plan Under Section 2806 of the
Public Utility Code. Docket No. R-00973953

Dear Paul:

Enclosed please find Enron Capital and Trade Resources' Interrogatories
Addressed to PECO Energy Company - Ninth Set.

Please contact me immediately if you have any questions or are in need of
clarification of any of these requests.

Very truly yours,



Daniel Clearfield
For WOLF, BLOCK, SCHORR and SOLIS-COHEN

DC/lww
Enclosure

cc: All parties of record w/enc.

DSH:9863.1

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing documents upon the participants, listed below, in accordance with the requirements of § 1.54 (relating to service by a participant):

Via Facsimile and Federal Express

Paul R. Bonney
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DOCUMENT
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Via First Class Mail

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Pennsylvania Public Utility Comm.
901 North 7th Street
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SEP 22 1997

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SEP 23 1997

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Daniel Clearfield, Esq.

Dated: September 19, 1997

CRAIG A. DOLL
ATTORNEY AT LAW
214 STATE STREET
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ORIGINAL

717/230-9555
FAX 717/230-9750

September 19, 1997

97 SEP 23 AM 9:17

RECEIVED
PROTECTORARY'S OFFICE

James J. McNulty, Acting Secretary
Pennsylvania Public Utility Commission
Room B-20, North Office Building
P.O. Box 3265
Harrisburg, PA 17120-3265

DOCUMENT
FOLDER

KJR

**RE: Pennsylvania Public Utility Commission V. PECO Energy Company -
Application of PECO Energy Company for Approval of its Restructuring
Plan under Section 2806 of the Public Utility Code; Docket No. R-0097353**

Dear Mr. McNulty:

In reviewing the various documents filed with the Commission during the course of this and other Restructuring proceedings, I have discovered that a technical correction should be made with respect to the name of my client. At the time of the filing of the Petition to Intervene in the above proceeding, the client was named as Delmarva Power & Light Company. During the course of the proceeding, a supplier license was issued to Delmarva Power & Light Company d/b/a/ Conectiv Energy. At present Conectiv Energy is a division of Delmarva Power & Light Company.

In order to clarify the record before the Commission, the appropriate party should be listed as Conectiv Energy, a division of Delmarva Power & Light Company. There has been no change in the addresses of the Counsel of Record. If you have any questions, please feel free to contact me.

DOCKETED

SEP 24 1997

Respectfully,

Craig A. Doll
Craig A. Doll

CAD/kmv

cc: Honorable Marlene R. Chestnut
Honorable Charles E. Rainey, Jr.

7

DATE: September 22, 1997

SUBJECT: R-00973953

TO: Office of Administrative Law Judge

FROM: *WJZ* James J. McNulty, Acting Secretary *KO:*

PECO ENERGY COMPANY
RESTRUCTURING PLAN

Attached is copy of a Joint Petition for Approval of Stipulation and Agreement of Peco Energy Company and Indianapolis Power and Light Company filed in connection with the above docketed proceeding.

This matter is assigned to your Office for appropriate action.

Attachment

cc: OTS

wjz

DOCKETED
SEP 22 1997

DOCUMENT
FOLDER



PECO ENERGY

Legal Department

PECO Energy Company
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PO Box 8699
Philadelphia, PA 19101-8699
215 841 5544
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James W. Durham
Senior Vice President
and General Counsel

000943

97 SEP 25 AM 9:29

Edward J. Cullen, Jr.
Deputy General Counsel

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September 23, 1997

Direct Dial: 215 841 4252

Sandra H. Byrne
Legal Administrator

By Hand Delivery

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Re: Application of PECO Energy Company for Approval of its Restructuring
Plan under Section 2806 of the Public Utility Code
Docket No. R-00973953

Dear Joe:

Enclosed are PECO Energy Company's Answers to New Energy Ventures
Interrogatories: ^{KJR}

Set I: NEV-I-1 through NEV-I-7, NEV-I-9 through NEV-I-13 and NEV-I-15
through NEV-I-17.

If you have any questions, please call me at (215) 841-4252.

Sincerely,

Paul Bonney

PRB/mbo
Enclosures

cc: w/enclosures
Certificate of Service (w/enclosure)
James McNulty, Acting Prothonotary (Certificate of Service Only)

Certificate of Service

I hereby certify that I have this date served the following Answers by facsimile, first class or overnight/express mail, upon the persons addressed below:

New Energy Ventures: Set I: NEV-I-1 through NEV-I-7, NEV-I-9 through NEV-I-13 and NEV-I-15 through NEV-I-17.

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008944

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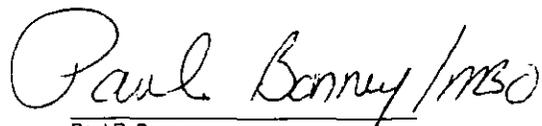
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Dated: September 23, 1997



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

IN REPLY PLEASE
REFER TO OUR FILE

September 24, 1997

In Re: **R-00973953,**
R-00983953 C0001-C0007

(See letter dated 09/11/97)

PECO ENERGY COMPANY

Application for approval of a Restructuring Plan and Consumer Education Program.

KJh

NOTICE

This is to inform you that the Public Input Hearing(s) on the above-captioned case will be held as follows:

Thursday, October 9, 1997 at 4:00 p.m.

Council Meeting Room
1st Floor
Media Government Center Building
201 W Front Street
Media, Pennsylvania 19063

Friday, October 10, 1997 at 11:00 a.m.

In an Available Hearing Room
13th Floor
Philadelphia State Office Building
Broad and Spring Garden Streets
Philadelphia, Pennsylvania 19130

Presiding Officers: **Administrative Law Judge Marlane R. Chestnut**
Administrative Law Judge Charles E. Rainey, Jr.
1302 Philadelphia State Office Building
Broad and Spring Garden Streets
Philadelphia, Pennsylvania 19130
Telephone (215) 560-2105

LOCKETED
SEP 26 1997

If you are a person with a disability and you wish to attend the hearing, we may be able to make arrangements for your special needs. Please call Norma Lewis at the Public Utility Commission:

PHILADELPHIA STATE OFFICE
97 SEP 25 PM 4:29

009020

**DOCUMENT
FOLDER**

- Scheduling Office, 717-787-1399
- AT&T Relay Service number for persons who are deaf or hearing impaired:
1-800-654-5988.

pc: **Chairman Quain**
Vice Chairman Bloom
Commission Hanger
Commissioner Rolka
Commissioner Brownell
Judge Chestnut
Judge Rainey
Rosemary Chiavetta - BPL 111
John Frazier - BPL 101
Office of Trial Staff (2)
Consumer Advocate
Small Business Advocate
Bill Barrett - FUS
Norma Lewis
Steve L. Springer, Scheduling Officer
Beth Plantz
Docket Section
Calendar File

COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION

DATE: September 24, 1997

SUBJECT: Correspondence From Karen Penafiel
Building Owners & Managers Association
International

TO: James McNulty
Acting Secretary

FROM: Rosemary Chiavetta, Esq.
Director of Legislative Affairs

R-973953

RECEIVED
SEP 25 1997

Office of Prothonotary
Public Utility Commission

Please find under cover of this memo correspondence from Karen Penafiel expressing the views and opinions of the Building Owners and Managers Association International concerning the proposed settlement in PECO Energy Company's restructuring plan. Please accept Ms. Penafiel's letter as a part of the official filing in this proceeding.

Thank you for your attention in this matter.

Attachment

DOCKETED
JAN 2 1998

DOCUMENT
FOLDER

BUILDING OWNERS AND MANAGERS ASSOCIATION INTERNATIONAL




BOMA International
 91st Annual Convention and
 The Office Building Show®
 June 21-24, 1998
 Pennsylvania Convention Center
 Philadelphia, PA

President

W. B. (Bert) Garfield
 Daniels Associates, Inc.
 RPS Resource Property Services Ltd
 11 Progress Avenue, Suite 25
 Scarborough, ONT M1P 4S7 Canada

First Vice President

Richard O. Baker
 Kol
 The Real Estate
 Services Company
 2345 Grand Avenue, Suite 1600
 Kansas City, MO 64108

Secretary/Treasurer

R. Coffin Cahlin, AIA
 Birmingham Realty Company
 2118 First Avenue, North
 Birmingham, AL 35203

Executive Vice President/COO

Mark W. Murray, PhD, CAE

1201 New York Ave., NW
 Suite 300
 Washington DC 20005
 202-408-7662
 FAX 202-371-0181
<http://www.boma.org>

September 11, 1997

The Honorable Tom Ridge
 Governor of Pennsylvania
 225 Main Capitol Building
 Harrisburg, PA 17120

Dear Governor Ridge:

For the past several years, the Building Owners and Managers Association (BOMA) International has supported and actively advocated the deregulation of the electric utility industry. BOMA Pittsburgh and BOMA Philadelphia joined us in our belief that a competitive electricity marketplace will benefit all consumers, large and small.

We commend you, the Pennsylvania legislature, and the Public Utility Commission for efforts that have placed Pennsylvania in the forefront on electricity deregulation issues. Your efforts will undoubtedly provide a model which many other states will follow. For this reason, and for the benefit of all the electricity consumers in Pennsylvania, it is imperative that we get it right the first time.

After analyzing the details of the PECO-Fumo partial settlement agreement, we are concerned that this type of settlement favors PECO at the expense of the captive ratepayers. Instead of introducing competition into the marketplace, this agreement, which allows PECO to recover \$5.4 billion in stranded costs, will hinder competition. The subsidization of these types of costs virtually guarantees that energy providers will not be able to effectively compete against PECO -- and it most certainly will not create a "level playing field." The consumer will ultimately lose. A 10% rate reduction will not offset the predicted 25% savings that could be achieved in a truly competitive marketplace.

It is our hope that, after carefully examining the proposed settlement, you will share our concern that this type of plan -- where the consumers ultimately are the losers -- will not benefit Pennsylvania. The rest of the country is watching, and this is not the precedent that Pennsylvania should set for others to follow. Thank you for your careful consideration of this critical issue.

Sincerely,



Karen W. Penafiel
 Director of Government Affairs

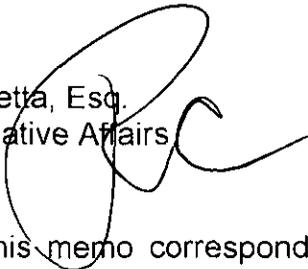
COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION

DATE: September 24, 1997

SUBJECT: Correspondence From Rep. William R. Lloyd, Jr.

TO: James McNulty
Acting Secretary

FROM: Rosemary Chiavetta, Esq.
Director of Legislative Affairs



Please find under cover of this memo correspondence from Representative William Lloyd expressing his views and opinions concerning the proposed settlement in PECO Energy Company's restructuring plan. Please accept Representative Lloyd's letter as a part of the official filing in this proceeding.

Thank you for your attention in this matter.

cc: Rep. Lloyd

RECEIVED
SEP 25 1997

Office of Prothonotary
Public Utility Commission



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

IN REPLY PLEASE
REFER TO OUR FILE

September 24, 1997

The Honorable William R. Lloyd, Jr.
Democratic Chairman
House Consumer Affairs Committee
128 South Office Building
Harrisburg, PA

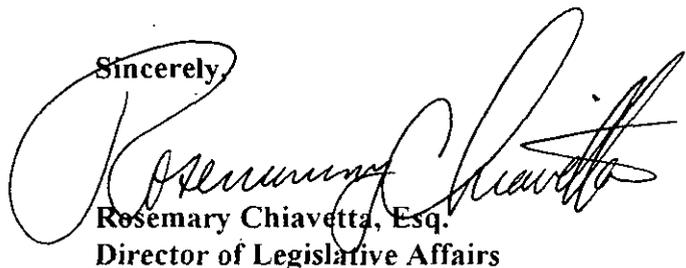
Dear Representative Lloyd:

Thank you for your recent letter of September 15, 1997, to Chairman John Quain of the Pennsylvania Public Utility Commission concerning the proposed settlement in PECO Energy Company's restructuring plan. Since this matter is currently pending before the Commission, Chairman Quain referred your letter to me for a response.

Please know that although I cannot comment on the merits of the proposed PECO settlement, I have taken the liberty of forwarding your letter to the Acting Secretary of the Commission so it may be considered as part of the official record in this matter.

Please know that we greatly appreciate the benefit of your thinking on this very important issue.

Sincerely,



Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: Chairman Quain
Vice Chairman Bloom
Commissioner Hanger
Commissioner Rolka
Commissioner Brownell
Acting Secretary McNulty

WILLIAM R. LLOYD, JR., MEMBER

651 SOUTH CENTER AVENUE
P.O. BOX 425
SOMERSET, PENNSYLVANIA 15501
PHONE: (814) 443-4230

ROOM 128, SOUTH OFFICE BUILDING
HOUSE BOX 202020
HARRISBURG, PENNSYLVANIA 17120-2020
PHONE: (717) 783-5183



House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

COMMITTEES

CONSUMER AFFAIRS,
DEMOCRATIC CHAIRMAN
LEGISLATIVE BUDGET AND FINANCE

STATE TRANSPORTATION
ADVISORY COMMITTEE

September 15, 1997

Honorable John Quain, Chairman
Public Utility Commission
104 North Office Building
Harrisburg, PA 17120

Dear Sir:

Currently pending before the Commission is a proposed settlement in PECO Energy Company's restructuring plan to implement the 1996 electric competition law.

The electric competition law passed the General Assembly with strong bipartisan support. The principal argument in favor of the law was that competition would do a better job of keeping electric rates in line than would continued bureaucratic regulation by the PUC. For that argument to be validated, it is essential for the PUC to assure that there actually is competition.

Based on a review of the arguments made by opponents of the PECO settlement, I am concerned that the temporary rate reductions promised by the settlement might be more than offset by major barriers placed in the path of potential PECO competitors. If that were to happen, PECO could become an unregulated monopoly with the ability to raise rates in the future without PUC approval and without fear of being underpriced by competitors.

Your decision in the PECO case will probably set a pattern for the cases involving other electric utilities--including GPU and Allegheny Power, which serve my legislative district. Therefore, if my constituents are to enjoy the benefits of competition, it is essential for you to assure that the PECO settlement guarantees real competition for PECO's customers.

RECEIVED
SEP 15 AM 9:13
CHAIRMAN QUAIN'S OFFICE

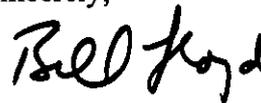
Electric rates in the Philadelphia and Pittsburgh areas are among the highest in the country and are significantly higher than the rates in the rest of the state. If a company wants to compete with Pennsylvania utilities, it makes sense for that company to target customers in the Philadelphia and Pittsburgh areas because those customers are likely to be more unhappy about their electric rates and more willing to consider buying electricity from someone other than the local electric utility than are customers elsewhere in the state.

If a competitor cannot establish a significant toe-hold in the Philadelphia and Pittsburgh areas, it may make little effort to recruit customers in rural areas such as mine. The result will be higher rates for my constituents.

In view of the foregoing, I urge the Commission to review the proposed PECO settlement in a deliberative manner and to hold an adequate number of public hearings so that the arguments by potential competitors of PECO can be fully considered.

Thank you for your consideration.

Sincerely,



William R. Lloyd, Jr.
State Representative
69th District

WRL/jf

cc: Honorable Robert Bloom
Honorable Nora Mead Brownell
Honorable David Rolka
Honorable John Hanger

DUANE, MORRIS & HECKSCHER LLP

ORIGINAL

ATTORNEYS AT LAW

ONE LIBERTY PLACE
PHILADELPHIA, PA 19103-7396

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KJR
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ONE GATEWAY CENTER, SUITE 1210
NEWARK, NJ 07102

STEPHANIE A. SUGRUE
DIRECT DIAL: (202) 776-7832
E-MAIL: sasugrue@duanemorris.com

September 25, 1997

VIA HAND DELIVERY

Mr. Jim McNulty
Acting Prothonotary
Pennsylvania Public Utility Commission
North Office Building - Room B20
Harrisburg, PA 17105-3265

RECEIVED
97 SEP 25 PM 3:35
PROTHONOTARY'S OFFICE

Re: Name Correction in Docket Nos. R-00973981, R-00974104, R-00973954, R-00974008, R-00974009, R-00973953, P-00971160, P-00971169, P-00971170, P-00971172, P-00971175, and P-00971183

Dear Prothonotary McNulty:

Enclosed for filing are an original and 3 copies of the Request for Change in Service List of QST Energy Inc. in the above-referenced proceedings. Please have the remaining 2 copies date stamped and returned to the messenger for delivery to us.

Thank you for your attention to this matter.

Very truly yours,

Stephanie A. Sugrue

Stephanie A. Sugrue
for DUANE, MORRIS & HECKSCHER LLP

SAS:hbj

DOCUMENT
FOLDER

102

DUANE, MORRIS & HECKSCHER LLP

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ATTORNEYS AT LAW

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122 E. 42nd STREET, SUITE 3300
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1201 MARKET STREET, SUITE 1500
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STEPHANIE A. SUGRUE
DIRECT DIAL: (202) 776-7832
E-MAIL: sasugrue@duanemorris.com

September 25, 1997

VIA HAND DELIVERY

Mr. Jim McNulty
Acting Prothonotary
Pennsylvania Public Utility Commission
North Office Building - Room B20
Harrisburg, PA 17105-3265

RECEIVED
91 SEP 25 PM 3:36
PROTHONOTARY'S OFFICE

Re: Request for Change in Service List

Dear Prothonotary McNulty:

On behalf of QST Energy, Inc., please make the following correction to the service list in Docket Nos. R-00973981, R-00974104, R-00973954, R-00974008, R-00974009, R-00973953, P-00971169, P-00971169, P-00971170, P-00971172, P-00971175, and P-00971183:

Vickiren S. Aeschleman is the correct name spelling of QST Energy Inc.'s contact.

Thank you for your attention to this matter.

Very truly yours,

Stephanie A. Sugrue

Stephanie A. Sugrue
for DUANE, MORRIS & HECKSCHER LLP

SAS:bj

cc: All Parties of Record

DOCUMENT
FOLDER

DOCKETED
OCT 01 1997



PECO ENERGY

Legal Department

PECO Energy Company
2301 Market Street
PO Box 8699
Philadelphia, PA 19101-8699
215 841 5544
Fax 215 568 3389

009873

97 SEP 30 AM 11:03

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PROTHONOTARY'S OFFICE

Direct Dial: 215 841 4252

September 25, 1997

James W. Durham
Senior Vice President
and General Counsel

Edward J. Cullen, Jr.
Deputy General Counsel

Sandra H. Byrne
Legal Administrator

Paul R. Bonney
Ellen M. Cavanaugh
Jessica N. Cone
Todd D. Cutler
Susan S. Foehl
Vilna Waldron Gaston
Gregory Golazeski
John C. Halderman
Mary McFall Hopper
Conrad O. Kattner
Stephanie Whitton Lewis
Jeffrey J. Norton
Mark B. Peabody
Roslyn G. Pollack
Wendy Schermer
Richard S. Schlegel
Jenny P. Shulbank
Ward L. Smith
Delia W. Stroud
Dawn Getty Sutphin
Noel H. Trask
Ronald L. Zack
Assistant General Counsel

By Federal Express

Daniel Clearfield, Esquire
Wolf, Block, Schorr and Solis-Cohen
305 North Front Street, Suite 401
Harrisburg, PA 17101

KJR

Re: Application of PECO Energy Company for Approval of its Restructuring
Plan under Section 2806 of the Public Utility Code
Docket No. R-00973953

Dear Daniel:

Enclosed is PECO Energy Company's Answer to Enron's Interrogatory.:

Set VIII: No. 12 Second Revised.

Sincerely,

Paul Bonney

PRB/mbo

Enclosures

cc: w/enclosures
James McNulty, Acting Prothonotary (Certificate of Service Only)
Certificate of Service

DOCUMENT
FOLDER

Interrogatory Enron VIII-12 (2nd Revision)

Enron VIII-12 Question:

Note (c) to Table A on page 8 of the Partial Settlement indicates that the cap on PECO's T&D rates will be extended until January 1, 2004. Please provide responses to the following:

- (a) Confirmation that the CTC/ITC will be in effect through 12/31/2008. If you cannot confirm this, then what is the last date on which a CTC/ITC will be charged?
- (b) If the CTC/ITC is charged through 12/31/2008, then why doesn't the rate cap on T&D rates extend to that date pursuant to §2804(4)(i)? Please explain.
- (c) A detailed explanation of when the cap on T&D rates would expire, in the Company's view, pursuant to the Electricity Competition Act:
 - (i) in the absence of this Partial Settlement;
 - (ii) subject to or consistent with this Partial Settlement.

Enron VIII-12 Answer:

- (a) PECO confirms that the CTC/ITC will be in effect through 12/31/2008.
- (b) Because of the language of the referenced statutory provision, which provides that the maximum amount of time the T&D rate cap must apply is 54 months from the effective date of the Electricity Competition Act.
- (c) (i and ii) The T&D rate would expire on June 30, 2001 in the absence of the Partial Settlement, and will expire on December 31, 2004 if the Partial Settlement is approved, as per the Electricity Competition Act and the Partial Settlement.

Responsible Witness: T. P. Hill, Jr.

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OCT 01 1997

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Certificate of Service

I hereby certify that I have this date served the following Answers by facsimile, first class or overnight/express mail, upon the persons addressed below:

New Energy Ventures: Set I: NEV-I-8 and NEV-I-~~4~~ ⁴.

Enron's Interrogatory.: Set VIII: No. 12 Second Revised.

Kenneth L. Mickens, Senior Prosecutor
Charles Shields, Prosecutor
Office of Trial Staff
P. O. Box 3256
Harrisburg, PA 17105-3265

Derrick Williamson, Esquire
David Kleppinger, Esquire
McNees, Wallace & Nurick
100 Pine Street
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(Counsel for PAIEUG)

Christopher B. Craig, Esquire
Democratic Committee on Appropriations
Room 545, Main Capitol Building
Harrisburg, PA 17120
(Counsel for The Honorable Vincent J. Fumo)

Daniel Clearfield, Esquire
Alan Kohler, Esquire
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(Counsel for Enron)

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(Attorney for Environmentalists)

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(Counsel for Delmarva Power & Light)

Roger Clark, Esquire
NESIP
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Ambler, PA 19002-3901

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Joel D. Newton, Esquire
Verner Lipfert Bernhard McPherson & Hand
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(Counsel for Allegheny Power)

Michael G. Banta, Esquire
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009874

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PROTHONOTARY'S OFFICE

97 SEP 30 AM 11:03

Walter W. Cohen, Esquire
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Obermayer Rebmann Maxwell & Hippel LLP
204 State Street
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John P. Lavell, Jr., Esq.
Hangley Aronchick Segal & Pudlin
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Terrence Fitzpatrick, Esquire
David Desalle, Esquire
Ryan, Russell, Ogden & Seltzer
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(Counsel for GPU)

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WiseEnergy
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Maplewood, NJ 07040

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Excel Consulting
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St. Louis, MO 63105

Audrey Van Dyke, Associate Counsel
Naval Facilities Engineering Command
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McNees, Wallace & Nurick
100 Pine Street
P.O. Box 1166
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Barbara Alexander
Consumer Affairs Consultant
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Malatesta Hawke & McKean
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(Counsel for Mid-Atlantic Power Supply Association)

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Thomas Catlin
Exeter Associates, Inc.
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Nancy Brockway, Esquire
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Stephen J. Baron
J. Kennedy and Associates
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Atlanta, GA 30328

Richard Silkman
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Yarmouth, Maine 04096

Ralph Smith
Larkin & Associates
15728 Farmington Road
Livonia, MI 48154

Gordon J. Smith, Esquire
John & Hengerer
1200 17th Street, NW - Suite 600
Washington, DC 20036-3006

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Duane Morris & Heckscher LLP
1667 K Street, N.W. - Suite 700
Washington, DC 20006-1608

Paul Bonney

Paul R. Bonney
Assistant General Counsel
PECO Energy Company
2301 Market Street, S23-1
Philadelphia, PA 19103
(215) 841-4252

Dated: September 25, 1997



PECO ENERGY

Legal Department

PECO Energy Company
2301 Market Street
PO Box 8699
Philadelphia, PA 19101-8699
215 841 5544
Fax 215 568 3389

009872

97 SEP 30 AM 11:03

James W. Durham
Senior Vice President
and General Counsel

Edward J. Cullen, Jr.
Deputy General Counsel

Sandra H. Byrne
Legal Administrator

Paul R. Bonney
Ellen M. Cavanaugh
Jessica N. Cone
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Delia W. Stroud
Dawn Getty Sutphin
Noel H. Trask
Ronald L. Zack
Assistant General Counsel

RECEIVED
PROTHONOTARY'S OFFICE

Direct Dial: 215 841 4252

September 25, 1997

By Overnight Delivery

Joseph A. Dworetzky, Esquire
Hangley Aronchick Segal & Pudlin
One Logan Square - 12th Floor
Philadelphia, PA 19103

KJR

Re: Application of PECO Energy Company for Approval of its Restructuring
Plan under Section 2806 of the Public Utility Code
Docket No. R-00973953

Dear Joe:

Enclosed are PECO Energy Company's Answers to New Energy Ventures
Interrogatories:

Set I: NEV-I-8 and NEV-I-18

If you have any questions, please call me at (215) 841-4252.

Sincerely,

Paul Bonney

PRB/mbo
Enclosures

cc: w/enclosures
Certificate of Service (w/enclosure)
James McNulty, Acting Prothonotary (Certificate of Service Only)

DOCUMENT
FOLDER

Interrogatory NEV-I-8

NEV-I-8 Question:

009875

97 SEP 30 AM 11:03

With reference to the \$8 million identified in PECO's response to Enron Interrogatory VIII-35, please breakdown the estimated uses of such funds by category of expense and by payee. Please provide detail concerning how much of the \$8 million expenses have been incurred to date. For non-litigation expenses, please describe the estimated payments with specificity. Please identify and produce all documents which describe, discuss or relate to any such non-litigation expenses.

NEV-I-8 Answer:

Refer to Exhibit ABC-1, Schedule 7 for a breakdown of the estimated \$8 million. To date, approximately \$1.67 million has been spent on legal fees and \$1.84 million has been spent on consultants for litigation. The Company expects to incur almost \$2.7 million over the next few months to enable its current computer billing system to handle the pilot program. Specifically, the current system is not designed to handle unbundled rates or billing for third parties. Modifications have to be made to handle the pilot program. Additionally, the Company expects to incur \$2.3 million in expense to create a supplier transaction tracking system. Other costs include customer notification of about \$400,000 (a conservative estimate), incurred Federal Express charges of about \$20,000, and incurred Copy America charges of about \$8,000.

Responsible Witness: T. P. Hill, Jr.

INDEXED
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OCT 01 1997

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Interrogatory NEV-I-14

NEV-I-14 Question:

Explain the meaning of the last line of Paragraph 5 of the proposed Commission Order attached to the Partial Settlement at Exhibit D.

NEV-I-14 Answer:

The sentence in question reads: "Notwithstanding anything else in this Qualified Rate Order, the Intangible Transition Charges shall be collected from customers in an amount sufficient to discharge the Transition Bonds." This sentence contemplates the possibility that a party could point to language at some other portion of the Qualified Rate Order and claim that such language limits the amount of Intangible Transition Charges that will be collected from customers to an amount less than that necessary to discharge the Transition Bonds and states that such an interpretation is not accurate, notwithstanding anything else in the Qualified Rate Order.

Responsible Witness: T. P. Hill, Jr.

Certificate of Service

I hereby certify that I have this date served the following Answers by facsimile, first class or overnight/express mail, upon the persons addressed below:

New Energy Ventures: Set I: NEV-I-8 and NEV-I-~~14~~ ¹⁵.

Enron's Interrogatory.: Set VIII: No. 12 Second Revised.

Kenneth L. Mickens, Senior Prosecutor
Charles Shields, Prosecutor
Office of Trial Staff
P. O. Box 3256
Harrisburg, PA 17105-3265

Derrick Williamson, Esquire
David Kleppinger, Esquire
McNees, Wallace & Nurick
100 Pine Street
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(Counsel for PAIEUG)

Christopher B. Craig, Esquire
Democratic Committee on Appropriations
Room 545, Main Capitol Building
Harrisburg, PA 17120
(Counsel for The Honorable Vincent J. Fumo)

Daniel Clearfield, Esquire
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SEP 29 1997

**PA PUBLIC UTILITY COMMISSION
PROTHONOTARY'S OFFICE**

Re: Application of PECO Energy Company for Approval of
its Restructuring Plan Under Section 2806 of the
Public Utility Code, Docket No. R-00973953

Dear Mr. McNulty:

Enclosed please find the original and three copies of the "Answer Of Allegheny Power To The Petition Of The Joint Signatories To Suspend Consideration Of Certain Issues Pending A Commission Determination Of Proper Forum" for filing in the captioned proceeding. Also enclosed are two additional copies, which we ask that you stamp and return in the enclosed self-addressed stamped envelope.

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James J. McNulty
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Page 2

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Thank you for your cooperation.

Sincerely,



Paul E. Nordstrom
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Enclosure

cc: John M. Quain, Chairman
Robert K. Bloom, Vice Chairman
John Hanger, Commissioner
David W. Rolka, Commissioner
Nora Mead Brownell, Commissioner
Marlane R. Chestnut, Presiding Judge
Charles E. Rainey, Jr., Presiding Judge
Attached Service List

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

SEP 29 1997

PA PUBLIC UTILITY COMMISSION
PROTHONOTARY'S OFFICE

Application Of PECO Energy Company)
For Approval Of Its Restructuring)
Plan Under Section 2806 Of The)
Public Utility Code)

Docket No. R-00973953

**ANSWER OF ALLEGHENY POWER TO PETITION OF THE JOINT
SIGNATORIES TO SUSPEND CONSIDERATION OF CERTAIN
ISSUES PENDING A COMMISSION DETERMINATION OF PROPER FORUM**

Pursuant to 52 Pa Code § 5.61, Allegheny Power hereby submits its Answer to the "Petition Of The Joint Signatories To Suspend Consideration Of Certain Issues Pending A Commission Determination Of Proper Forum" ("Petition"). Allegheny Power limits its comments to the proposal in the Petition that "the Commission open a docket (or designate one of the existing dockets) to take comments from all interested parties on whether [the issues not resolved by the Partial Settlement] should be addressed in generic, statewide proceedings, . . ." Petition at 3. Allegheny Power agrees with this proposal and states as follows:

Allegheny Power supports the concept that at least some of the issues unresolved by the Partial Settlement appropriately may be addressed in generic, statewide proceedings. Included among such issues are competitive metering and billing and codes of conduct. The establishment of a single set of rules for these matters is vital to the creation of fair and rational competitive markets. Other issues also may be appropriate to treat generically. Given the limited descriptions provided in the Petition, however, it is impossible ascertain the exact parameters of the remaining issues. Further, at least some of the remaining issues -- including those which may

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require different resolutions for different utility transmission systems or utilities operating in different power pools -- may not be susceptible to generic treatment.

In light of these uncertainties, Allegheny Power agrees with the suggestion in the Petition that the Commission establish procedures to take input as to which of the remaining issues should be treated generically. As these issues are being litigated in the restructuring proceedings of Allegheny Power and the other Pennsylvania utilities, Allegheny Power urges the Commission to establish such procedures at its earliest convenience so as to minimize unnecessary duplication of litigation and waste of resources by the many parties involved.

WHEREFORE, Allegheny Power requests that the Commission establish procedures to determine which of the issues unresolved by the Partial Settlement should be treated generically.

Respectfully submitted,

By:



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Dated: September 29, 1997

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application Of PECO Energy Company)	
For Approval Of Its Restructuring)	Docket No. R-00973953
Plan Under Section 2806 Of The)	
Public Utility Code)	

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the enclosed document upon the participants, listed below, in accordance with the requirements of § 1.54 (relating to service by a participant).

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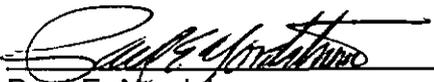
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September 30, 1997

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James J. McNulty, Acting Secretary
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RE: Application Of PECO Energy Company For Approval Of Its Restructuring Plan Under Section 2806 Of The Public Utility Code; Docket No. R-00973953; ANSWER OF MID-ATLANTIC POWER SUPPLY ASSOCIATION TO PETITION TO SUSPEND CONSIDERATION OF CERTAIN ISSUES PENDING A COMMISSION DETERMINATION OF PROPER FORUM

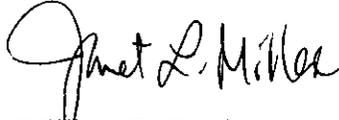
Dear Mr. McNulty:

Enclosed are the original and three (3) copies of the Answer of Mid-Atlantic Power Supply Association ("MAPSA") to the September 10, 1997 "Petition of the Joint Signatories to Suspend Consideration of Certain Issues Pending a Commission Determination of Proper Forum." A copy of this Answer has been served in accordance with the attached Certificate of Service.

103

If you have any questions, please feel free to call.

Very truly yours,



William T. Hawke

Janet L. Miller

Todd S. Stewart

Counsel for Mid-Atlantic Power
Supply Association

JLM/kmg
Enclosures

cc: Honorable Marlane R. Chestnut
Honorable Charles E. Rainey, Jr.
Per Certificate of Service

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DOCKETED

OCT 07 1997

Application of PECO Energy Company :
for Approval of its Restructuring Plan Filing :
Under Section 2806 of the Public Utility Code :

Docket No. R-00973953

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**ANSWER OF
MID-ATLANTIC POWER SUPPLY ASSOCIATION
TO PETITION OF THE JOINT SIGNATORIES
TO SUSPEND CONSIDERATION OF CERTAIN ISSUES
PENDING A COMMISSION DETERMINATION OF PROPER FORUM**

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Mid-Atlantic Power Supply Association ("MAPSA"), by and through its counsel in this matter, Malatesta Hawke & McKeon LLP, and pursuant to 52 Pa. Code §§5.61(a), hereby files this Answer to the September 10, 1997 "Petition of the Joint Signatories¹ to Suspend Consideration of Certain Issues Pending a Commission Determination of Proper Forum" ("Petition"). In response to the Petition, MAPSA answers as follows:

¹ The Joint Signatories to the Petition include Senator Vincent J. Fumo; CEPA, et al.; Lance S. Haver; the Office of Trial Staff; the Office of Small Business Advocate; the Philadelphia Area Industrial Energy Users Group; the American Association of Retired People; the Department of the Navy; and PECO Energy Company.

1. It is ADMITTED that, on August 27, 1997, PECO Energy Company ("PECO") and various other parties to this proceeding² filed with the Pennsylvania Public Utility Commission ("Commission") a Joint Petition for Partial Settlement ("PECO Settlement") of issues raised in connection with the Restructuring Plan filed by PECO pursuant to Section 2806 of the Public Utility Code ("Restructuring Plan"). It is further ADMITTED that the PECO Settlement addressed some but not all of the issues relevant to the Commission's consideration of the Restructuring Plan. It is also ADMITTED that Appendix H to the PECO Settlement contained a list of the issues which PECO and the other signatories to the PECO Settlement represented had not been addressed in the PECO Settlement ("Non-Settled Issues").³

2. ADMITTED in part and DENIED in part. While MAPSA agrees that many of the Non-Settled Issues may have statewide significance, MAPSA cannot support, and strongly objects to, the deferral of a decision on these issues to a generic proceeding. First, MAPSA is unaware of any working group, rulemaking or proposed rulemaking currently pending before the Commission which will, individually or collectively, reach a decision on all of the Non-Settled Issues within a timeframe that will allow implementation of standards or guidelines on these issues as part of PECO's Restructuring Plan. Second, MAPSA believes that completion of such generic proceedings may take months or even years; thus, application of the efforts and the results of these proceedings

² The Signatories to the Joint Petition for Partial Settlement included Senator Vincent J. Fumo; CEPA, et al.; Lance S. Haver; the Office of Consumer Advocate; the Office of Trial Staff; the Office of Small Business Advocate; the Philadelphia Area Industrial Energy Users Group; the American Association of Retired People; the Department of the Navy; and PECO Energy Company.

³ Hearings to determine the public interest of the PECO Settlement are currently scheduled for October 14-17, 1997 before Administrative Law Judges (ALJs) Marlane R. Chestnut and Charles E. Rainey, Jr. Hearings on the Non-Settled Issues are scheduled before ALJs Chestnut and Rainey on November 12-14, 1997.

will not be available during the transition to competition within PECO's service territory and both customers and alternative generation suppliers in the PECO territory will be faced with uncertainty on many issues that will directly impact the electric service they receive or provide. Finally, MAPSA believes that it is appropriate and, more importantly necessary, to resolve at one time all issues related to (a) PECO's Restructuring Plan; (b) the transition to competition within PECO's service territory; (c) the relationship that will exist between PECO and alternative generation suppliers; and (d) the terms and conditions under which electric service will be provided to PECO's customers in the restructured environment.

3. DENIED. MAPSA acknowledges that issues such as billing and metering and standards of conduct will be litigated as part of each of the various electric utility restructuring proceedings that are currently pending before the Commission; however, MAPSA does not believe this necessarily represents a negative use of resources. MAPSA believes these issues should be litigated within the context of a set of facts that is utility-specific, since it is those facts that will impact and decide the appropriate outcome of the issues relative to that utility's customers and operations. The resolution and implementation of the Non-Settled Issues should be specific to each utility company, even though the issues themselves may be statewide in nature.

4. DENIED. On the contrary, MAPSA believes that delaying a determination on the Non-Settled Issues until such time as the Commission institutes and completes a generic proceeding will "cause confusion and delay the effective implementation of competition in the Commonwealth" (Petition at ¶4) as these issues will, effectively, remain unresolved until the

outcome of that generic proceeding. As noted above, it is MAPSA's belief that this outcome may not occur for many months or even years.

MAPSA recognizes that it is important to identify statewide issues which are or will affect electric competition in general, and that these issues should be addressed so that consistent requirements and rules of conduct can be put into place in all electric utility service territories. MAPSA also recognizes that the decisions made on these types of issues in the individual restructuring proceedings may have to be modified at such time as the Commission's generic proceedings ultimately are concluded. However, MAPSA believes that modification of procedures put into place for the conduct of customer/utility/supplier operations during the transition period is more preferable than having no procedures in place at all during this critical period of time.

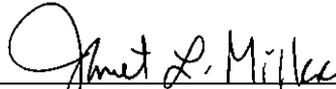
5. DENIED. MAPSA believes it is wholly inappropriate to open a docket simply to decide if the Non-Settled Issues should be dealt with in a separate proceeding. These issues already are before the Commission as part of the PECO Restructuring Plan and they should be dealt with as part of that Plan. MAPSA points out that a procedural schedule already has been developed for litigation of these issues in a manner which will not delay implementation of the PECO Settlement, if approved by the Commission.

6. DENIED. MAPSA believes that the rights of all parties, as they relate specifically to competition in the PECO service territory, will be prejudiced by the resolution of the Non-Settled Issues in a generic proceeding. Resolution of issues such as the code of conduct that

will apply to PECO as the local distribution utility; the unbundling and competitive access to metering and billing functions; and the establishment of rules to govern the interaction between PECO, its customers and the alternative generation suppliers that will be providing service in the PECO territory should be decided in this proceeding so that the parties have certainty on these issues when the transition to competition begins.

WHEREFORE, for all of the foregoing reasons, MAPSA respectfully requests that the Petition of the Joint Signatories to Suspend Consideration of Certain Issues Pending a Commission Determination of Proper Forum filed with the Commission on September 10, 1997 be denied and that all issues relative to the PECO Restructuring Plan should be decided in accordance with the schedules already established in this proceeding.

Respectfully submitted,


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DATED: September 30, 1997

ORIGINAL

**CERTIFICATE OF SERVICE
(Docket No. R-973953)**

I hereby certify that I am this day serving a copy of the foregoing document upon the persons and in the manner indicated.

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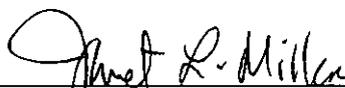
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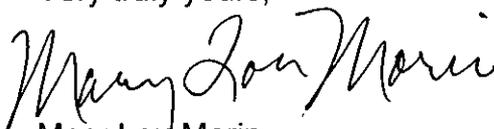
RE: Pennsylvania Public Utility Commission v. PECO Energy Company
Docket No. R-00973953
Testimony and Exhibits of Environmentalists' Witnesses, Biewald & Schoengold

Dear Mr. McNulty:

Enclosed please find our Certificate of Service which details our mailing of the Testimony and Exhibits of the Environmentalists' Witnesses, Biewald and Schoengold, in the above-docketed proceeding upon the parties of record, in the manner and on the dates indicated.

Also enclosed is an 'office copy' which we would appreciate having time-stamped and returned to us in the envelope provided.

Very truly yours,



Mary Lou Morin
Secretary to
Alan J. Barak and Roger E. Clark
Attorneys for the Environmentalists

enclosure

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of PECO Energy Company
for Approval of its Restructuring Plan
under §2806 of the Public Utility Code

Docket No. R-00973953

011805

CERTIFICATE OF SERVICE

DOCKETED
OCT 14 1997

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I hereby certify that I have served the following persons with the
Environmentalists' testimony of David Schoengold and Bruce Biewald in the manner
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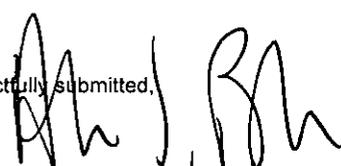
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