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DOCUMENT
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June 9, 1998

ORIGINAL

James McNulty, Secretary
Pennsylvania Public Utility Commission
North Office Building - B-20
Commonwealth Avenue & North Street
Harrisburg, Pennsylvania 17105-3265

Re: Application of PECO Energy Company for Approval
of Its Restructuring Plan Under Section 2806 of the
Public Utility Code, et. al.
Docket Nos. R-00973953 & P-00971265

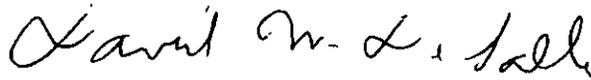
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98 JUN -9 PM 3:41
P.A.P.U.C.
SECRETARY'S BUREAU

Dear Mr. McNulty:

Enclosed are an original and fifteen copies of the Comments of GPU Energy regarding the Advanced Meter Service Provider Qualifications Document for filing in the above-referenced matter. Copies of the comments have been served in accordance with the attached Certificate of Service.

Very truly yours,

RYAN, RUSSELL, OGDEN & SELTZER LLP



David M. DeSalle

Enclosures

cc: Per Certificate of Service

EEF

28

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JUN 13 1998

BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

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Application of PECO Energy Company :
for approval of its Restructuring Plan :
Under Section 2806 of the Public Utility :
Code, et al.

Docket Nos. R-00972953 and
P-00971265

PA.P.U.C.
SECRETARY'S BUREAU

ORIGINAL

**COMMENTS OF GPU ENERGY REGARDING
ADVANCED METER SERVICE PROVIDER QUALIFICATIONS DOCUMENT**

Metropolitan Edison Company and Pennsylvania Electric Company, collectively doing business in Pennsylvania as GPU Energy ("GPU Energy"), by and through their counsel, Janet E. Arnold and Ryan, Russell, Odgen & Seltzer, hereby file the following comments regarding the Advanced Meter Services Provider Qualifications Document (the "Advanced Metering Document") filed in the above-captioned case on or about June 8, 1998:

I. BACKGROUND

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The Advanced Metering Document was developed in furtherance of the Joint Petition for Full Settlement of PECO Energy Company's Restructuring Plan, filed with the Commission on or about April 29, 1998 ("the Settlement"). In the Settlement, PECO Energy agreed to unbundle the metering and billing functions to allow for competition in those areas, and the conceptual terms of that agreement were memorialized in Appendix C of the Settlement.

In furtherance of the Settlement, the parties to the PECO restructuring proceeding developed Competitive Metering Specifications and Competitive Billing Specifications, filed with the Commission on or about June 1, 1998, which detailed operational procedures for implementation of

the conceptual agreement contained in Appendix C. The Advanced Metering Document, which provides a proposed framework for insuring that all providers of advanced metering services within PECO's service territory are qualified to do so, is a further outgrowth of the Settlement and Appendix C, which represent a mutually acceptable and beneficial compromise between PECO and the electric generation providers ("EGSs") that were party to the PECO restructuring proceeding. The parties to the Settlement have agreed to the terms of the Advanced Metering Document as a part of the settlement process unique to the PECO restructuring proceeding, and it is crucial that the Commission review the Advanced Metering Document in that context.

II. GRANDFATHERING OF CURRENT EDC QUALIFIED PERSONNEL

Although the parties were able to agree on the qualification requirements for Advanced Meter Service Providers as outlined in the Advanced Metering Document, the parties were unable to reach consensus as to whether current qualified EDC personnel should be considered as certified without the necessity of undergoing the certification process, i.e. grandfathered.

GPU Energy strongly supports PECO's position that existing, qualified EDC personnel should be grandfathered. The qualification requirements are appropriate for entities just entering the marketplace in Pennsylvania, since such entities do not have proven familiarity with this Commission's requirements and standards. In order to insure that customers are protected as the unbundling of metering services is introduced in PECO's service territory, new entrants to the marketplace must be required to demonstrate the same ability to comply with Commission regulations and requirements that EDC's have already attained and demonstrated. EDC meter personnel, under the watchful eyes of the Commission, have been thoroughly trained regarding the requirements of

this Commission's regulations, as well as OSHA and ANSI requirements and standards. This familiarity with, and demonstrated ability to abide by, the requisite standards for meter service work should allow EDC metering personnel to be grandfathered as qualified meter workers. Requiring additional certifications for such experienced meter workers under the terms of the Advanced Metering Document would simply be redundant.

Suppliers have suggested that, if qualified EDC personnel can be grandfathered, then metering personnel who have been qualified in other states should also be grandfathered in Pennsylvania. GPU Energy opposes this suggestion. In order to insure that customers are adequately protected as unbundled metering is introduced in PECO's service territory, it is imperative that new entrants to the market demonstrate familiarity with and ability to abide by this Commission's requirements. A general familiarity with OSHA and ANSI standards, though certainly important, should not be sufficient for certification in Pennsylvania. In order to insure that customers receive adequate service from new meter service providers, all new entrants to the marketplace must be required to apply for meter Service Provider Certification under the terms of the Advanced Metering Document.

IV. PRECEDENTIAL EFFECT

As stated above, the terms of the Advanced Metering Document were developed as a further outgrowth of the Settlement and Appendix C, which represent a unique, mutually acceptable and beneficial compromise between PECO and EGSs - compromises that are by no means acceptable to GPU Energy. The Settlement specifically provides that nothing in it shall constitute or be cited as controlling precedent in other proceedings, including but not limited to other restructuring

proceedings. (Settlement at p. 46). EGSs, particularly those who have taken an active role in the PECO case, have continuously suggested that the procedures and documents developed as a result of the Settlement should serve as a template for unbundling throughout the Commonwealth. This argument ignores the recent decisions of the Commission in the West Penn Power¹ and Duquesne Light Company² restructuring proceedings, where the Commission specifically declined to unbundle metering and billing, holding that the Competition Act does not require it, the Commission's generic Orders govern it, and that unbundling of metering, when and if it does occur, is best and most effectively addressed in a generic Commission proceeding.³ Moreover, although the Advanced Metering Document is written in general terms and does not, in and of itself, refer solely to PECO and the EGSs that were party to the Settlement, it is nevertheless an outgrowth of the unique facts and circumstances of the PECO restructuring proceeding. As such, the provisions of the Advanced Metering Document should not be deemed to be either controlling or persuasive as against other EDC's, that may or may not deem it necessary or prudent to strike similar bargains within the contexts of their own restructuring proceedings. Consequently, any Commission Order regarding the Advanced Metering Document should make that point clear.

¹ Opinion and Order Re: Application of West Penn Power for Approval of its Restructuring Plan (Docket No. R-00973981, Order Entered May 29, 1998)("West Penn Power Order").

² Opinion and Order Re: Application of Duquesne Light Company for Approval of its Restructuring Plan (Docket No. R-00974104, Order Entered May 29, 1998)("Duquesne Order")

³ West Penn Order at pp. 207, 213; Duquesne Order at pp. 255-256, 261.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of PECO Energy Company :
For Approval of Its Restructuring Plan : Docket Nos. R-00973953 and
Under Section 2806 of the Public Utility : P-00971265
Code, et. al. :

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document by First Class Mail, postage prepaid, addressed as follows:

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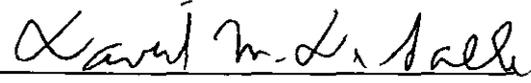
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Respectfully submitted,



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Dated: June 9, 1998

Attorneys for GPU Energy

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ORIGINAL

June 9, 1998

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JUN 9 1998

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A PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
North Office Building, Room B-20
Harrisburg, PA 17105-3265

Re: Advanced Meter Services Provider Qualifications Document
Docket Nos. ~~P-0097353~~ and P-00971265 (PECO Energy)
R-00973953

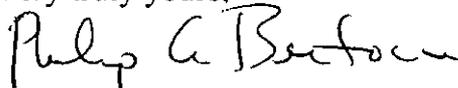
Dear Secretary McNulty:

I represent the Association of Community Organizations for Reform Now (ACORN), Tenant Action Group (TAG), Consumers Education and Protective Association (CEPA) and John W. Long, Jr. ("ACORN/CEPA et al.") in the above-captioned matter.

Enclosed please find an original and 16 copies of the Comments of ACORN/CEPA, et al. on the Advanced Meter Services Provider Qualifications Document filed by PECO Energy on June 8, 1998.

Please return a time stamped copy of this cover letter in the self-addressed, stamped envelope which has been enclosed for that purpose.

Very truly yours,



PHILIP A. BERTOCCI
Staff Attorney

Enclosures

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION JUN 9 1998

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PENNSYLVANIA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

JUN 13 1998

Application of PECO Energy for : Docket Nos. R-00973953
Approval of its Restructuring : P-00971265
Plan under Section 2806 of the :
Public Utility Code, et al.

DOCUMENT
FOLDER

COMMENTS OF ACORN/CEPA ET AL. ON ADVANCED
METER SERVICES PROVIDER QUALIFICATIONS DOCUMENT

The Association of Community Organizations for Reform Now (ACORN), Tenant Action Group (TAG), Consumers Education and Protective Association (CEPA) and John W. Long, Jr. (hereinafter "ACORN/CEPA et al.") hereby submit the following Comments on Advanced Meter Services Provider Qualifications Document which was filed with the Commission on June 8, 1998. These Comments address an "unresolved" issue remaining following the submission to the Commission of the consensus document produced by the Advanced Metering Qualification and Implementation Committee concerning advanced metering within PECO's service territory.

Unresolved Issue: No Advanced Meter Provider should be certified, or should be granted a presumption of certification on the basis of certification as an advanced meter provider in another state.

ACORN/CEPA et al. agree with the Office of Consumer Advocate that the Public Utility Commission should make an independent determination that each and every Advanced Meter Provider desiring to provide advanced metering services in Pennsylvania

meets the certification requirements established by the Commission. No Advanced Meter Provider should be certified, or should be granted a presumption of certification on the basis of certification as an advanced meter provider in another state. The fact that an Advanced Meter Provider seeking certification has been, at some previous time, certified under the laws and regulations of another state, or at the time of application for certification in Pennsylvania, possesses a current certification under the laws of another state does not provide adequate protection to Pennsylvania consumers.

Consumers who desire advanced metering services should be able to contract for those services without the fear that the Advanced Meter Provider may perform the work in an unprofessional and less than competent manner. Moreover, consumers should be protected against an Advanced Meter Provider who has not performed appropriate screening of employees who will gain access to consumers' homes. Consumers are not in the position to acquire on their own the information necessary to assess the professional competence of persons providing advanced meter services. Nor are they in a position to make an assessment concerning the character of persons whom they will allow into the privacy of their homes to perform advanced metering services. They need the maximum protection that the Commission may provide through a strong and independent certification process.

Under traditional regulation, consumers have had the assurance in metering service matters that the Public Utility Commission and the local LDC stood behind the uniformed "electric person" who has appeared at the door in response to a request to "check the meter" or perform other meter related services. Although the pricing for advanced metering

services is becoming subject to market forces, the fact remains that the service itself is a regulated service. When an EGS provides a regulated service, it must provide that service at the same level of quality as that required of the LDC performing that service. See 66 Pa.C.S. § 2807(d). If the Commission is to retain at least the same quality of service that existed prior to passage of the Electricity Generation Customer Choice and Competition Act, it must ensure that the level of customer confidence in meter servicers that existed prior to the Act is maintained.

This is a high standard to meet. That assurance has in the past been based upon the knowledge that standards of performance were set and enforced by the Pennsylvania Public Utility Commission and that a Pennsylvania local distribution company was bound to adhere to those standards. Under direct access, there will be EGSs providing advanced metering services that may be headquartered in other states. This makes it all the more imperative that the Commission assert its authority to ensure that the present high level of confidence is maintained.

Respectfully submitted,



PHILIP A. BERTOCCI

Attorney for ACORN/CEPA et al.

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

CERTIFICATION OF SERVICE

I hereby certify that on this date I served the foregoing document on the following persons or entities by First Class U.S. Mail, postage prepaid.

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Dated: June 9, 1998



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June 9, 1998

JUN 9 1998

VIA FEDERAL EXPRESS

James McNulty, Secretary
PA Public Utility Commission
P.O. Box 3265
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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

ORIGINAL

RE: PECO Energy Company's Competitive Meter and
Competitive Billing Specifications, Docket No. R-00973953
and P-00971265

Dear Secretary McNulty:

On behalf of Enron Power Marketing, Inc. ("Enron"), please accept the following comments with respect to the consensus version of the Advanced Meter Services Provider Qualifications document filed yesterday, June 8, 1998, in the above captioned matter.

First, Enron wishes to clarify that the Advanced Meter Services Provider certification procedure provides qualifications and standards for functions associated with the provision of meter services only. Enron understands that, before July 1, 1998, the parties to the PECO proceeding will seek to develop a consensus set of qualifications that will apply to the meter data management agent function, a separate function that could be provided by an entity separate from a meter service provider. Enron recognizes that such a function could only be provided by a person or entity in its capacity as an agent for a licensed EGS or EDC. Nonetheless, the Commission's approval of the MSP certification process should acknowledge that this additional set of standards will be developed.

Second, an issue on which PECO and Enron apparently can not agree is the bonding requirements or other financial guarantees that will be required for an entity providing meter service provider functions. Enron understands that PECO intends to assert that a substantial bond - \$1 - \$2 million - would be appropriate for any entity that wishes to provide meter service provider functions on behalf of an EGS or EDC. On the contrary, Enron believes that the bonding requirement should recognize first that a meter service provider is providing the service as an agent for a licensed EGS which is already subject to bonding or other financial guarantees. Moreover, since MSPs will only be providing advanced (i.e., remote-read) meters, a large, costly

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James McNulty, Secretary
June 9, 1998
Page 2

bond does not appear to be justified. It is important to note that California has imposed a \$100,000 bond or \$1,000,000 liability insurance requirement and has done so even though California's rules do not require that meter services be provided by an EGS. (See attached.) Accordingly, any bond required should be no more than \$100,000. An alternative financial guarantee should be the purchase of \$1,000,000 or more liability insurance from a Pennsylvania registered insurance company.

We hope that these comments prove useful to the Commission in its consideration of the Advanced Meter Service Provider Qualification document.

If you have any further questions or if you would like to discuss this matter further, please contact me.

Very truly yours,



Daniel Clearfield

For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

DC/lww
Enclosure

cc: The Hon. John M. Quain, Chairman
The Hon. Nora Mead Brownell, Commissioner
The Hon. David W. Rolka, Commissioner
The Hon. Robert K. Bloom, Commissioner
The Hon. Aaron Wilson, Commissioner
Bohdan Pankiw, Esq. - Law Bureau
John Levin, Esq. - Law Bureau
Mitch Miller - Bureau of Consumer Services
Ahmed Kaloko - Director of Bureau of CEEP
Charles F. Covage - Bureau of CEEP

ALJ/JSW/tcg

MAILED 5/21/98

Decision 98-05-044 May 21, 1998

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the
Commission's Proposed Policies Governing
Restructuring California's Electric Services
Industry and Reforming Regulation.

R.94-04-031
(Filed April 20, 1994)

Order Instituting Investigation on the
Commission's Proposed Policies Governing
Restructuring California's Electric Services
Industry and Reforming Regulation.

I.94-04-032
(Filed April 20, 1994)

OPINION MODIFYING DECISION 97-12-048**I. Summary**

In Decision (D.) 97-12-048, the Commission adopted a bonding requirement of \$500,000 for meter service providers (MSPs). A petition for modification was filed by Applied Metering Technologies, Inc. (AMT) to change the bond requirement.

Today's decision grants AMT's petition. MSPs shall have the option of providing a bond in the amount of \$100,000 or providing proof of liability insurance in the format described in this decision and in an amount no less than \$1 million. D.97-12-048 is modified accordingly.

II. Background

On January 13, 1998, AMT filed its "Petition to Modify Order D.97-12-048, Opinion Regarding the Meter and Data Communications Standards Workshop." AMT seeks to modify the \$500,000 bonding requirement that a MSP must satisfy before it can be certified to perform metering services in California. AMT

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document on the parties listed below
either by hand delivery, overnight mail or first class mail:

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Daniel Clearfield, Esq.

Dated: June 9, 1998



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Consumer Advocate

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DOCUMENT June 9, 1998

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James J. McNulty, Prothonotary
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Harrisburg, PA 17105-3265

Re: Application of Peco Energy Company for
Approval of its Restructuring Plan Under
Section 2806 of the Public Utility Code, et al.
Docket Nos. R-00973953 and P-971265

Dear Secretary McNulty:

Enclosed please find for filing an original and ten copies of the Office of Consumer Advocate's Comments On Advanced Meter Services Provider Qualifications Document.

Copies have been served upon all parties of record this date as evidenced by the attached Certificate of Service.

Sincerely,

Tanya J. McCloskey
Assistant Consumer Advocate

Enclosures

- cc: All parties of record
- John M. Quain, Chairman
- Nora Mead Brownell, Commissioner
- Robert K. Bloom, Commissioner
- Aaron Wilson, Jr., Commissioner
- David W. Rolka, Commissioner

41431

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29

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DOCKETED

JUN 13 1998

APPLICATION OF PECO ENERGY FOR :
APPROVAL OF ITS RESTRUCTURING PLAN :
UNDER SECTION 2806 OF THE :
PUBLIC UTILITY CODE :

Docket Nos. R-00973953 and
P-00971265

ORIGINAL

DOCUMENT
FOLDER

COMMENTS OF THE
OFFICE OF CONSUMER ADVOCATE
ON ADVANCED METER SERVICES PROVIDER
QUALIFICATIONS DOCUMENT

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SECRETARY'S BUREAU

Pursuant to an agreement among the parties comprising the Advanced Metering Qualification and Implementation Committee, the Office of Consumer Advocate (OCA) hereby submits the following Comments addressing the "unresolved" issues remaining following the submittal of the consensus documents produced by the Committee.

I. INTRODUCTION

Created and enabled by Appendix C to the Joint Petition For Settlement of PECO Energy's Restructuring Plan ("Settlement"), the Committee was established to develop and maintain "appropriate and reasonable performance specifications and other appropriate terms and conditions" related to advanced metering service. Appendix C at C.9. Essentially, the Committee was to provide the details necessary for implementation of advanced metering, consistent with the Joint Petition for Settlement and Appendix C.

Within these parameters, numerous parties have attempted to draft appropriate terms, conditions, certification requirements and performance specifications for advanced metering within PECO's service territory. The task facing these parties was enormous and the time period extremely compressed. The parties, however, were able to reach consensus on the majority of the issues. The OCA has identified one primary issue that remains unresolved for comment, which the OCA will discuss below.

The OCA submits, however, that the Commission must now step into the process and thoroughly review the consensus document to ensure that "the present quality of service provided by electric utilities does not deteriorate." 66 Pa.C.S. §2809(e). In conducting this review, the OCA would note that at least one other state has considered the issue of certification and standards for Advanced Meter Service Providers. California has issued a series of Orders addressing the unbundling of revenue cycle services and the certification procedures for meter service providers. See, Re: Proposed Policies Governing Restructuring California's Electric Services Industry, 182 PUR 4th 284 (Decision 97-12-048, Order of December 3, 1997). See also, Re: Proposed Policies Governing Restructuring California's Electric Services Industry, 177 PUR 4th 386 (Decision 97-05-039, Order of May 6, 1997) and Opinion Regarding Direct Access Implementation Plans, D. 97-10-087 (October 30, 1997). In addition, the OCA would note that the Commission has existing regulations regarding metering found in Chapter 57 and a rulemaking regarding Advanced Meter Deployment that provide some additional guidance on these matters. The OCA submits that this information provides useful background as the Commission considers these important issues.

II. SPECIFIC ISSUE

A. A Provision That Permits Certification Of Advanced Meter Service Providers Based Solely On Certification By Another State Should Not Be Adopted.

During the course of the discussions regarding the certification process for Advanced Meter Service Providers, a proposal was made that an Advanced Meter Service Provider that is certified to perform such work in another state be automatically certified in Pennsylvania. The OCA, and several other parties, have opposed this proposal and this language was removed from the consensus draft. The OCA anticipates, however, that some parties may raise this issue as an “unresolved” or “contested” issue and request the Commission to include a provision in the final certification process that allows certification in Pennsylvania based solely on certification by another state. Since there is no provision for Reply Comments, the OCA sets forth its position below.

The OCA submits that a provision allowing for the licensing or certification of Advanced Meter Service Providers based *solely* on a registration or certification from another state is improper. The OCA submits that it is incumbent upon the Commission to ensure that each and every Advanced Meter Service Provider in Pennsylvania fully conforms with the Pennsylvania requirements and has provided adequate insurance in Pennsylvania in conformance with the Pennsylvania requirements. The OCA submits that the Commission cannot rely upon another state’s certification process, particularly as it regards the safety and reliability of metering service.

Additionally, the OCA would note that at this time, only one other state, California, has an advanced meter service provider certification process in place. The OCA anticipates that as other states develop meter certification processes, the standards for such certification will vary depending on the circumstances of each state. The OCA submits that by automatically allowing

certification of advanced meter service providers under varying standards of other states, the qualifications that the Commission seeks to ensure by issuing its own standards could be undermined.

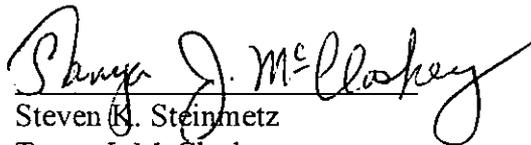
Moreover, the OCA submits that simply being registered or certified by another state may not fully inform the Commission about an advanced meter service provider's compliance with that state's certification requirements or whether it has continued to be in compliance with the requirements and standards. This information may be crucial to the Commission's determination as to whether to grant an advanced meter service provider a license in Pennsylvania.

The OCA does not disagree that certification by another state may be important evidence of an advanced meter service provider's technical and financial fitness to provide these services in Pennsylvania. However, such certification cannot and should not serve as *conclusive and final* evidence of such fitness in Pennsylvania. Given the important public safety issues involved in the provision of competitive metering service, the Commission must ensure that an applicant for certification as an advanced meter service provider meets all of the criteria required in Pennsylvania.

III. CONCLUSION

The parties to this process have attempted to do much in little time. The OCA submits that the Commission must now review this consensus document to ensure that public safety and reliability are maintained. For the reasons set forth above, the OCA respectfully urges the Commission to reject any suggestion that certification of an advanced meter service provider in another state is sufficient evidence to warrant certification in Pennsylvania.

Respectfully submitted,



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Dated: June 9, 1998

CERTIFICATE OF SERVICE

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

I hereby certify that I have this day served a true copy of the foregoing document, OCA's Comments On Advanced Meter Services Provider Qualifications Document, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 9th day of June, 1998.

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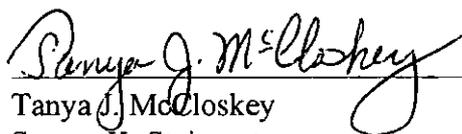
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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**Re: PECO Energy Company's Competitive Metering and Competitive Billing
Specifications
Docket Nos. R-00973953 and P-00971265**

Dear Secretary McNulty:

Enclosed are an original and 15 copies of PECO Energy Company's Comments regarding the above-referenced docket. As proof of filing, please return a date-stamped copy of this letter in the enclosed return envelope.

Sincerely,

Mary McFall Hopper

Mary McFall Hopper

MMH/mtg

Enclosures

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The Honorable David W. Rolka, Commissioner
The Honorable Robert K. Bloom, Commissioner
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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

JUN 9 1998

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Application of PECO Energy Company for
Approval of its Restructuring Plan Under
Section 2306 of the Public Utility Code, et al.

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PA PUBLIC UTILITY COMMISSION
Docket Nos. R-00973953
and P-00974265
REGISTRY BUREAU

JUN 17 1998

R-00973953

COMMENTS OF PECO ENERGY COMPANY
TO
ADVANCED METER SERVICES PROVIDER QUALIFICATIONS DOCUMENT

PECO Energy Company ("PECO" or the "Company") submits the following comments in response to the Advanced Meter Services Provider Qualifications Document filed June 8, 1998 by Enron Power Marketing, Inc. These documents are filed as part of the Competitive Metering Specifications filed on June 1, 1998.

PECO believes that the unbundling and offering of competitive metering services requires many changes to existing processes. PECO submits that the best manner to achieve a successful transition to offering this competitive service is to ensure that EGSs and their subcontractors are properly certified. The Company also believes that it is important that the EGS who offers competitive metering services to a customer also provide the customer with his/her alternative generation supply.

PECO supports the majority of the Advanced Meter Services Provider Qualifications Document. The Company and the various suppliers who participated in the discussions directed toward developing standards for the Commission to use in certifying EGSs or their contractors had a few areas of disagreement.

The one major area of disagreement that PECO believes warrants the Commission's review is whether PECO, as the regulated utility, should be

"grandfathered" as an Advanced Meter Services Provider under the proposed qualification procedures.

PECO proposed the following language to be included in the qualification procedures:

The existing regulated utilities that perform their own electric meter installation and removal, and meter maintenance and repair, shall be given permanent advanced meter provider certification. All utility employees who have successfully completed the utility's training programs regarding meter installation and removal, meter maintenance and repair, and related electrical safety programs, shall be permitted to install, remove, maintain and repair advanced meters on behalf of the EDC acting as an advanced meter services provider.

This provision essentially certifies PECO's meter installation services. PECO believe that this is appropriate because of its extensive experience in this area. PECO is, and will continue to be, a regulated electric distribution company. By the nature of its existing franchise, PECO and its meter technicians have been actively involved in meter installation, removal, and maintenance and repair. The Commission, through its Bureau of CEEP, has conducted numerous investigations and inquiries into the competence of PECO and its metering staff in adhering to the Commission's metering regulations.

PECO's request to have its ability to provide these services be automatically approved by the Commission differs significantly from the request of the EGSs that if the EGS, or its subcontractor, is licensed in another jurisdiction the EGS should receive automatic certification in Pennsylvania. PECO agrees that certification in other states is a key factor in the Commission's review of the application of an Advanced Meter Services Provider. Each state, however, may differ significantly in their certification

procedures, and only by conducting a thorough review of, can the Commission determine that the applicant meets the standards adopted in Pennsylvania.

PECO Energy Company respectfully requests this Honorable Commission to adopt the foregoing comments and include the proposed language in the Advanced Meter Services Provider Qualifications Document.

Respectfully submitted,

A handwritten signature in cursive script that reads "Mary McFall Hopper" with a small "mtg" or similar mark at the end of the signature.

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Dated: June 9, 1998

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RE: PECO Energy Company's Competitive Meter and
Competitive Billing Specifications,
Docket No. R-00973953 and P-00971265

Dear Secretary McNulty:

On behalf of Enron Power Marketing, Inc. ("Enron"), please accept the following as a response to the comments of PECO Energy Co., dated June 9, 1998 with respect to the above.

The single issue raised in PECO's comments is its request that PECO's meter service installation and maintenance personnel be "grandfathered," or automatically certified pursuant to the Advanced Meter Services Provider Qualification standards jointly agreed to by the parties. Enron submits that such an automatic certification procedure is not justified, and possibly would provide to PECO an unfair competitive advantage, unless a similar "automatic certification" process were established for installers licensed to provide meter services in other states where competitive provisioning of metering has been authorized.

PECO's sole reason for opposing this reasonable proposal is its claim that "[e]ach state...may differ significantly in their certification procedures, and only by conducting a thorough review of, [those standards] can the Commission determine that the applicant meets the standards adopted in Pennsylvania." PECO Comments at 3. But this argument is directly contrary to its contention that it and its present employees be automatically certified by the Commission. If this suggestion is adopted, the Commission will have no assurance that PECO or its employees can satisfy even Pennsylvania's certification standards. As for the potential that other state standards may be significantly different than those adopted by the PUC, the Commission can establish that it will permit automatic certification for entities licensed in states that the Commission determines have certification standards that are comparable to those established in Pennsylvania. For example, the California Commission has promulgated a

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James McNulty, Secretary
June 10, 1998
Page 2

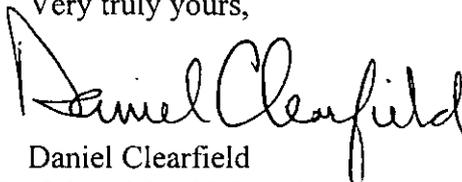
comprehensive set of standards that are extremely comparable to those proposed for use for PECO. It would be efficient and fair for the Commission to establish that those licensed in California pursuant to its MSP rules would automatically qualify for license here. Such a rule might also lead to a reciprocal determination by the California Commission, thereby assisting Pennsylvania-based MSPs in competing in the California market.

Accordingly if the language proposed by PECO is added to the Advanced Meter Service Provider Qualification Document the following language should also be added:

An entity or individual who provides acceptable evidence to the Commission that it is currently certified or licensed by another state to provide advance meter installation, removal maintenance and repair, functions, pursuant to certification or license standards determined by the Commission to be comparable to the standards established as part of this Document, shall be deemed to have satisfied these advanced meter provider certification standards and shall be certified as an Advanced Meter Service Provider.

If you have any further questions or if you would like to discuss this matter further, please contact me.

Very truly yours,



Daniel Clearfield

For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

DC/lww
Enclosure

cc: The Hon. John M. Quain, Chairman
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The Hon. David W. Rolka, Commissioner
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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

June 11, 1998

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Secretary's Bureau
Pennsylvania Public Utility Commission
Room B-20, North Office Building
North Street & Commonwealth Avenue
Harrisburg, PA 17102

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

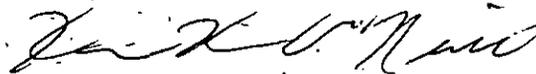
**Re: Clarification of Billing Options Provided to
Customers by Electric Generation Suppliers**

R-00973953

I spoke with the Secretary's office, and the Secretary indicated that the enclosed letter and information copies would be distributed upon receipt on Friday.

If you should have any questions, please feel free to call me at 802/846-6177. Thank you for your assistance.

Sincerely,



Karen K. O'Neill
Vice President, Regional Development

Enclosures

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PO Box 2206, 55 Green Mountain Drive • South Burlington, Vermont 05407-2206 • (802) 846-6100 • Fax (802) 846-6102

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June 10, 1998

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JUN 11 1998

Barbara Bruin, Executive Director
Pennsylvania Public Utility Commission
Room B-20, North Office Building
North Street & Commonwealth Avenues
Harrisburg, PA 17120

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**Re: Clarification of Billing Options Provided to
Customers by Electric Generation Suppliers**

R-00973953

Dear Ms. Bruin:

Last week Bill Hawke wrote to you on behalf of the Mid-Atlantic Power Supply Association to urge you not to require every EGS to offer potential customers the option of getting one bill from the EDC or a separate bill for generation service from the EGS. Green Mountain Energy Resources would like to add its individual company voice in support of that request.

Green Mountain has recently been licensed as an EGS in Pennsylvania and we look forward to serving primarily residential and small commercial customers in the Commonwealth, as we currently do in California, with power products that are significantly cleaner than the system mix and that feature renewable energy resources. Providing our own bills to those customers, however, is very important to Green Mountain, and we would urge the Commission not to restrict our ability to do so. When Green Mountain entered the California market, we decided to develop our own billing system, rather than bill through the local utilities, in order to ensure direct regular communication with our customers and in anticipation that we would ultimately want to offer products and services that could not easily be accommodated by the legacy billing systems of multiple utilities. We feel strongly about the benefits of providing our own bills, and are prepared to lose some customers who place a high value on receiving a single bill. If we are required to offer customers both billing options, it will likely restrict the range of products and services we can offer in ways that are undesirable for customers. It will also significantly complicate our operations and raise our costs to have to maintain *multiple* business relationships and processes for billing with *each* EDC.

We would also note that requiring each EGS to offer both billing options to customers will present a significant barrier to entry for suppliers who don't

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want to incur the cost of building and maintaining their own billing systems. Imposing such a requirement could have the unintended effect of allowing only large, well-healed suppliers to compete in the market and limiting rather than expanding options that are available to Pennsylvania customers in terms of both suppliers and products. While we recognize the Commission's concern about ensuring that both billing options are available to customers, this can be accomplished through the establishment of a lively market. In a competitive market, suppliers, in the aggregate, will respond to customer demands, including the demand for multiple billing options. In this regard it is worth noting that in the pilot program there has been no requirement (or no enforcement of a requirement) for EGSSs to offer both billing options, and that many suppliers have not offered both options. Nevertheless, it is our understanding that both options are available in the market and that no complaints have been received by Commission staff.

Green Mountain is cognizant of and applauds Pennsylvania's efforts to date to promote a robust, competitive market. As we approach full implementation of competition, we would urge the Commission to consider carefully how this and other rules affecting day-to-day operations could impact the competitive market, especially for residential customers. Because these customers are numerous and margins are thin, the ability of suppliers to standardize and streamline operations will be very important and ultimately could determine the viability of the residential market.

Thank you for your attention to this issue and to the concerns of Green Mountain and other suppliers. We look forward to active participation in the Pennsylvania market very soon!

Very truly yours,



Karen K. O'Neill
Vice President, Regional Development

cc: Chairman John M. Quain
Commissioner David W. Rolka
Commissioner Robert Bloom
Commissioner Nora Brownell
Commissioner Aaron Wilson
Kevin D. Cadden, Manager, Communications Office
Mitchell Miller, Director
Karen Moury, Deputy Chief Counsel, Law Bureau



PECO ENERGY

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Legal Department

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

Direct Dial: 215 841 4941

June 11, 1998

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Fed Ex - 800192017961

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
North Office Building
Harrisburg, PA 17105-3265

RE: PECO Energy Company's Competitive Metering and Competitive Billing
Specifications
Dockets No. R-00973953 and P-00971265

Dear Secretary McNulty:

In response to the comments filed by Enron Power Marketing, Inc. to the consensus version of the Advanced Meter Services Provider Qualifications documents, PECO would to clarify its position with respect to the financial guarantees required for an entity providing advanced meter services. PECO believes that this issue was resolved and the consensus document reflects the agreement of the participants. The participants agreed that an advanced meter service provider shall maintain comprehensive general liability insurance of not less than \$1,000,000 per occurrence. (Qualification Document, p. 5) The requirement of a bond was deleted from the consensus document and PECO believes that the insurance requirement issue has been resolved.

Very truly yours,

Mary McFall Hopper/mtg

Mary McFall Hopper
Assistant General Counsel

DOCKETED

JUN 13 1998

MMH/mtg

cc: Certificate of Service

- 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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Harvey B. Dikter
Susan Sciamanna Foehl
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Gregory Golazeski
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Mary McFall Hopper
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Kristopher Keys
Jeffrey J. Norton
Mark B. Peabody
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Wendy Schermer
Richard S. Schlegel
Jenny P. Shulbank
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Delia W. Stroud
Dawn Getty Sutphin
Noel H. Trask
Ronald L. Zack
Assistant General Counsel

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

RECEIVED

JUN 11 1998

CERTIFICATION OF SERVICE

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

I hereby certify that I have served the foregoing document by fax on the following:

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Respectfully submitted,

The image shows a handwritten signature in cursive that reads "Mary McFall Hopper" with a horizontal line underneath the name. To the right of the signature, the word "mtg" is written in a smaller, slanted cursive font.

Mary McFall Hopper
Assistant General Counsel
PECO Energy Company
2301 Market Street, S23-1
P.O. Box 8699
Philadelphia, PA 19101-8699
215 841 4941

Dated: June 11, 1998

Pennsylvania Public Utility Commission v. Indianapolis
Power & Light Company

R-00973953 and P-00971265

KJP

NOTICE OF PETITION by Indianapolis Power & Light
Company, at No. 1575 C.D. 1998, Commonwealth Court of
Pennsylvania, from the order of the Commission dated
May 14, 1998 in the above-captioned proceeding.

B-00983707

Filed: June 12, 1998

DOCKETED
JUL 14 1998

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COMMONWEALTH OF PENNSYLVANIA



OFFICE OF SMALL BUSINESS ADVOCATE

Suite 1102, Commerce Building
300 North Second Street
Harrisburg, Pennsylvania 17101

Bernard A. Ryan, Jr.
Small Business Advocate

(717) 783-2525
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June 12, 1998

HAND DELIVERED

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98 JUN 12 AM 9:26
PA.P.U.C.
SECRETARY'S BUREAU

James J. McNulty, Secretary
Pa. Public Utility Commission
North Office Building
P. O. Box 3265
Harrisburg, PA 17105

Re: Application of UGI Utilities, Inc.
Electric Division, for Approval of Its
Restructuring Plan Under Section 2806
Of the Public Utility Code
Docket No. R-00973975

Dear Mr. McNulty:

Enclosed for filing are the original and nine (9) copies of the Reply Exceptions on behalf of the Office of Small Business Advocate in the above-docketed proceeding. As evidenced by the enclosed certificate of service, two copies have been served on all active parties in this case.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Bernard A. Ryan, Jr.
Bernard A. Ryan, Jr.
Small Business Advocate

Enclosures

cc: Cheryl Walker, Director
Office of Special Assistants
(w/disk in 5.1 WordPerfect)

Hon. Wayne L. Weismandel
Administrative Law Judge

Parties of Record

Mr. Brian Kalcic

ORIGINAL

EEF

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of UGI Utilities, Inc. :
For Approval Of Its :
Restructuring Plan Under : Docket No. R-00973975
Section 2806 Of The Public :
Utility Code :

CERTIFICATE OF SERVICE

I certify that I am serving a copy of the Reply Exceptions on behalf of the Office of Small Business Advocate by first class mail (unless otherwise indicated) upon the persons addressed below:

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(hand delivered)

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Administrative Law Judge
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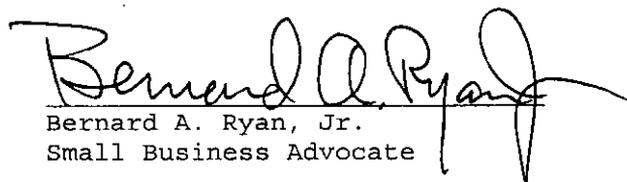
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SECRETARY'S BUREAU


Bernard A. Ryan, Jr.
Small Business Advocate

Date: June 12, 1998

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of UGI Utilities, Inc. :
For Approval Of Its :
Restructuring Plan Under : Docket No. R-00973975
Section 2806 Of The Public :
Utility Code :

DOCUMENT
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OFFICE OF SMALL BUSINESS ADVOCATE
REPLY TO EXCEPTIONS OF
PENNSYLVANIA POWER & LIGHT COMPANY, INC.

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SECRETARY'S BUREAU

DOCKETED
JUN 13 1998

Bernard A. Ryan, Jr.
Small Business Advocate

Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101
(717) 783-2525

Dated: June 12, 1998

EEF

I. INTRODUCTION

The Office of Small Business Advocate ("OSBA") fully agrees with the well-reasoned Recommended Decision ("R.D.") of Administrative Law Judge Wayne L. Weismandel in this electric restructuring proceeding for UGI Utilities, Inc. - Electric Division ("UGI"). Despite the vigorous efforts of PP&L, Inc. ("PP&L") to portray its "stranded costs" claim in this proceeding as an exceptionally complex matter of constitutional and preemptive federal law (or at least of FERC regulation), the issues raised by the PP&L claim are actually quite simple:

- (1) Would a future decline in the sales revenues received by PP&L under its Power Supply Agreement ("PSA") with UGI qualify as "stranded costs" within the meaning of that term in Pennsylvania's Electricity Generation Customer Choice and Competition Act, 66 Pa. C.S. §2801 et seq (the "Act")?

AND

- (2) If such lost revenues could somehow be deemed "stranded costs" to PP&L under the Act, may PP&L seek their recovery in this restructuring proceeding for UGI?

Judge Weisman del correctly answered both of those questions in the negative. R.D. pp. 33,37.

II. DISCUSSION

The Recommended Decision properly addresses and appropriately disposes of the multitude of arguments that have been advanced by PP&L to support its dubious claims in this proceeding. All of those contentions also have been addressed in the briefs previously filed on behalf of UGI, the OCA, the OTS and this Office. For those reasons, the OSBA will limit its response to PP&L's Exceptions to the following brief comments, with references (where appropriate) to the more complete discussion of the issues in the OSBA's Main Brief filed earlier in this case.

1. Contrary to PP&L's Exception No. 1, the Recommended Decision does indeed address PP&L's claim for the recovery of the alleged stranded costs that are at issue here just as the FERC called for in its Order No. 888. It does so by rejecting the PP&L claim in its entirety. R.D. 30. Throughout this proceeding, and continuing in its Exceptions, PP&L has tried to convert its contractual sales agreement with UGI into a phantom generating facility of UGI. See PP&L Exceptions at pp. 8, 10, 13, 18 ("PSA is the equivalent of a generation facility for UGI") & 19. In fact and in law, however, the PSA is **not** a generating station for UGI.

And most importantly for purposes of the definition of stranded costs set forth in the Act, the PSA does not impose any "long term purchase power commitment(s)" on PP&L as would be required to bring the PP&L claim within the ambit of that statutory definition. From the perspective of the utility (PP&L) that is seeking recovery here of its alleged stranded costs under the PSA, that contract imposes a power sales commitment on PP&L. It is UGI, not PP&L, that has a "purchase power commitment" (albeit one of as yet undetermined scope) under the PSA. PP&L's off-system sales agreements of this kind simply do not fit within any category that would qualify for stranded cost recovery under the Act. See the OSBA Main Brief, pp. 8-11.

2. Assuming *arguendo* that PP&L's claim in this case actually "...does involve UGI's retail stranded costs under the Act," a very odd proposition that PP&L posits in its Exceptions (at p. 8), UGI has apparently elected not to seek recovery of them here, a choice it is free to make if the stranded costs at issue are truly UGI's. The OSBA submits that the PP&L argument on this point (at pp. 7-9 of its Exceptions) is disingenuous. PP&L obviously would not agree that UGI should be the ultimate recipient of any funds collected from UGI's customers to cover these particular stranded costs if the PP&L claim in this case were approved by the Commission. Instead, PP&L wants the PUC to

conscript UGI to serve as PP&L's collection agent for these inappropriate claims and then turn the money over to PP&L.

3. The Act never contemplated that the CTC established in this proceeding for UGI could be used as a conduit through which PP&L recovers any lost sales revenues it may experience under the PSA when generation competition begins in Pennsylvania. If these really are stranded costs for PP&L (and the OSBA agrees with the R.D.'s conclusion that they are not), then they should have been claimed and proven in PP&L's restructuring case so they could be incorporated into PP&L's CTC, not UGI's. See OSBA Main Brief, pp. 11-13.

4. PP&L may or may not have a breach of contract claim against UGI under the PSA if UGI later reduces its purchases under the PSA, and a civil action addressing that issue is now pending before the Court of Common Pleas of Luzerne County. The threshold issue the Commission must decide in this case is whether or not PP&L's potentially lost sales revenues under the PSA qualify for treatment as stranded costs under the Act. As discussed above (and at pp. 8-11 of the OSBA Main Brief), they do not.

5. The PP&L claim in this case raises issues of contract, not constitutional, law. If indeed the amount of power that UGI purchases from PP&L under the PSA declines in future years, whether those reductions result from the introduction of generation

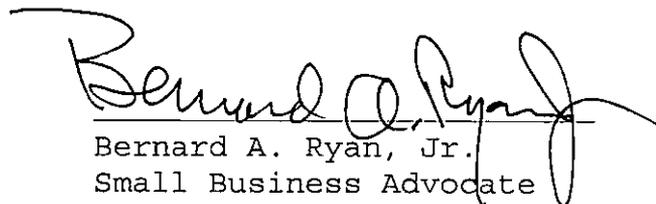
competition or for some other reason, PP&L may have a claim for damages against UGI for breach of contract. Given the open-ended nature of UGI's purchase obligations under the PSA, it probably would be very difficult for PP&L to win a breach of contract suit based on reduced purchases by UGI under that agreement. But a forum does exist (and, as previously noted, is already being used) to determine just what rights PP&L has under its contract with UGI if that should occur. PP&L has not been, and will not in the future be, deprived of any of the process that it is due under the federal and state constitutions, nor will it be deprived of any "property" rights that it may (or may not) have under the provisions of its PSA with UGI.

III. CONCLUSION

For all of their complexity, the PP&L Exceptions fail to establish (1) that the PSA gives rise to any stranded costs for PP&L, or (2) that PP&L has a right under the Act to become an uninvited participant in UGI's CTC. Whatever declining sales revenues PP&L realizes under the PSA after competition for electric generation service becomes a reality in Pennsylvania simply do not fall within the Act's definition of stranded costs, as Judge Weismandel specifically found in his Recommended Decision (Conclusions of Law Numbers 6-9, p. 44). And even if they did, PP&L should have sought their recovery in its own, not UGI's, restructuring proceeding. PP&L has no right under the Act to have the baseless stranded cost claim that it is pressing here engrafted onto the CTC that will now be set for UGI.

The Exceptions of PP&L, Inc. to the Recommended Decision of Administrative Law Judge Wayne L. Weismandel dated May 26, 1998 should be denied and that Recommended Decision should be adopted as the Commission's final Order in this proceeding.

Respectfully submitted,


Bernard A. Ryan, Jr.
Small Business Advocate

Dated: June 12, 1998

B-9836843L

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

File in:

R-973953

INDIANAPOLIS POWER & LIGHT COMPANY, :
Petitioner :
v. :
v. :
PENNSYLVANIA PUBLIC UTILITY :
COMMISSION, :
Respondent :

No. 0379 C.D. 1998
KJR

NOTICE OF DISCONTINUANCE

This is to notify you that the above-captioned matter has been withdrawn discontinued and ended.

DATE: June 23, 1998

TRIAL COURT NO: R-00973953

CR Heston

DEPUTY PROTHONOTARY/CHIEF CLERK

CERTIFIED FROM THE RECORD
AND ORDER EXIT

JUN 23 1998

CR Heston
Deputy Prothonotary - Chief Clerk

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JUN 24 1998

PA P.U.C.
LAW BUREAU

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