

COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION

-----x DOCKET NO.
 Pennsylvania Public Utility : R-00973953,
 Commission versus PECO Energy : R-00973953C0001-
 Company : C-0007
 :
 Application for approval of a :
 Restructuring Plan and Consumer :
 Education Program. :
 :
 Public Input Hearing. :
 -----x

Pages 256 through 408 State Office Building
Broad & Spring Garden Streets
Philadelphia, Pennsylvania

Friday, October 10, 1997

DOCUMENT
FOLDER

The above-entitled matter met, pursuant to
notice, at 11:05 a.m.

PROTHONOTARY'S OFFICE
 OCT 15 PM 1:22
 256

BEFORE: THE HONORABLE MARLANE R. CHESTNUT
THE HONORABLE CHARLES E. RAINEY, JR.
Administrative Law Judges

COMMISSIONER NORA MEAD BROWNELL
COMMISSIONER JOHN HANGER

DOCKETED

OCT 17 1997

HOLBERT ASSOCIATES
1720 BENNINGTON DRIVE
HARRISBURG, PENNSYLVANIA 17112-8517
(717) 540-9669

3

CERTIFIED ORIGINAL

1 APPEARANCES:

2 KENNETH L. MICKENS, ESQUIRE
3 P.O. Box 3265
4 Harrisburg, Pennsylvania 17120
(For Office of Trial Staff)

5 BERNARD A. RYAN, JR., ESQUIRE
6 300 North 2nd Street
7 Commerce Boulevard - Suite 1102
8 Harrisburg, Pennsylvania 17101
(For Office of Small Business Advocate)

9 DAN CLEARFIELD, ESQUIRE
10 305 North Front Street
11 Harrisburg, Pennsylvania 17101
(For ENRON)

12 JOSEPH DWORETZKY, ESQUIRE
13 One Logan Square - 12th Floor
14 Philadelphia, Pennsylvania 19103-6933
(For New Energy Ventures and Pennsylv-
15 ania Electric Competition Coalition)

16 STEVEN STEINMETZ, ESQUIRE
17 1425 Strawberry Square
18 Harrisburg, Pennsylvania 17110
(For Office of Consumer Advocate)

19 PAUL R. BONNEY, ESQUIRE
20 2301 Market Street
21 Philadelphia, Pennsylvania 19101-8699
(For PECO Energy Company)

22 PHILIP A. BERTOCCI, ESQUIRE
23 1424 Chestnut Street
24 Philadelphia, Pennsylvania 19102
(For CEPA, TAG, ACORN, and John Long)

25

I N D E X

	<u>WITNESS</u>	<u>PAGE</u>
1		
2		
3	Councilman James Kenney	279
4	Rep. Babette Josephs	281
5	Councilman Thacher Longstreth	282
6	Courtney Yelle	288
7	Robert Sorrell	291
8	James Costello	295
9	Les Yost	300
10	Senator Margaret Tartaglione	301
11	Warren McKnight	304
12	Willa McKnight	306
13	Irvin McKnight	308
14	Sylvia Abraham	309
15	Robert Glenn	311
16	Eric Mann	312
17	William Sisco	313
18	Robert Mantey	314
19	Vincent DiFilippo	317
20	Harden Bramlet	319
21	Maime E. Wiggins	321
22	Jean L. Eddings	325
23	Blane Stoddart	326
24	Barbara Daniel Cox	332
25	Al Taubenberger	337

I N D E X (Cont'd)

	<u>WITNESS</u>	<u>PAGE</u>
1		
2		
3	Ruth Allan Miner	339
4	Doug Harris	344
5	Charles Nicholas	345
6	Domenic DiPillo	349
7	Anthony Silvi	350
8	Walter McClinton	351
9	James McManus	352
10	Tracy Kay	354
11	Lance Haver	357
12	Regina Kehoe	365
13	Claire Prostka	367
14	Lawrence Spielvogel	370
15	Ronald Abney	376
16	Andy Rudin	380
17	Judy Readma	387
18	Preston Herring	389
19	Michael Morrill	390
20	Ed Kohler	396
21	Ernest Jones	400
22	Joe Schuda	403
23	Phyllis Watts	405
24		
25		

ADMINISTRATIVE LAW JUDGE CHARLES E. RAINEY:

1 Good morning and welcome to the second Public Input
2 Hearing on PECO Energy Company's proposed restructur-
3 ing plan, which is docketed at R-00973953. The first
4 Public Input Hearing was held yesterday afternoon
5 in Media, Pennsylvania.
6

7 My name is Charles Rainey and assisting to my
8 left is Marlane Chestnut. We are the Administrative
9 Law Judges presiding over this case.

10 This Public Input Hearing is being held for
11 the purpose of allowing interested persons an
12 opportunity to provide testimony regarding PECO's
13 Restructuring Plan. I cannot overemphasize the
14 importance of this occasion. What is at stake is
15 the level of electric rates and the quality of
16 electric service which we will receive in a new
17 competitive environment.

18 I believe a brief history and explanation of
19 this case may prove useful.

20 The genesis of this case is the Electric
21 Generation Customer Choice and Competition Act, or
22 Customer Choice Act for short. The Customer Choice
23 Act was signed into law by Governor Ridge on
24 December 2rd, 1996. The purpose of a Customer
25 Choice Act is to provide retail customers the

1 opportunity to shop around for the best electric
2 price, the best price for electric generation.
3 Generation refers to the production of electricity,
4 and the Customer Choice Act allows various suppliers
5 of electricity to compete to serve you.

6 Competition pursuant to the Act begins on
7 November 1st, 1997 with a pilot program in which
8 five percent of each customer class may choose their
9 electric generation supplier. The pilot program is
10 followed by the phasing in of competition beginning
11 January 1st, 1999, with 33 percent of each customer
12 class; then on January 1st, the year 2000, with 66
13 percent of each customer class and culminating with
14 all customers being able to choose their electric
15 generation supplier by January 1st, the year 2001.

16 The Customer Choice Act also requires PECO
17 and electric utilities to restructure themselves in
18 order to accommodate and foster competition.
19 Electric utilities are required to file restructuring
20 plans. That is what this case is all about.

21 In April of this year, PECO Energy filed its
22 proposed restructuring plan consistent with the
23 requirements of the Act. PECO's proposal included:
24 One, the separation of the generation portion of
25 your bill from a transmission and distribution

1 portion of your bill. Parenthetically, the
2 transmission and distribution portion of your bill
3 constitutes the costs associated with transporting
4 electric over wires which lead to your home or
5 business; two, a proposed charge to cover stranded
6 costs. Stranded costs refer to those costs which a
7 utility incurred to provide service under the
8 present monopoly system, which the utility would
9 not be able to fully recover from a competitive
10 market.

11 Three, proposal to serve low-income customers
12 and provide energy conservation, as well as a means
13 of recovering the costs associated with such
14 programs; four, procedures for providing other
15 electric generation suppliers access to PECO's
16 transmission and distribution lines; the impact of
17 PECO's restructuring plan on its employees. That's
18 five. Six, tariffs and rate schedules which
19 implement the proposed restructuring plan.

20 The Commission was required by the Customer
21 Choice Act to hold hearings in regard to PECO's
22 proposed plan, and various parties have intervened
23 in these proceedings. The parties include consumer
24 groups, environmental groups, and electric generation
25 suppliers.

1 Subsequent to the parties' initial exchange
2 of written testimony, PECO, Senator Vincent Fumo,
3 the Consumer Education Protective Association, the
4 Office of Consumer Advocate, Lance Haver, the
5 Office of Trial Staff, the Office of Small Business
6 Advocate, the Philadelphia Area Industrial Energy
7 Users Group, the American Association of Retired
8 Persons, and the Department of the Navy filed in
9 August of this year a Joint Petition for Partial
10 Settlement of this case.

11 The Joint Petition for Partial Settlement
12 purports to provide, among other things: One,
13 guaranteed rate reductions over a period of years;
14 two, the write-off of a portion of PECO's stranded
15 costs; three, an acceleration of the phase-in to
16 full competition; and four, an expansion of PECO's
17 current program for lower-income customers.

18 Earlier this week, ENRON, an electric
19 generation supplier and a party to this case, filed
20 a counterproposal which purports to provide greater
21 savings and benefits than the Joint Petition for
22 Partial Settlement.

23 Evidentiary hearings on the restructuring of
24 PECO Energy Company will begin here next week.

25 Following the close of the record, the Commission

1 will render a decision by either December of this
2 year or January of next year.

3 You may participate in today's hearing in
4 one of three ways. The first way, and the one we
5 find preferable, is that you submit sworn testimony
6 under oath. By giving sworn testimony, the
7 Commission may consider the evidence you provide in
8 rendering its decision. Such testimony may be
9 subject to questions from the parties and the ALJ's.

10 The second way is to provide unsworn testi-
11 mony. Such testimony will not be transcribed and
12 not be considered by the Commission in its decision
13 making process.

14 The third way is to provide information at
15 the break or at the conclusion of this hearing to
16 either the Office of Trial Staff, the Office of
17 Consumer Advocate, the Office of Small Business
18 Advocate for its use at its discretion at a hearing
19 to be held on a later date.

20 I would ask that you limit your testimony to
21 the restructuring of PECO Energy Company.

22 Representatives from the Commission Bureau
23 of Public Liaison and PECO Energy Company will help
24 you at the break or conclusion of this hearing with
25 other matters.

1 Judge Chestnut, do you have anything to add?

2 ADMINISTRATIVE LAW JUDGE MARLANE CHESTNUT:

3 Yes. I would like to thank all of you for coming
4 out, and I want to say that I've been involved in
5 one capacity or another since 1983 in virtually
6 every major PECO proceeding, and this is the first
7 time that it has involved a rate decrease, and of
8 course we're all focused on having rate relief for
9 people and bottom line in terms of having affordable,
10 reasonable electric rates, but I want everyone to
11 think about what a fundamental change this is or how
12 it can be in terms of how you get your electricity.
13 It's going to require you to make choices in terms
14 of not just who your supplier is, but how that
15 supplier supplies you with energy, and I'd just
16 like to urge everyone to --

17 MEMBER OF THE AUDIENCE: We can't hear you.
18 Talk a little louder. We can't hear you back here.

19 JUDGE CHESTNUT: Okay. I'd like everyone to
20 recognize that the responsibility is on you to
21 inform yourself, educate yourself so that you can
22 make the best choices.

23 Thank you.

24 JUDGE RAINEY: Thank you, Judge Chestnut.

25 MEMBER OF THE AUDIENCE: We can't hear you

1 back here.

2 JUDGE RAINEY: Okay. We'll try to speak
3 louder.

4 Can you hear back there?

5 MEMBER OF THE AUDIENCE: We can hear you, but
6 we can't hear her.

7 JUDGE RAINEY: Okay. We'll have an opportunity
8 to hear her later. I'm sure she'll have more to
9 say.

10 JUDGE CHESTNUT: I'll try not to.

11 JUDGE RAINEY: Before taking comments from
12 the Commissioners, I'll allow the parties at this
13 juncture to introduce themselves and to provide
14 brief remarks.

15 We'll start with the Office of Trial Staff.

16 MR. MICKENS: Thank you, Your Honor.

17 Good morning. My name is Ken Mickens. I'm
18 an attorney with the Office of Trial Staff. We are
19 charged with prosecuting rate cases in the public
20 interest, but today is about the consumers, and
21 we're here to hear from you, and we would urge you
22 to provide any testimony that you are going to
23 provide under oath so that that testimony can be
24 used by my office and the Administrative Law Judge
25 and the Commission in consideration of this partial

1 settlement, and we urge you to speak up and let us
2 know what your position is on the settlement and
3 what your concerns are with regards to that.

4 Thank you very much.

5 JUDGE RAINEY: Thank you, Mr. Mickens.
6 Office of Small Business Advocate.

7 MR. RYAN: Thank you.

8 I'm Bernard Ryan. I'm from the Small Business
9 Advocate. We're here to represent the interests of
10 small business customers of PECO, as we do the small
11 business customers of all Pennsylvania's public
12 utilities. We are a party to the Joint Petition
13 for Settlement and we will be participating in the
14 hearings next week in support of that Petition, but
15 we really came to Philadelphia to hear you. We
16 heard from people in Media yesterday and I have an
17 idea we're going to hear from a lot today, so thank
18 you very much for coming.

19 JUDGE RAINEY: Thank you, Mr. Ryan.

20 ENRON.

21 MR. CLEARFIELD: Thank you, Your Honor.

22 I am Dan Clearfield and I represent ENRON.
23 We intend to participate in the hearings that are
24 going to be scheduled next week, along with several
25 other suppliers, as part of the Pennsylvania

1 Electric Competition Coalition, and we're going to
2 put our views forth that the partial settlement has
3 several aspects that we disagree with.

4 We think that the partial settlement
5 unfortunately would stymie competition in the Phila-
6 delphia area and would not allow greater savings
7 that are potential if we allow for vigorous compe-
8 tition.

9 We will put on testimony which shows that
10 savings could even be greater if certain changes
11 were made in portions of the settlement and, and
12 that competition could even bring greater savings
13 in the future.

14 On Tuesday, as many of you may have known,
15 may know, ENRON filed another, a proposal which
16 would double the savings; that is, to guarantee 20
17 percent savings to customers in the Philadelphia
18 area, and at the same time, if it was approved by
19 the PUC, would allow for real competition, vigorous
20 competition that could even give you greater
21 benefits. We think that's what the Electric
22 Competition Act is about, and we're hopeful that
23 you will tell us what you think about the partial
24 settlement and also the ENRON proposal as we go
25 forward this, this morning.

1 Thank you.

2 JUDGE RAINEY: Thank you, Mr. Clearfield.

3 New Energy Ventures, Pennsylvania Electric
4 Competition Coalition.

5 MR. DWORETZKY: Good morning. My name is Joe
6 Dworetzky, I'm an attorney for New Energy Ventures,
7 which is a supplier that wants to come into this
8 marketplace and to provide electricity for Pennsyl-
9 vania consumers. We are also not a party to the
10 partial settlement that's been described.

11 It's important to understand that the settle-
12 ment that is being talked about is really a partial
13 settlement. Only ten out of the active parties in
14 the case have signed that document and many others,
15 like New Energy Ventures, oppose that settlement.

16 Remember that Judge Rainey said the name of
17 the statute that has brought competition to
18 Pennsylvania users is called the Customer Choice
19 Act, the Customer Choice and Competition Act. We
20 think that that's what's actually happening right
21 now, not only competition with respect to ultimately
22 providing energy, but competition in connection
23 with the very plans for restructuring PECO and on
24 the table now is not simply the settlement, but it
25 includes the proposal that ENRON has made that Mr.

1 Clearfield described, and the third proposal that's
2 been made by the Pennsylvania Electric Competition
3 Coalition. All those three proposals will be
4 considered by the Commission and they all offer, the
5 two proposals besides the settlement, offer greater
6 savings than the settlement does, and I hope that
7 when you testify today, you will keep that in mind.

8 Thank you very much.

9 JUDGE RAINEY: Thank you, Mr. Dworetzky.
10 Office of Consumer Advocate.

11 MR. STEINMETZ: Good morning, everyone. My
12 name is Steven Steinmetz, and I'm an attorney with
13 Pennsylvania Office of Consumer Advocate. We are
14 charged with representing the residential ratepayers
15 throughout the Commonwealth.

16 When PECO first filed its original plan, our
17 office opposed it. Since that time, our office and
18 approximately ten other parties have entered into a
19 partial settlement with the company. It is now up
20 to the Public Utility Commission to determine if
21 this partial settlement is in the public interest.
22 We believe it is.

23 Today, however, we'd like to hear from you.
24 I would encourage all of you to testify, preferably
25 on the record, so that your testimony may be used

1 by the Public Utility Commission in rendering it's
2 ultimate determination on this very important matter.

3 I'd like to thank you all for coming out
4 today and I look forward to hearing your comments.

5 JUDGE RAINEY: Thank you, Mr. Steinmetz.

6 PECO Energy Company.

7 MR. BONNEY: Thank you, Your Honor.

8 I'm Paul Bonney, I'm an attorney with PECO
9 Energy. We're one of the ten parties that have
10 signed this settlement that you've heard about this
11 morning, that's the subject of this hearing. We
12 strongly believe that the settlement is in the
13 public interest. It provides many benefits to
14 consumers, and we look forward to hearing your
15 comments today and appreciate you taking the time
16 to come out.

17 JUDGE RAINEY: Thank you, Mr. Bonney.

18 Mr. Bertocci, CEPA, TAG, ACORN, and John
19 Long.

20 MR. BERTOCCI: Good morning, everyone. My
21 name is Philip Bertocci. With Steven Hershey at
22 Community Legal Services, we've been representing
23 CEPA, TAG, ACORN, John Long, consumers in dealing
24 with the Competition Act.

25 We began back in the Spring with the

1 Competition Act, which looked to guarantee stranded
2 costs to PECO, guaranteed that the State's tax
3 revenues were going to be protected by this Act,
4 but had very little to say about rate cuts. In
5 fact, there were no rate cuts in the statute,
6 merely a, merely a, a rate freeze for a limited
7 amount of time.

8 We opposed giving any penny of stranded
9 costs to PECO, and only at the point where we saw
10 that stranded costs were going to be awarded and
11 that the longer we fought, the more costs were
12 going to be received by PECO, did we think that it
13 was time to go to the negotiating table and see if
14 we could get, through negotiations, which was not
15 in the statute, what was sustainable, real,
16 immediate rates cuts for everyone, and that is what
17 we did and that's what the proposed settlement
18 provided, ten percent starting sooner even than the
19 statute provides for anyone, and ten percent for a
20 number of years, and with the possibility as the
21 years go by, of Pennsylvania being in a position
22 where it would be able to compete better with lower
23 energy costs all around, and this is reflected in
24 the fact that this settlement agreement is really a
25 consumer settlement agreement. It's supported by

1 industrial customers and by residential customers,
2 by small business people, and by the Consumer
3 Advocate in Harrisburg.

4 We thank you very much for coming out today.
5 We want to hear what your attitude is toward the
6 proposals that have been put forth.

7 We are particularly happy, also, with this
8 settlement agreement that more low-income customers
9 won't be in the situation, if the proposed settlement
10 is approved, of having people come into our offices
11 of Community Legal Services and saying to us, I'm
12 eligible for low-income programs at PECO, but it's
13 closed to me, they're full, they say come back next
14 year. What am I going to do between now and next
15 year with \$205 a month or \$500 a month? I can't
16 pay my bill. One of the promises in this settle-
17 ment agreement is that it provides that no one will
18 be turned away who is truly needy and who needs a
19 payment agreement as a low-income person.

20 Thank you very much. I'm gratified to see
21 everyone out here. The more debate we have about
22 this, the better, because I'm convinced that when,
23 when you participate in the debate and try to
24 understand the issues, you'll see that the customer
25 settlement is the one to go for.

1 JUDGE RAINEY: Thank you, Mr. Bertocci.

2 Are there any other parties to this case that
3 would like to make any remarks at this juncture?

4 If not, it's my pleasure --

5 Sir, are you a party to the case?

6 MR. KEARNEY: We were earlier, Judge, but I
7 would like to ask two questions, if I may, because
8 I'm confused about two things.

9 JUDGE RAINEY: Yes.

10 MR. KEARNEY: The first question is the news-
11 papers reported that the ENRON proposal and the
12 PECO proposal had been joined and the Commissioner's
13 voted five nothing to include the ENRON proposal.

14 Are we not allowed to talk about ENRON's
15 proposal today?

16 JUDGE RAINEY: Yes, you are allowed to talk
17 about that.

18 MR. KEARNEY: Because everyone says the PECO
19 proposal, but no one said we can testify about the
20 ENRON proposal as well.

21 JUDGE RAINEY: Yes. You're allowed to talk
22 about anything relevant to the restructuring of
23 PECO Energy Company, including the ENRON proposal.

24 MR. KEARNEY: Okay.

25 JUDGE RAINEY: You have another question?

1 MR. KEARNEY: Just a comment, a request, and
2 secondly, having sat through some of the earlier
3 Public Input Hearings on the rate case which was
4 decided in May, and Public Input Hearings that the
5 PUC held last year in 1996, I think it would be
6 helpful to our organization, which is a very large
7 Philadelphia senior citizens organization, I think
8 it would be helpful for the record and the
9 Commissioners and yourself, the Judges, if community
10 groups would let us know up front whether there was
11 a financial connection between themselves and PECO.

12 I sat, I sat in Public Input Hearings and
13 found out days later that some community groups
14 here, that are in our community, that are very
15 supportive of PECO at Public Input Hearings, in
16 January, 1996, I later found out that they were
17 receiving \$250,000 a year, either over ten years or
18 each year for ten years, I forget the exact amount,
19 but it would be helpful to us to know whether
20 somebody is, is very closely connected financially
21 with PECO or with ENRON or somebody else, and if
22 they could state that in the beginning, it would
23 help our organization.

24 I think it would help the press, because the
25 press, this morning's Inquirer said that most

1 community groups in Media last night, I wasn't
2 there, I know you were there, that most of the
3 community groups sided with the PECO settlement, so
4 it would help us if we knew there's a connection.

5 JUDGE RAINEY: Thank you, sir. Your point is
6 well taken. I will ask everyone who provides
7 testimony here today to provide any affiliation
8 they have to any of the parties to this case, and
9 we'll talk a little more about that in terms of the
10 way that I want you to introduce yourself and
11 provide information up front.

12 At this point, it's my pleasure to introduce
13 to you two of the Commissioners who will be deciding
14 this case. This case will be decided by the five
15 Commissioners for the Pennsylvania Public Utility
16 Commission. We are privileged to have with us today
17 two of them. To my immediate right is Commissioner
18 John Hanger, and to his right is Commissioner Nora
19 Mead Brownell.

20 I will ask them if they want to make any
21 remarks.

22 COMMISSIONER HANGER: I just want to merely
23 say I'm gratified by what is obviously a very large
24 turnout. This case warrants a large turnout. It's
25 very important to everyone in Southeastern Pennsyl-

1 vania and throughout the State, so I look forward
2 to listening to you.

3 In order to make a good decision, we have to
4 be good listeners, and it's your turn to speak to
5 us and I will be taking notes and listening very
6 carefully.

7 Thank you again for coming.

8 JUDGE RAINEY: Thank you.

9 Commissioner Brownell.

10 COMMISSIONER BROWNELL: I would join
11 Commissioner Hanger in expressing thanks on behalf
12 of all of the Commissioners for taking the time,
13 which I know is very valuable, to share your
14 thoughts with us. In the end, this is about what's
15 best for the consumers and what's best for Pennsyl-
16 vania, and we appreciate your willingness to look
17 out after that as well, so thank you for coming.

18 JUDGE RAINEY: Thank you, Commissioner
19 Brownell.

20 Now it's your turn. Now, I'm going to ask a
21 few things of you when you come to the microphone
22 to speak. I'm going to ask that you provide your
23 name, including the spelling of your name, also
24 your address. Please tell us if you are customers
25 of PECO Energy Company, and also inform us of any

1 affiliation you have with any of the parties to
2 this case.

3 I will be reading from a sign-in sheet. If
4 you have not signed the sign-in sheet, at the break
5 please do so.

6 Let's begin. We have with us today
7 Councilman Jim Kenney, and I will call him at this
8 time.

9 Councilman Kenney, would you raise your
10 right hand, please?

11

- - - - -

12 JAMES KENNEY, having been duly sworn,
13 was examined and testified as follows:

14

- - - - -

15 JUDGE RAINEY: Thank you.

16 COUNCILMAN KENNEY: Good morning, everyone,
17 and thank you for the opportunity to be heard this
18 morning. My name is James Kenney, K-E-N-N-E-Y. I
19 am a member of Philadelphia City Council, and am an
20 At-Large member.

21 MEMBER OF THE AUDIENCE: Can't hear a word.
22 That mike isn't on. We're here to hear.

23 COUNCILMAN KENNEY: Can you hear me now?

24 MEMBER OF THE AUDIENCE: Yes.

25 COUNCILMAN KENNEY: Thank you very much. I'll

1 start -- should I take the oath over again or --

2 JUDGE RAINEY: I think you should start
3 again.

4 COUNCILMAN KENNEY: Good morning. My name is
5 James T. Kenney, K-E-N-N-E-Y. I'm a member of
6 Philadelphia City Council. I'm a Member-At-Large.
7 I live at 1614 11th Street in South Philadelphia,
8 and I have no affiliation or financial interest or
9 relationship with Philadelphia Electric Company or
10 any other of the parties involved in this proceeding.

11 Good morning. I represent constituents from
12 across the City as an At-Large Councilman. I thank
13 you for the opportunity to offer my support of the
14 lower electric rates for the citizens, businesses,
15 and industries located in Philadelphia and Southeast
16 Pennsylvania.

17 The deal that was reached between PECO,
18 State Senator Vincent Fumo, and many, many other
19 consumer groups throughout the region will help
20 make sure that we see a guaranteed ten percent drop
21 in electric rates next year for all PECO customers.

22 When the regulation was enacted last year,
23 it opened the door for competition in the electric
24 industry, an industry that was traditionally
25 composed of a monopoly, but that was no assurance

1 that electric rates would be lower.

2 This proposed PECO deal will now allow for
3 competition among companies. It will also help to
4 alleviate high rates that consumers are forced to
5 pay as PECO customers today, and I am one of those
6 customers.

7 This agreement also includes a commitment to
8 keep safe, affordable service available to even
9 more low-income families throughout PECO territory
10 and within the City of Philadelphia and that is an
11 extremely important component of my support for
12 this agreement, proposed settlement, because of the
13 burgeoning number of people in need in this City
14 and our decreasing tax base of taxpayers sadly
15 fleeing to the suburbs and New Jersey.

16 We have an ever growing number of people in
17 need and I think that this, this opportunity to
18 help them, while at the same time lowering rates,
19 is a tremendous opportunity we should not, we
20 should not forego.

21 I support the PECO deal and I urge the
22 Pennsylvania Public Utilities Commission to approve
23 it as soon as possible. The longer it remains
24 bogged down in the regulatory system, the longer
25 consumers will have to pay more for electricity,

1 was an attendance sheet, but I'm very happy to see
2 this crowd and I appreciate everybody's attention
3 and I am here to learn and listen.

4 Thank you very much, Your Honor.

5 JUDGE RAINEY: Thank you for your remarks,
6 Representative.

7 I see Councilman Thacher Longstreth in the
8 audience.

9 Councilman?

10 MR. HAVER: Excuse me, Your Honor.

11 JUDGE RAINEY: Lance Haver.

12 MR. HAVER: Folks, if there's anyone who is
13 trying to get in, you can come up here. The Honors
14 have said we can sit up here, anyone in the back.

15 Phyllis and Maris, you want to come up?

16 JUDGE RAINEY: I beg your indulgence,
17 Councilman.

18 We'll allow people to come up.

19 MR. HAVER: Thank you, Your Honor.

20 JUDGE RAINEY: Councilman Longstreth, do you
21 want to raise your right hand, please?

22 - - - - -

23 COUNCILMAN THACHER LONGSTRETH, having been
24 duly sworn, was examined and testified as follows:

25 - - - - -

1 JUDGE RAINEY: Thank you.

2 COUNCILMAN LONGSTRETH: I mean, I hope so.

3 JUDGE RAINEY: Thanks, sir.

4 COUNCILMAN LONGSTRETH: Some instances when
5 you're testifying on things that you believe and
6 things that you care about, et cetera, you're not
7 always acquainted with the total statistical data
8 to prove it, so I do hedge that a little bit --

9 JUDGE RAINEY: I understand.

10 COUNCILMAN LONGSTRETH: -- for that reason.

11 My name is Thatcher Longstreth, that's
12 T-H-A-C-H, no second T, T-H-A-C-H-E-R, Longstreth,
13 L-O-N-G-S-T-R-E-T-H. I am a Philadelphia resident
14 and have been all my life. I am a stockholder in
15 the Philadelphia Electric Company, have been since
16 the early 1950's. I have used electricity in my
17 home ever since I married in 1941, and I have known
18 the PECO people quite well, because I was the
19 President of the Chamber of Commerce for 20 years
20 and they were my best member.

21 When I say they were my best member, I mean
22 that in terms of participation, in helping us do
23 the things that the Chamber was trying to do at a
24 time when we were getting very much into the
25 community, far more than we had ever been prior to

1 my regime.

2 They were my, my number one assistant. They
3 gave me the background, the support, et cetera, to
4 bring people into business to a degree that simply
5 had never been achieved here hitherto in the City
6 of Philadelphia.

7 I'm very much in favor of this accord that
8 has been reached between PECO and other organi-
9 zations, community organizations, which it seems to
10 me indicates to us that of the choices that we have
11 at this stage of the game, this is the best one.

12 I also would like to, to say a word or two
13 about a company which I think has been more involved
14 in the community and more involved with the consumer
15 than most utilities in the United States.

16 I have two personal experiences which I just
17 want you to hear, because I think it shows a company
18 with a heart and a company that means what it says
19 and can be trusted, which I think is a very
20 important factor in the various, highly complex,
21 highly complicated projects that will be presented
22 to us during the next few days.

23 MEMBER OF THE AUDIENCE: I can't hear you.

24 COUNCILMAN LONGSTRETH: Are you having trouble
25 hearing me?

1 MR. HAVER: You're too tall for it.

2 COUNCILMAN LONGSTRETH: My mother said if you
3 can't speak well, speak loud. I try and do both.
4 Well, I'll come a little louder.

5 In 1946, I came you out of service after
6 four years in the Navy, without really knowing
7 anything at all about business, without ever
8 holding a job, and really at a loss to know what to
9 do after four years of involvement in World War
10 II. I found out, to my great joy, that the Phila-
11 delphia Electric Company had developed, for
12 returning servicemen, a program to educate us in
13 the elements of business and to try and teach us,
14 particularly if we were interested in selling, how
15 to become better salesmen and how to take advantage
16 of the whole concept of the private enterprise
17 system, which was so much a part of America.

18 I will always be grateful for that very,
19 very illustrious course, a very useful course that
20 enabled me to go into the work of sales, which I've
21 been involved in a good share of my life. I think
22 I owe a great deal to PECO. Incidentally, I paid
23 not one cent for that year's training, which
24 involved two nights a week of three hours a night,
25 and which made me a much better businessman that I

1 could have ever been on my own.

2 More recently, about ten years ago, I
3 slipped on the ice over on Cherry Street, knocked
4 myself cold and smashed up my knee very seriously,
5 was lying there semiconscious when I heard two
6 people saying that they felt they recognized my, my
7 body lying there, and I was obviously in extremis,
8 and they would try and help.

9 They got out of their car, they came over,
10 they lifted my inert figure into their automobile.
11 By that time, I was semiconscious. They said, What
12 can we do for you and I said, Get me to the nearest
13 hospital, which was Lakenau. I went to Lakenau.
14 Dr. Berman had me on his table within 40 minutes of
15 the time that I landed on the pavement.

16 The two men who picked me up were engineers
17 from the Philadelphia Electric Company, now PECO,
18 on their way to work, and one of them had had a
19 heart attack recently and risked his life, in effect,
20 by picking up my 240 pounds.

21 I walk around today, my legs are working. I
22 have steel knees now instead of the ones I used to
23 have, and I can credit an awful lot of my, my
24 ambulance, ambivalence to the people from PECO who
25 were so kind as to pick me up off the street.

1 Really, truly, they were good samaritans in the
2 purest sense of the word.

3 I give you these two incidents because they,
4 to me, are one of the reasons I believe in PECO so
5 specifically and support the program in which they
6 and the other groups that are working with them are
7 presenting to us. I trust them. I trust what they
8 tell me. I trust what they say about what is going
9 to happen in terms of, of reductions, a ten percent
10 reduction in the cost of our electricity, and I
11 urge those of you in this room who do not know a
12 good deal about this to, to support this effort.
13 It's the best, I think, that we can obtain for
14 Philadelphia and Southeastern Pennsylvania.

15 JUDGE RAINEY: Thank you, Councilman
16 Longstreth.

17 COUNCILMAN LONGSTRETH: Thank you, sir.

18 JUDGE RAINEY: Are there any other elected
19 officials, are there any other elected officials
20 who would like to make remarks?

21 MR. YELLE: I'm here on behalf of the Bucks
22 County Commissioners. May I speak?

23 JUDGE RAINEY: Please come forward.

24 Would you raise your right hand, please?

25

- - - - -

1 COURTNEY YELLE, having been duly sworn,
2 was examined and testified as follows:

3 - - - - -

4 JUDGE RAINEY: Thank you. Please proceed.

5 MR. YELLE: My name is Courtney Yelle,
6 C-O-U-R-T-N-E-Y, Y-E-L-L-E. I am the Director of
7 Consumer Protection for Bucks County.

8 MEMBER OF THE AUDIENCE: Use the microphone.

9 MR. YELLE: Okay. I'm sorry, folks. How's
10 that?

11 MEMBER OF THE AUDIENCE: Let's get the air
12 conditioner going. It's hot in here.

13 JUDGE RAINEY: Excuse me. We'll try to --

14 MEMBER OF THE AUDIENCE: Let's get going.
15 Let the cold air come in.

16 JUDGE RAINEY: Excuse me, sir. We'll try to
17 speak as loudly as possible. This room does not
18 have the best acoustics, so we would ask for
19 everyone's indulgence. We'll try to get through,
20 through this.

21 Thank you very much for your cooperation.

22 MEMBER OF THE AUDIENCE: We can't hear you.

23 JUDGE RAINEY: Can you hear me?

24 MEMBER OF THE AUDIENCE: What's the use of
25 the microphone? We can't hear.

1 JUDGE RAINEY: Can you hear me in the back?

2 MEMBER OF THE AUDIENCE: Yeah, you.

3 MR. YELLE: I will do my best to use the
4 mike. How is that?

5 MEMBER OF THE AUDIENCE: Better.

6 MR. YELLE: Okay. You want me to repeat any
7 of that?

8 JUDGE RAINEY: Yes. Why don't you repeat
9 your --

10 MR. YELLE: I'm Courtney Yelle,
11 C-O-U-R-T-N-E-Y, Y-E-L-L-E. I'm the Director of
12 Consumer Protection in Bucks County, Pennsylvania.
13 I've been in that position for about seven years.
14 I have no affiliation with PECO. I am a customer.
15 I live in Bucks County.

16 The purpose of my being here today is to
17 support this, and I want to tell you that it's my
18 job to support programs and initiatives that offer
19 the most benefit to Bucks County consumers, and in
20 looking at this proposed settlement under the study
21 by the PUC, I'm confident that there's a great
22 benefit to Bucks County electric users if it's
23 approved.

24 The high electric rates are a concern to all
25 citizens in our region. By offering this settlement,

1 PECO and the other people who participated in its
2 development have come to an agreement that will
3 maximize the benefit greater than the original
4 legislation provides to consumers and will aid those
5 who have trouble paying their monthly electric bill
6 because they cannot afford to.

7 The guaranteed ten percent rate reduction
8 will not only save people money, it will induce
9 other businesses to come to the Delaware Valley and
10 also strengthen industry that currently resides in
11 the area by reducing the cost of doing business,
12 and thus making them more competitive. The settle-
13 ment is far too important to be rejected or stalled.

14 As a body that is also committed to the
15 welfare of Pennsylvania's consumers, you must
16 approve this agreement and ignore any last minute
17 attempts to derail any arrangement such as this
18 that is so good for all Bucks County residents.

19 JUDGE RAINEY: Thank you very much.

20 Any other elected officials who would like
21 to make any remarks?

22 If not, we'll start reading from the list.

23 I would also ask the parties if you do have
24 any questions for any of the persons giving testi-
25 mony, please just raise your, raise your hand.

1 Mr. Robert Sorrell.

2 Yes, if you want to give copies of your
3 statement to the court reporter, please.

4 Mr. Sorrell, would you raise your right
5 hand?

6

- - - - -

7

8

ROBERT SORRELL, having been duly sworn,
was examined and testified as follows:

9

- - - - -

10

JUDGE RAINEY: Please proceed.

11

12

MR. SORRELL: I want to make sure I can be
heard in the back. It's a tough crowd.

13

14

15

16

My name is Bob Sorrell, I am President of the
Urban League of Philadelphia, and I've submitted
the testimony. Let me just try to capsulize that
for you and not duplicate what's already been said.

17

18

Last January, I appeared before the Public
Utility Commission --

19

MEMBER OF THE AUDIENCE: Is your mike on?

20

21

MR. SORRELL: Wait a minute. Somebody told
me you could hear me.

22

Can you hear me in the back there?

23

24

25

MEMBER OF THE AUDIENCE: Put your mouth that
way, right into it. That's it. That's the only
way.

1 MR. SORRELL: Last January I appeared before
2 the Public Utility Commission and at that time,
3 raised some issues about deregulation and whether
4 or not those benefits were going to accrue to all
5 Pennsylvanians, but in particular those who have
6 less purchasing power, and so we've reviewed the
7 proposal that has been submitted. We want to
8 support that. We want to support that and support
9 that as soon as possible so that those benefits go
10 to those who are in need of rate reductions, but
11 the issues that were raised at that time, I'm not
12 sure are going to be dealt with. Much of what
13 you're hearing this morning is about the relation-
14 ship that PECO has throughout this City, and let me
15 -- you asked, you asked me to spell my last name.
16 Sorrell is S-O-R-R-E-L-L.

17 I don't have -- I am a customer. I don't
18 have personal or financial dealings with PECO, but
19 I represent an organization, The Urban League of
20 Philadelphia, that receives contributions from 40
21 or 50 organizations. I think last year in total --
22 PECO is one of our contributors -- last year in
23 total, probably somewhere in the area of five to,
24 to \$7,000.

25 That question is somewhat offensive because

1 we receive a lot of money from a lot of places and,
2 and that five or \$7,000 doesn't determine whether
3 or not you support this, this proposal or not, for
4 an organization with a budget that far exceeds, far
5 exceeds that, but what it does show is that PECO
6 has relationships throughout this area and it's
7 relationships built up over a long period of time.

8 I have known the leadership at PECO going
9 back to Lee Everett, Joe Packett, Corbin McNeill,
10 and it's always been a company that had relation-
11 ships, and that's really what businesses ought to
12 do, aside from providing a service, that they ought
13 to have relationships in the community.

14 I asked the Commission last year at that --
15 or earlier this year in January about relationships
16 and what about the new people coming to Pennsyl-
17 vania, were they going to have the same kind of
18 relationships that PECO has already established at
19 some time and cost to them as, as a corporation?
20 That is still a relevant question. I hope that you
21 will address that question when you deal with who
22 is coming in, who gets a license and who does not
23 get a license, that you will deal with that.

24 We did a survey recently of 180 companies
25 throughout this region, of which only 30 were

1 willing to give us the information about the
2 composition of their work forces, how much business
3 they provide for minority businesses, and who
4 serves on their Boards of Directors. I think that's
5 relevant information, historical information to
6 determine whether a company is the kind of company,
7 aside from providing the energy, whether that
8 company is going to invest in Philadelphia, whether
9 it's going to invest in our communities and whether
10 it's going to provide opportunities. I hope that
11 you will consider that, as you consider not only
12 this proposal, but as you consider who is coming
13 into Philadelphia, and what kind of corporate
14 citizen have they been in other places and what
15 kind of corporate citizen are they going to be
16 within the City of Philadelphia, and so we support
17 the proposal. I hope that you approve it.

18 There's too much of this being played out in
19 the media. On the way to work today, I heard at
20 least four commercials, at least four commercials
21 holding out to people that you can get either ten
22 percent or you can get 20 percent. I'm waiting on
23 somebody to come on and do a commercial that says
24 you can get 50 percent. How, but how relevant is
25 that?

1 MR. COSTELLO: My name is James Costello,
2 C-O-S-T-E-L-L-O. I reside at 235 Crooked,
3 C-R-O-O-K-E-D, Lane in King of Prussia, Pennsyl-
4 vania. I'm a retired fire fighter from the
5 Norristown Fire Department. I am also here today
6 with Philadelphia Fire Fighter's President Les
7 Yost.

8 I am 48 years old and I've been a Union
9 member of the International Association of Fire
10 Fighters and the Pennsylvania Professional Fire
11 Fighter's Association. I was a fire fighter for 25
12 years with the Norristown Fire Department before
13 becoming permanently injured and permanently
14 disabled because of PECO's gross and reckless
15 negligence.

16 I do not want what happened to me to happen
17 to anyone else, and I do not want any more innocent
18 people killed because PECO insists on putting
19 corporate profits before public safety.

20 You have to bear with me. I'm very nervous.

21 Please allow me a moment to tell my story.
22 I believe my story is very important during this
23 time of utility deregulation, as it shows PECO's
24 continued lack of concern over public safety.

25 On December 19th, 1995, I was called to the

1 scene of a gas odor. My hands are really shaking.
2 I'm nervous.

3 JUDGE RAINEY: Take your time.

4 MR. HAVER: You're doing fine.

5 MR. COSTELLO: I'm not used to public speaking.

6 On December 19th, 1995, I was called to the
7 scene of a gas odor complaint in Norristown,
8 Pennsylvania. Within minutes of my arrival at the
9 scene, a massive gas explosion occurred within a
10 few feet of where I was located. The explosion has
11 left me with permanent injury as a result, permanent
12 injuries to my right knee resulting in three
13 surgeries and a knee replacement. I had a permanent
14 injury to my right shoulder, resulting in surgery;
15 a permanent spine damage requiring surgery; a
16 permanent hearing loss; a permanent psychological
17 injury. My partner was also injured and two other
18 victims were killed in this massive gas explosion.

19 Why were me and my partner called to the
20 scene? It was not because of a fire. We were
21 called to the scene because PECO cut costs and
22 PECO's, PECO's employees refused to do their job.

23 The gas explosion that caused my injury was
24 initially due to PECO's failure to replace a cast
25 iron gas main in a low income, mostly minority area

1 where the gas explosion occurred. A previous gas
2 main break had occurred at the same location and in
3 order to save money, PECO decided not to replace
4 the gas, cast iron gas main when the previous break
5 occurred, even though the cast iron gas main system
6 had become antiquated, and PECO knew this.

7 I'm very concerned about the fact that this
8 antiquated system is still out there, not only in
9 lower income, mostly minority areas in Norristown,
10 but all over the Delaware Valley.

11 This gas, the cast iron mains are time bombs
12 waiting to explode. PECO needs to replace this
13 entire system now in order to prevent further
14 injury and death, but this is not where PECO's
15 corporate greed ends.

16 One other reason I was called to the scene
17 was because of PECO's inadequate emergency
18 personnel. PECO again attempted to save money by
19 cutting these emergency personnel beginning around
20 1990. In order to increase dividends paid to its
21 shareholders, PECO had no emergency technicians on
22 duty or on call to handle this gas odor.

23 Because there were no PECO technicians on
24 duty, 27 calls were made to off-duty PECO employees
25 who either refused to respond to the gas odor in

1 Norristown, or could not be reached.

2 The residents complaining of the gas odor
3 called PECO on six separate occasions for over an
4 hour with no response. When the residents became
5 frustrated and disgusted with PECO, they contacted
6 911, who contacted the Norristown Fire Department.
7 We were asked to do the job that PECO should have
8 been doing.

9 After the, after, after the explosion, PECO
10 publicly accepted responsibility and even thanked
11 the fire fighters and police; however, when I
12 contacted PECO concerning my injuries, PECO's
13 response was consistent with its policies and
14 practice to save money at the expense of public
15 safety. PECO lawyers immediately attempted to
16 create a new law in Pennsylvania which would deprive
17 each and every fire fighter and police officer
18 throughout the State their right of recovery of
19 injuries suffered while on duty. In essence, PECO
20 is saying that it is my fault that I am permanently
21 injured and I -- because I chose to be a fire
22 fighter. Remember, I was not on the scene of a
23 fire, I was there because of PECO's gross mistake.

24 I'm afraid these gas explosions will continue
25 to occur because PECO is unwilling to spend the

1 money necessary to replace the cast iron system now
2 in place throughout the Delaware Valley. I'm afraid
3 that more innocent people will needlessly die or be
4 seriously injured if PECO doesn't start putting its
5 customers before its corporate earnings. The issue
6 of stranded costs is just another example of PECO
7 misleading the public in an attempt to save money
8 for its shareholders.

9 You've probably seen a lot of Corbin McNeill,
10 PECO's President and CEO, in TV ads recently. At
11 the end of one ad, Mr. McNeill asks, Any questions?
12 Yes, Mr. McNeill, we have a question. Why does
13 PECO put corporate profits before public safety?
14 Maybe ENRON Corporation or other PECO competitors
15 will put public safety before corporate profits.

16 I ask this distinguished Panel to deny PECO's
17 request to recover five billion plus dollars in so-
18 called stranded costs. Send PECO a message that
19 the public's health and welfare are more important
20 than corporate profits.

21 Thank you.

22 JUDGE RAINEY: Thank you, Mr. Costello.

23 Would you raise your right hand, please?

24 - - - - -

25 LES YOST, having been duly sworn,

1 was examined and testified as follows:

2 - - - - -

3 JUDGE RAINEY: Thank you. Please proceed.

4 MR. YOST: My name is Les Yost. I'm the
5 President of Local 22. That's the Philadelphia
6 Fire Fighters Union. We represent over 4600 fire
7 fighters in the City of Philadelphia. I have no
8 monetary connection to PECO, other than I pay my
9 monthly bill for electricity to them. I'm also a
10 Vice-President with the Pennsylvania AFL-CIO,
11 representing 110,000 fire fighters in the State of
12 Pennsylvania.

13 We are very much against the accord, as
14 Thacher Longstreth talked about, if fire fighters
15 and police officers are not protected, as they now
16 are, and if they become injured due to PECO or any
17 public utility's negligence.

18 Thank you for the opportunity to speak.

19 JUDGE RAINEY: Thank you, sir.

20 Senator Christine Tartaglione.

21 Would you raise your right hand, please?

22 - - - - -

23 CHRISTINE M. TARTAGLIONE, having been duly
24 sworn, was examined and testified as follows:

25 - - - - -

1 JUDGE RAINEY: Thank you. Please proceed.

2 SEN. TARTAGLIONE: Thank you very much for
3 allowing me to speak.

4 Good afternoon. My name is Christine M.
5 Tartaglione. I am a Senator in the Second District
6 in Philadelphia. Most of my, all of my constituents
7 receive their electrical service from PECO Energy.

8 I am before you today to offer my support for
9 the joint settlement between PECO and the parties
10 representing consumer interests. The Public
11 Utility Commission's approval of this settlement is
12 essential to PECO customers receiving rate
13 reductions negotiated and agreeded to this past
14 August.

15 As some of you know, I did not support the
16 initial deregulation legislation. Although I
17 agreed in concept, the legislation presented to the
18 General Assembly did not contain provisions which
19 guaranteed that any savings realized from competition
20 would be passed on to customers. I wanted to see
21 savings to the customers. I wanted to see savings
22 for the consumer that were proportional to utility
23 company profits. An attempt to amend the
24 legislation to guarantee customers savings failed,
25 which left the burden on the PUC to determine rate

1 reduction requests on an individual basis. That's
2 why I voted against the initial deregulation
3 legislation.

4 Fortunately, in the case of PECO Energy, a
5 distinguished group of individuals, including
6 Senator Vincent Fumo, Mr. Corbin McNeill, the Chief
7 Executive Officer of PECO, Mr. Lance Haver, head of
8 Consumer Education and Protective Association, the
9 State Consumer Advocate, the State Small Business
10 Advocate, and other interested parties worked very
11 hard together to craft a settlement agreement that
12 would guarantee PECO customers a minimum of ten
13 percent rate cut for 1998. After that, that rate
14 could reach as high as 18 percent, and when
15 competition transition charge for stranded costs is
16 no longer charged to customers, reductions that
17 could reach as high as 40 percent.

18 In addition, it is my understanding that
19 this settlement proposal contains assurances that
20 customer choice will be available to all customers
21 a year ahead of schedule and that the much needed
22 commitment to ensure energy service for low income
23 families will be increased. Raising the ceiling
24 for eligibility for a customer assistance program
25 could mean an additional 60,000 additional low-

1 income families will be able to receive help during
2 the crucial home heating system.

3 This landmark settlement sets the standard
4 to be met by other electric utility companies. It
5 takes us to where the legislation did not, which
6 now allows me to offer my full support for the
7 electrical deregulation.

8 I ask the PUC to act swiftly in approving
9 PECO's application so that we may begin to receive
10 the benefits as quickly as possible.

11 Thank you for allowing me to testify before
12 you today and offer my comments.

13 JUDGE RAINEY: Thank you, Senator.

14 Mr. Essel Wright, W-R-I-G-H-T.

15 Mr. Warren McKnight.

16 Would you raise your right hand, please?

17 - - - - -

18 WARREN MCKNIGHT, having been duly sworn,
19 was examined and testified as follows:

20 - - - - -

21 JUDGE RAINEY: Please proceed.

22 MR. MCKNIGHT: Yeah. I'm just here --

23 JUDGE RAINEY: Provide your full name and
24 spelling.

25 MR. MCKNIGHT: My name is Warren McKnight,

1 M-C-K-N-I-G-H-T. I reside at 51 North 63rd Street
2 in West Philadelphia. I'm here just to --

3 MEMBER OF THE AUDIENCE: Closer to the mike,
4 please.

5 MR. McKNIGHT: I'm here representing a small
6 group that is very concerned, we're very concerned
7 about our PECO electric bill. We know that it's
8 too high. We would like the opportunity to have a
9 choice. We look at this in, in a manner of looking
10 at when Bell Telephone Company owned everything,
11 then along came Sprint and MCI. We had a choice.

12 It did reduce our bills lower and we're very
13 appreciative of this. This is the same thing we
14 want to happen with our electric bill.

15 We want just lower prices. Ten percent of
16 \$700 is a drop in the bucket. If PECO wants to
17 offer us something, let them offer us 40 cents, 40
18 percent that they were taking from us, okay, that
19 extra charge that they were charging us over the
20 State, over all the State, and that's all I have to
21 say.

22 Thank you.

23 MR. HAVER: Affiliation?

24 JUDGE RAINEY: Mr. McKnight, there has been a
25 question with regard ot whether you have any

1 affiliation with any of the parties.

2 MR. McKNIGHT: No, I do not.

3 JUDGE RAINEY: Thank you, Mr. McKnight.

4 MR. McKNIGHT: You're welcome.

5 JUDGE RAINEY: Willa McKnight.

6 Mrs. McKnight, would you raise your right
7 hand, please?

8 - - - - -

9 WILLA McKNIGHT, having been duly sworn,
10 was examined and testified as follows:

11 - - - - -

12 JUDGE RAINEY: Thank you.

13 MRS. McKNIGHT: My name is Willa McKnight,
14 W-I-L-L-A, M-C-K-N-I-G-H-T. I live at 6552 Harlan
15 Street in Philadelphia.

16 I'm a customer of --

17 JUDGE RAINEY: Mrs. McKnight, I'm sorry.
18 You'll have to speak close to the microphone.

19 MRS. McKNIGHT: Do you want me to do it all
20 over again?

21 JUDGE RAINEY. Yes.

22 MRS. McKNIGHT: My name is Willa McKnight,
23 W-I-L-L-A, M-C-K-N-I-G-H-T. I live at 6552 Harlan
24 Street.

25 I support Coalition for Choice. I'm a

1 customer of PECO. I'm retired and I take care of
2 my 90-year-old mother. I do not need PECO turning
3 off my electricity because I get behind.

4 PECO rates are too high. Ten percent is not
5 much. I believe 40 percent, we can deal with.
6 With another electric company, I believe PECO will
7 drop their rates.

8 PECO will send you a Shut Off Notice and a
9 few days later, they will send you another bill.
10 Senior citizens shouldn't have to pay high electric
11 bills. I think PECO should consider lower rates.

12 As far as fire fighters, PECO should pay them
13 and they deserve much more than they are paid.
14 Their lives are always on the line and PECO should
15 be ashamed of themselves. They get enough money
16 from people to pay without laws. Without the fire
17 fighters, a lot of lives will be lost.

18 JUDGE RAINEY: Thank you, Mrs. McKnight.

19 Mr. Willie Pettis.

20 MEMBER OF THE AUDIENCE: He's not here. He's
21 absent.

22 JUDGE RAINEY: Okay. Moving on, Mr. Irvin
23 McKnight.

24 Mr. McKnight, would you raise your right
25 hand, please?

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

- - - - -
IRVIN McKNIGHT, having been duly sworn,
was examined and testified as follows:

- - - - -
JUDGE RAINEY: Please proceed.

MR. McKNIGHT: As you know with my mother, my

--

JUDGE RAINEY: I'm sorry. Please spell your
name and give us your address.

MR. McKNIGHT: First name is Irvin, I-R-V-I-N,
address is 31 South 53rd Street. McKnight is
M-C-K-N-I-G-H-T.

JUDGE RAINEY: Any affiliation with the
parties here or any of the parties in the case?

MR. McKNIGHT: Just a choice.

JUDGE RAINEY: Please proceed with your
testimony.

MR. McKNIGHT: Okay. As you heard, my
mother, my brother, it's all a family thing with
us.

We wish -- we will shut you down, PECO,
believe me. We ain't going to tolerate none of
this stuff that you all been doing.

Looking at that fireman sitting in that
wheelchair, that kind of hurts, too. You know, you

1 all wasn't even there to help, you know, but as
2 everything goes, everybody gets their turn. We want
3 this turn. This is the turn we want right now.

4 Now, as far as the rates you all been
5 charging, yeah, I'll go along with, they high. Shut
6 them down a little bit, you might get a result.

7 Thank you.

8 JUDGE RAINEY: Thank you.

9 Ms. Sylvia Abraham.

10 Ms. Abraham, would you raise your right
11 hand, please?

12 - - - - -

13 SYLVIA ABRAHAM, having been duly sworn,
14 was examined and testified as follows:

15 - - - - -

16 JUDGE RAINEY: Thank you.

17 Please give your full name, spelling your
18 name, and also your address.

19 MS. ABRAHAM: Hello. How you all doing?

20 Good afternoon.

21 JUDGE RAINEY: Good afternoon.

22 MS. ABRAHAM: My name is Sylvia Abraham,
23 S-Y-L-V-I-A, A-B-R-A-H-A-M, I live at 344 North
24 Greenfield, and I am customer of PECO and I do
25 think that they are overcharging people, for the

1 simple fact just last week they had come out to my
2 house to turn my electric off before my deadline of
3 payment, and I asked them, I said --

4 Well, the guy that came out, I said, Well,
5 can I have a number to call, to call someone to put
6 a stop to it? They told me, No, it's too late,
7 we're already out, and I don't think that that was
8 right, because I do pay my bills on time and just
9 because I paid one payment do not give them the
10 right to come out here and turn my electricity off.

11 I have children in my house and I'm trying
12 to make it the same way they are, and they turned
13 the electric off. Okay.

14 I went out there. I hustled the money up to
15 have the electric turned back on, which it was too
16 much, 300 and something dollars to have the electric
17 turned on, when that's just about as high as my
18 rent. I might as well go and move into the Electric
19 Company because I'm paying the same amount of what
20 I'm giving them. They're charging me more there
21 than they're charging me for rent, and I don't
22 think that is right so therefore, if it's lower,
23 then go for it; if not, then leave it alone.

24 JUDGE RAINEY: Thank you, Ms. Abraham.

25 MS. ABRAHAM: I'm not finished.

1 JUDGE RAINEY: Oh, I'm sorry.

2 MS. ABRAHAM: And so therefore, I feel as
3 though they should be put out of business.

4 Thank you.

5 JUDGE RAINEY: Thank you, Ms. Abraham.

6 Mr. Robert Glenn.

7 Mr. Glenn, would you raise your right hand?

8 - - - - -

9 ROBERT GLENN, having been duly sworn,
10 was examined and testified as follows:

11 - - - - -

12 JUDGE RAINEY: Thank you. Please proceed.
13 Would you state your name, spell your name, give
14 your address.

15 MR. GLENN: My name is Robert Glenn, 5512
16 Market Street, Philadelphia. I'm affiliated with
17 the Consumer Coalition for Choice.

18 My concern is I'm working for a small business
19 and nonprofit business. We deal with children, and
20 one of the things I know everybody is worried about,
21 afraid of is restructuring and down sizing. Well,
22 we're going through that and one of the things
23 we've known, if we had a possibility where years
24 ago, with some of these bills, electric bills, for
25 example, was down, we could save hundreds of

1 thousands of dollars, which means that people would
2 have had jobs. These people don't --

3 I'm one of the ones going through this
4 problem right now of not having a job for a period
5 of time because of down sizing. I might have my
6 job now, later on, if it wasn't for that, and I
7 feel as though anyone who is going to give a fair
8 choice about a better way of saving money, small
9 businesses for one, for the individuals, we need to
10 go that way.

11 That's all I have to say. Thank you.

12 JUDGE RAINEY: Thank you, Mr. Glenn.

13 Eric Mann.

14 Mr. Mann, would you raise your right hand,
15 please?

16 - - - - -

17 ERIC MANN, having been duly sworn,
18 was examined and testified as follows:

19 - - - - -

20 JUDGE RAINEY: Please proceed.

21 MR. MANN: My name is Eric Mann, M-A-N-N. I
22 live at 315 South 50th Street. I'm just here to
23 say PECO wants to give us ten percent. What would
24 ten percent actually do if your electric bill is
25 about \$70? Ten percent is nothing. If they could

1 give us something like 20 or 30 percent, it would
2 be something better, but ten percent, that is not
3 doing anything to your electric bill, and that's
4 all I have to say.

5 JUDGE RAINEY: Thank you, Mr. Mann.

6 Mr. William Sisco. William Sicso, S-I-S-C-O.

7 Mr. Sisco, would you raise your right hand,
8 please?

9

- - - - -

10 WILLIAM SISCO, having been duly sworn, was
11 examined and testified as follows:

12

- - - - -

13 JUDGE RAINEY: Thank you. Please proceed.

14 MR. SISCO: My name is William Sisco,
15 S-I-S-C-O. I'm in support of a change.

16 JUDGE RAINEY: I'm sorry, Mr. Sisco. Would
17 you give your address and any affiliation, please.

18 MR. SISCO: My address is 5842 Trinity Street
19 and I'm not affiliated with PECO.

20 JUDGE RAINEY: Please proceed.

21 MR. SISCO: I'm in support of a change because
22 we are overdue for a change with PECO. My electric
23 bill is higher than my car note, and I feel as
24 though we need a change soon, very soon.

25 Thank you.

1 JUDGE RAINEY: Thank you, Mr. Sisco.

2 Mr. Robert Mantey.

3 Mr. Mantey, would you raise your right hand,
4 please?

5

- - - - -

6 ROBERT MANTEY, having been duly sworn,
7 was examined and testified as follows:

8

- - - - -

9 JUDGE RAINEY: Thank you. Please proceed.

10 MR. MANTEY: My name is Robert Mantey, I live
11 at 17 Michael Road, Havertown, Pennsylvania.

12 JUDGE RAINEY: Mr. Mantey, would you spell
13 your last name for us, please?

14 MR. MANTEY: M-A-N-T-E-Y.

15 Can everybody hear me?

16 MEMBER OF THE AUDIENCE: Yes.

17 MR. MANTEY: I got a loud voice. I was in
18 the Army and I know how to throw my voice. My wife
19 complains.

20 I have a few shares of Philadelphia Electric.
21 I was a -- I retired from Philadelphia Electric in
22 1984. I spent over 30 years in Nuclear Energy,
23 having a Master's Degree from Princeton in 1950. I
24 graduated from the United States Military Academy
25 in 1945 and then received my Master's Degree in

1 Nuclear Physics from Princeton and then I served in
2 the nuclear energy area.

3 The October 9, 1997 Philadelphia Inquirer,
4 in an article on ENRON's electric rate plan, had
5 the following statement, and I quote, "ENRON, the
6 Houston energy company, also has proposed shoving
7 aside PE Company as a primary" power producer to
8 the, "provider to the region. This could be a
9 disaster for customers". What does this mean?

10 My educated guess is that PECO could go
11 bankrupt. Who is there to take over four running
12 reactors and run them? I would say none. PECO
13 would have to shut down 4,000 megawatts of power.
14 If ENRON proposes to put down PECO as an energy
15 generator, where will the 4,000 megawatts come
16 from, from when we have hot summer days over 90
17 degrees and air conditioners are running full blast?

18 Last summer, a number of utilities were short
19 of power. If power must be imported from the west,
20 where we have many dirty coal plants in operation,
21 the local Philadelphia area could receive much more
22 dirty air, higher concentrations of the oxides of
23 sulphur and nitrogen, which is very harmful to
24 people.

25 Do we want this? The answer is no. Most of

1 the power plants do not yet have sulphur clean up
2 as called for under the Federal energy, the Federal
3 Clear, Clean Air Act. PECO has suffered clean up
4 at the Eddystone Coal Plant.

5 We in the Philadelphia area do not want their
6 dirty air, since our predominant wind direction is
7 west to east.

8 According to the headline, the ENRON
9 takeover of Portland General Electric Company was
10 to be voted on in June of 1997 by the shareholders.
11 I think it was approved. If it is approved, this
12 does make ENRON, which is primarily a gas and oil
13 company, an electrical utilities expert. The
14 Portland General One Nuclear Plant has been shut
15 down and is now being de-commissioned.

16 Also was quoted in the Inquirer article on
17 ENRON on October 9, 1997, the ENRON bill to Phila-
18 delphia area customers starts to increase from the
19 year 2001 and 2002. What happens in the following
20 years? Maybe the ENRON rates will be sky-
21 rocketing. Their experience in electrical
22 generation and distribution, in my judgment, is a
23 spec.

24 The PUC should investigate the ENRON proposal
25 in great detail and cover all the fine points of

1 the proposal. They should also investigate ENRON's
2 future capability to produce. My vote is for the
3 PUC, an approval of the PE Company plan.

4 I might add here that everybody is concerned,
5 and rightly so, for the costs of energy right now,
6 but before long we are going to need a lot of new
7 power plants. Who is going to build them if
8 companies like Philadelphia Electric, PECO now has
9 to shut down their power plants with no new ones on
10 the horizon and everybody coming from the west
11 wants to give us power? Where is it going to come
12 from in the summer?

13 Thank you very much.

14 JUDGE RAINER: Thank you.

15 Mr. Vincent DiFilippo.

16 Mr. DiFilippo, would you raise your right
17 hand, please?

18 - - - - -

19 VINCENT DiFILIPPO, having been duly sworn,
20 was examined and testified as follows:

21 - - - - -

22 JUDGE RAINEY: Thank you.

23 Please proceed.

24 MR. DiFILIPPO: My name is Vincent DiFilippo,
25 D-I-F-I-L-I-P-P-O, address is 521 Arbordale Road,

1 Wayne, Pennsylvania 19087. I am a small heating
2 and air conditioning company in Wayne, five
3 employees. We do about half a million a year.

4 I'm also a Board of Director of the Delaware
5 Valley Chapter of Air Conditioning Contractors of
6 America.

7 We're here today to voice our concern over
8 this deregulation, and we would really ask the PUC
9 to include some language with teeth that would
10 prevent these utilities from cross subsidizing
11 ratepayer money to start heating and air conditioning
12 businesses. It's a fact that it's been going on.

13 The Small Business Administration has
14 acknowledged that it's been happening and it's
15 unfair to us small guys when we have to go out and
16 buy our own trucks, get our own insurance, where
17 big monopolies of utilities can pool their resources
18 together and get fleets of trucks.

19 Our local branch has 25, the Delaware Valley
20 consists of 25, 2500 contractors in Southwest
21 Pennsylvania. The national, we represent 3,000
22 contractors, with over 4,000 members across the
23 country. New York PUC recently passed legislation
24 that utilities must get out of the heating and air
25 conditioning business by the year 2000. That was a

1 great victory.

2 Now, we're all for competition. We don't
3 mind competition. We've been competing with PECO
4 for years, but we would like a level playing field.

5 If you want to get into the heating and air
6 conditioning business, cable, electric, burglar
7 alarm, whatever, you must start it with money not
8 from the ratepayers.

9 Thank you.

10 JUDGE RAINEY: Harden Bramlet.

11 Mr. Bramlet, would you raise your right hand,
12 please?

13

- - - - -

14 HARDEN BRAMLET, having been duly sworn,
15 was examined and testified as follows:

16

- - - - -

17 JUDGE RAINEY: Thank you. Please proceed
18 with your name, address, spelling your name, please.

19 MR. BRAMLET: My name is Harden Bramlet,
20 H-A-R-D-E-N, B-R-A-M-L-E-T. I live at 6104 Locust
21 Street, Philadelphia, Pennsylvania. I am a citizen
22 of the United States. I've been a citizen of Phila-
23 delphia for 47 years, and I come to this meeting,
24 I'm not a great speaker --

25 MR. HAVER: You're doing great.

1 MR. BRAMLĚT: -- but I just want to let Mr.
2 PECO know that my bill, I can't speak for anyone
3 but only for mine, because I ain't seen anyone's
4 bills, but it's too much, and I've been paying, I
5 pay my bills on time because I don't want my
6 electric cut off.

7 I pay my rent on time. I bought my home on
8 time because I didn't want nobody to take it,
9 because it's as sure as Christ is a Christian, if
10 you miss one payment, you've had it. The same as
11 your electric bill, your gas bill, your telephone
12 bill, everything. Now, you just miss a payment,
13 you still get these little sweet letters and things,
14 We going to do this and we going to do that.

15 Now, I have a, a letter here -- excuse me
16 one moment, please.

17 I have a bill here from Mr. PECO. I would
18 like for you to explain this to me because I've
19 been confused ever since I been paying bills.

20 JUDGE RAINEY: Mr. Bramlet, at the break, you
21 can present that to the PECO representative and
22 have him explain that to you.

23 MR. BRAMLET: Thank you very much.

24 JUDGE RAINEY: You're welcome.

25 MR. BRAMLET: And that's it.

1 JUDGE RAINEY: Thank you, Mr. Bramlet.

2 Mrs. Maime Wiggins.

3 Mrs. Wiggins, would you raise your right
4 hand, please?

5 - - - - -

6 MAIME E. WIGGINS, having been duly sworn,
7 was examined and testified as follows:

8 - - - - -

9 JUDGE RAINEY: Please proceed.

10 MRS. WIGGINS: My name is Maime E. Wiggins,
11 M-A-I-M-E, capital E for initial, and W-I-G-G-I-N-S.
12 I live at 211 North Creighton, and that's spelled
13 C-R-E-I-G-H-T-O-N, Street. I am a customer of
14 PECO, but I have no affiliations with anything that
15 goes on with PECO.

16 Good morning, Judge Rainey.

17 JUDGE RAINEY: Good morning.

18 MRS. WIGGINS: And Judge Chestnut. I am a
19 member of Action Board of -- the Action Board of
20 Action Alliance of Senior Citizens of Greater
21 Philadelphia.

22 Can you hear me?

23 MEMBER OF THE AUDIENCE: Yes.

24 MRS. WIGGINS: Action Alliance is a coalition
25 of 205 centers, retiree groups and resident councils

1 throughout Philadelphia. This year, we will have
2 more than 10,000 dues paying members and represent
3 roughly 100,000 senior citizens. Many of our
4 members are unable to pay for all their necessities
5 of life in the best of times. Residential electric
6 rates, which are more than double another Pennsyl-
7 vania utility's rates, can make it impossible.

8 Our members are living on modest and low
9 fixed incomes. We have a high concentration of
10 poor elderly, and we have the highest rates in the
11 State. Great policy, I say.

12 Limerick One, you've heard of Limerick's,
13 this is Limerick One. There are two plants in
14 Limerick. Nuclear generation is their schtick.
15 The costs are so high. It makes people cry or die.
16 Regulation? Choice? It's all a trick.

17 This poem suggests how people feel when they
18 learn that even with the choice of a new supplier
19 or generator, they will continue to pay more to
20 PECO for plants they no longer use. This is the
21 case in new suppliers. We ask that you decide that
22 no one pay for power plants they no longer use. We
23 ask that you seriously address the great rate
24 disparity. Should those who have already unfairly
25 paid PECO Energy more than twice the market rate

1 for nine years be forced to pay even one cent more
2 of these uneconomic costs?

3 The fair comprise, the only comprise is no
4 more recovery of uneconomic costs associated with
5 the generation at Limerick One and Two.

6 We also ask that you consider how much of a
7 sur-credit PECO Energy should give each month to
8 ratepayers in return for overcharging the past nine
9 years.

10 The truly just position in this rate case is
11 for residential ratepayers to pay nothing for the
12 next nine years to make up for the double paying
13 the past nine years.

14 The Philadelphia media covering this issue,
15 and even the Public Utility Commissioners in their
16 study, always refuse to mention that a possible
17 outcome and honest and practical position is that
18 of sur-credits. They don't even acknowledge it.
19 Refunds and reparations for past overcharging.
20 Ratepayers who find the Governor, the legislature,
21 and the Public Utility Commissioners biased heavily
22 towards PECO Energy's position look to you, the
23 Judges, for a more just perspective and decision.

24 Ratepayers are also starting to look to
25 themselves by pledging to boycott half of PECO

1 Energy's bill, when enough of them have banded
2 together to be successful.

3 If the pilot program decision is a peek into
4 the minds of Public Utility Commissioners, and our
5 future, then in this case, restructuring case, PECO
6 will get 75 percent of their requested \$6.8 billion
7 of uneconomic costs, and the ratepayers get gouged
8 for ten more years. This would be a total night-
9 mare. We must not continue to pay twice, nor nearly
10 twice as much as some other people in Pennsylvania
11 pay for the same electricity.

12 With respect to the two proposals, positions
13 before the Commission, the rate cut is obviously
14 minimal and unacceptable. The Customer Assistance
15 Program should be beefed up into a full blown
16 universal service fund, the time line should be an
17 immediate start for sur-credits, not sur-charges.
18 There should be no payoffs through legal and
19 financial bond work, because there should be no
20 bonds and lawyers for poor ratepayers should be
21 fully and appropriately compensated.

22 If a possibility existed that bonds were to
23 be sold, then bond companies and legal services
24 should be randomly selected from all firms which
25 apply to do the work, rather than be part of any

1 written or unwritten sections of this settlement.

2 Limerick Two. Hang, Brown, Rol, Bloom, and
3 Quain must decide money for the runaway train with
4 help from Chestnut and Judge Rainey, but folks will
5 boycott, not complain.

6 Are there any questions? Thank you.

7 JUDGE RAINEY: Thank you, Mrs. Wiggins.

8 Ms. Jean Eddings.

9 Ms. Eddings, would you raise your right
10 hand, please?

11 - - - - -

12 JEAN L. EDDINGS, having been duly sworn,
13 was examined and testified as follows:

14 - - - - -

15 JUDGE RAINEY: Thank you. Please proceed and
16 speak right into the mike.

17 MS. EDDINGS: Okay. My name is Jean, J-E-A-N,
18 L, initial, Eddings, E-D-D-I-N-G-S. My address is
19 6729 North Carlisle, C-A-R-L-I-S-L-E Street. I'm
20 not affiliated with any of the companies here at
21 this meeting. I'm just a concerned senior citizen
22 who is paying much too much each month and it is
23 getting to be a burden.

24 I am retired after 35 years with the State.
25 I am -- I cannot, I can no longer pay my bill and

1 I'm afraid not to pay it because then my electricity
2 will be cut off.

3 I have a daughter who is on disability from
4 the School Board. I have a son, a grandson who has
5 asthma. We must have electric, so therefore I have
6 to pay my electric and let other things go, which
7 isn't fair.

8 I've worked 35 years. I think we deserve a
9 break from the Electric Company, and ten percent is
10 not enough.

11 JUDGE RAINEY: Thank you, Ms. Eddings.

12 MS. EDDINGS: You're welcome.

13 JUDGE RAINEY: Pat Gillespie.

14 MR. STODDART: He asked me to speak on his
15 behalf.

16 JUDGE RAINEY: Would you come to the mike,
17 please?

18 Would you please raise your right hand?

19 - - - - -

20 BLANE STODDART, having been duly sworn,
21 was examined and testified as follows:

22 - - - - -

23 JUDGE RAINEY: Yes, sir. Please proceed with
24 your name and address and for whom you are testify-
25 ing.

1 MR. STODDART: My name is Blane Stoddart.
2 I'm the Executive Director of West Philadelphia
3 Partnership Community Development Corporation. I
4 have no personal interest in PECO Energy, but I do
5 run a nonprofit in West Philadelphia that's
6 dedicated to housing and economic development in
7 West Philadelphia and in Center City.

8 PECO Energy has invested, over the past
9 three years, \$750,000 in our nonprofit. We have
10 been able to use that seed money and raise \$5.3
11 million which we've used to build affordable housing and
12 create 42 new jobs in West Philadelphia. Most of
13 the people on our payroll, we took directly off the
14 welfare rolls, so with welfare reform, we've been
15 able to address some of the economics.

16 If people are going to be thrown off welfare,
17 we've been able to get them off the welfare rolls
18 and I'm here to testify on behalf of the Board of
19 Directors of Partnership CDC and the CORS Company,
20 which were formed to do graffiti removal, pressure
21 washing and cleaning in neighborhoods all across
22 the City.

23 Administrative Judges, Your Honors, and
24 members of the PUC and public, I have read with
25 some interest the proposed settlement now in front

1 of the PUC and the new proposal which I read about
2 in the Philadelphia Inquirer introduced by ENRON,
3 which has drastically increased media coverage
4 concerning deregulation in the electric industry.

5 Three major issues must be clarified and
6 understood in this debate: No. 1, what is the best
7 short and long-term decision for the people of
8 Pennsylvania? What, No. 2, what will be the impact
9 on the business community; and No. 3, what will be
10 the impact on jobs and economic development in our
11 region?

12 Let's deal with the first issue. The current
13 rate reduction agreement supported by PECO Energy
14 Company and the Consumer Advocate offers a ten
15 percent reduction on electric rates by September,
16 1998 and will assist 60,000 additional low-income
17 families with paying their electric bills through
18 the Customer Assistance Program, otherwise known as
19 CAP. PECO Energy would continue to keep its
20 commitment to the inner city in terms of jobs and
21 local economic development in the region and on the
22 other hand, the ENRON proposal, which supposedly
23 guarantees a 20 percent reduction, would later be
24 followed by significant rate increases to recapture
25 the discount, which essentially amounts to baiting

1 and switching.

2 Bating, switching, and slamming have become
3 benchmarks of deregulation in the phone industry,
4 in the cable T.V. industry, and now the electric
5 industry.

6 Electric competition, Your Honors, has not
7 even started, and the games have already begun.
8 Like Al Dunlap, the destroyer of Scott Paper and
9 now Sunbeam Corporation, ENRON seeks to pay \$5.461
10 billion to take over PECO Energy in a hostile
11 manner, gouge customers, including its senior
12 citizens, fire its employees, bate and switch its
13 customers, sell off parts of the company and then
14 leave town. The impact would be devastating on
15 business and the regional economy.

16 What will it take for us Pennsylvanians to
17 learn that entire regions and countries are now in
18 fierce competition for resources that we must
19 preserve? This is -- there's a distinct connection
20 between business growth, employment, and quality of
21 life. One example is the closing of the Phila-
22 delphia Navy Yard, which lead to the loss of over
23 5,000 jobs. Now, and only now we Pennsylvania
24 taxpayers have to kick in \$280 million to recapture
25 1,000 of those jobs, and it's only 20 percent of

1 the original jobs that were lost.

2 The PUC, ladies and gentlemen, is the gate-
3 keeper for business and economic development in
4 this region and I urge you to work to preserve and
5 grow, not destroy our local businesses.

6 Finally, PECO Energy has been a catalyst for
7 jobs and economic development in the Greater Phila-
8 delphia Region. PECO Energy has over 7,000
9 employees and spends billions in the regional
10 economy. In addition, PECO Energy has made
11 significant contributions to this region through
12 sponsorship of several major organizations,
13 including the United Way, the Philadelphia Plan,
14 the Urban League, the Greater Philadelphia Chamber
15 of Commerce, the Greater Philadelphia Urban Affairs
16 Coalition and others. ENRON has not, and probably
17 never will make any economic or civic commitment to
18 our region.

19 The Partnership CDC urges the PUC to support
20 the rate reduction plan proposed by the Consumer
21 Advocate and PECO Energy and reject ENRON's
22 incomprehensible bait and switch scheme.

23 Thank you very much.

24 JUDGE RAINEY: Thank you, Mr. Stoddart.

25 MR. CLEARFIELD: Your Honor, I wonder if it

1 would be possible to provide a clarification with
2 respect to ENRON's proposal, in light of the
3 comments that were made? Would that be in order?

4 MEMBER OF THE AUDIENCE: Speak at the mike.

5 JUDGE RAINEY: In addition to the statement
6 that was earlier, that you earlier made about the
7 ENRON proposal?

8 MR. CLEARFIELD: Yes.

9 JUDGE RAINEY: Well, we have a number of
10 witnesses that we'd like to get through. Maybe
11 what we can do is to at a later point, at a later
12 point we can allow any, any clarifications and
13 certainly during the break, anyone is free to
14 approach any of the representatives with regard to
15 their proposals.

16 I don't want this to turn into the evidentiary
17 hearings, which we'll get into next week, in terms
18 of a point, counterpoint kind of a session, because
19 of course if I allow you to explain yours, and then
20 the company of course will want to explain its
21 position and we can go back and forth all day with
22 respect to that.

23 MR. STODDART: Your Honor, can I make a
24 comment?

25 JUDGE RAINEY: This is a continuation --

1 MEMBER OF THE AUDIENCE: You said enough.

2 JUDGE RAINEY: Is this a continuation of your
3 testimony?

4 MR. STODDART: I would just like to say to
5 the ENRON representative --

6 JUDGE RAINEY: Why don't you talk to him at
7 the break.

8 MR. STODDART: Can I enter my testimony for
9 the record?

10 JUDGE RAINEY: You may. Please give it to
11 the court reporter.

12 Mrs. Cox.

13 Would you raise your right hand, please?

14 - - - - -

15 BARBARA DANIEL COX, having been duly
16 sworn, was examined and testified as follows:

17 - - - - -

18 JUDGE RAINEY: Thank you. Please state your
19 full name, spelling your name, also your address
20 and any affiliations, please.

21 MRS. COX: My name is Barbara Daniel Cox,
22 B-A-R-B-A-R-A, D-A-N-I-E-L, C-O-X. I live at 111
23 West Upsal Street in Philadelphia. I am a member
24 of the Multicultural Affairs Congress, Council, of
25 PECO Energy Company, and I head an organization

1 which I will list in my title, which has received
2 approximately \$10,000 from PECO Energy in this
3 year, and we are proud to be one of hundreds, if
4 not thousands of nonprofit organizations in the
5 Philadelphia region that have been the beneficiary
6 of corporate contributions from PECO Energy Company.

7 My name is Barbara Daniel Cox. I am President
8 and CEO of the Black Family Reunion Cultural Center.
9 I have come to present testimony regarding the
10 electric competition restructuring plan. The
11 Public Utility Commission has decided that we, the
12 consumers, deserve a choice in who provides our
13 electricity. Well, I've always enjoyed having a
14 choice when and where I spend my money. Without
15 competitive prices and quality of product, we all
16 have to settle for whatever the provider wanted to
17 give us.

18 I've lived in Philadelphia for more than 50
19 years. For all of those years, PECO Energy Company,
20 formerly Philadelphia Electric Company, has been
21 the provider of electrical service to my family,
22 and while there have been times when I thought my
23 bill may have been too large, due to my personal
24 financial circumstances, PECO Energy staff has
25 always been receptive and responsive to my family's

1 concerns and needs to negotiate a payment plan.

2 I have always found the staff to be kind,
3 courteous, informative and helpful, and that might
4 not be the same for the rest of you who talked
5 about getting your bill -- getting your electricity
6 disconnected because a bill wasn't paid, and not
7 getting information appropriately from staff, but
8 I've always had good experiences, and to suggest that
9 other companies may not disconnect your service if
10 you don't pay the bill.

11 Additionally, I've grown to know some of the
12 PECO employees on a professional level and have
13 worked with some of them on a variety of projects.
14 Again, they always perform with very high standards
15 and generally expect the same from the people with
16 whom they work.

17 Now you are presenting me with a choice. I
18 can choose to terminate my relationship with PECO
19 Energy Company and select a company from another
20 State with whom I have no information about or
21 relationship. This is a bit scary. Why should I
22 switch?

23 I've always believed that if it ain't broke,
24 don't fix it. Well, PECO Energy is not broke and I
25 don't want to fix it, and we might mess it up, as

1 the saying goes.

2 As it is now, if I have an electrical
3 problem, I can call PECO Energy's number and get an
4 immediate referral for assistance. Who am I going
5 to call in Texas? How long will it take for someone
6 to get back to me, and how long will it take for
7 them to become familiar with Philadelphia, its
8 geography and resources? Why should I take a
9 chance on them? They're not taking a chance on
10 me. All it seems they're doing is trying to make
11 us believe that they have a better deal than the
12 one that PECO has proposed.

13 Well, quite frankly, I don't believe them.
14 Maybe it's because I know and respect PECO. I
15 don't know and really have no reason to respect
16 ENRON. All of a sudden they have appeared out of
17 nowhere and want us to leave our friends and join
18 with them. It would be difficult for me to live
19 with myself if I did that. PECO has been there for
20 me and I want to be there for them so, Commissioners,
21 please tell me if I took a chance and switched, No.
22 1, how could I be sure that the other company would
23 give the top quality service that I have come to
24 know from PECO Energy?

25 No. 2, are they going to provide the

1 generator services or borrow from PECO? If they
2 are borrowing from PECO, why should I let them be
3 the middle person? I don't need a middle person
4 when I can go directly to PECO. If they'll be
5 depending on PECO, why shouldn't we?

6 No. 3, are there any assurances that their
7 lower price will remain lower? And for how long?
8 And are the prices really lower when all things are
9 equal?

10 No. 4, who is ENRON, other than what I read
11 in the paper? How long have they been in Pennsyl-
12 vania and what do they know about us? And do they
13 really care about us, as PECO Energy has demon-
14 strated time and again through their corporate
15 contributions and community relations support that
16 benefits a culturally diverse constituency?

17 No. 5, why can't we simply proceed with the
18 PECO proposal and see what happens? I truly believe
19 that their proposal, as I understand it, is the best
20 alternative for Pennsylvanians.

21 Commissioners, PECO has a track record in
22 Pennsylvania. To my knowledge, there have been no
23 challenges to the quality of PECO's product. I
24 urge you to make a decision in favor of PECO Energy
25 Company and the residents of Pennsylvania.

1 Thank you.

2 JUDGE RAINEY: Thank you, Ms. Cox.

3 Mr. Al Taubenberger.

4 Mr. Taubenberger, would you raise your right
5 hand, please?

6 - - - - -

7 AL TAUBENBERGER, having been duly sworn,
8 was examined and testified as follows:

9 - - - - -

10 JUDGE RAINEY: Thank you. Please proceed.

11 MR. TAUBENBERGER: My name is Al Taubenberger.
12 I reside at 7137 Oxford Avenue.

13 JUDGE RAINEY: Mr. Taubenberger, spell your
14 last name, please.

15 MEMBER OF THE AUDIENCE: We can't hear you.

16 JUDGE RAINEY: Speak right into the micro-
17 phone.

18 MR. TAUBENBERGER: My name is spelled
19 T-A-U-B-E-N-B-E-R-G-E-R, and I reside at 7137
20 Oxford Avenue in Philadelphia. I am President of
21 the Greater Northeast Philadelphia Chamber of
22 Commerce.

23 The Greater Northeast Philadelphia Chamber
24 of Commerce was founded in 1922. It's a private
25 business association of nearly 1,000 members,

1 dedicated to the success of our community and the
2 free enterprise system.

3 As a lifelong resident of Northeast Phila-
4 delphia, and quite frankly, I reside in the same
5 house that I was born in, I am very involved in our
6 local community. I'm very involved in the Berhome
7 Town Watch and Berhome Civic Association and as a
8 long time resident and neighbor and that involve-
9 ment, I know of not one issue, not one quality of
10 life issue that PECO hasn't been available and
11 supportive for the betterment of the people of
12 Philadelphia.

13 PECO has been a very good neighbor, and let
14 me tell you in regards to Town Watch and the Town
15 Watch movement, it's important to know your neighbors
16 and it's great to have a good one.

17 Competition is the key ingredient for the free
18 enterprise system. We now have a great opportunity
19 for small businesses in Northeast Philadelphia to
20 see lower electric rates as a result of the
21 settlement regarding PECO Energy's restructuring
22 filing.

23 The settlement was done with input from many
24 interests and features an acceleration in the
25 customer choice timetable. The most important

1 aspect of the agreement is a guaranteed ten percent
2 rate of reduction. These savings will allow small
3 businesses in Northeast Philadelphia to remain
4 competitive and could be a catalyst in attracting
5 and creating new jobs. Northeast Philadelphia, as
6 the rest of the City, has seen a very consistent
7 trend of jobs and people out of the City and even
8 out of the region. Fair competition and reduction
9 of rates might reverse this trend, so I believe it
10 is important that this be approved and the settle-
11 ment be approved so the benefits can be seen by all
12 as quick as possible.

13 Thank you.

14 JUDGE RAINEY: Thank you, Mr. Taubenberger.
15 Ms. Ruth Allan Miner.

16 Ms. Miner, would you raise your right hand,
17 please?

18 - - - - -
19 RUTH ALLAN MINER, having been duly sworn,
20 was examined and testified as follows:

21 - - - - -
22 JUDGE RAINEY: Ms. Miner, please proceed.
23 Speak directly into the mike.

24 MS. MINER: My name is Ruth Miner. I live at
25 48 West Highland Avenue in Philadelphia. I'm a

1 PECO customer. I'm an old and loyal member of
2 CEPA. Well, today I'm a dissenter. I'm going to
3 read you my testimony. Let me see.

4 I have testified before a PUC panel in favor
5 of retail wheeling and against PECO's request for
6 recovery of stranded expenses. Today, I shall sum
7 up briefly why I still oppose billing electrical
8 customers for PECO's expenses.

9 Despite the fact that, one, there is no safe
10 level of radiation, and low level radiation has
11 compellingly been demonstrated to be injurious to
12 human health, and despite the fact that nuclear
13 reactors, still experimental, are developing
14 dangerous structural flaws as radiation damages
15 tubes, steam condensers, and containments and
16 repairs, even if possible, are often dangerous and
17 prohibitively costly so that as a result, a number
18 of reactors have been shut down before completing
19 their predicted life-spans; and despite the fact
20 that PECO reactors, notably those at Limerick, were
21 located dangerously close to large population
22 centers where there has been and is predicted to be
23 extensive residential development.

24 I have in my testimony here proof that the
25 Delaware Valley Regional Planning Commission has

1 announced that the -- in Montgomery County, Limerick
2 is expecting to have the largest increase in popu-
3 lation of -- and at any rate, the State Department
4 of Community Affairs has given Limerick Township a
5 grant of \$153,832, "To make Township building more
6 accessible to people with disabilities and to
7 rehabilitate housing for low and moderate income
8 residents".

9 This is a shocking form of official victim-
10 ization of low-income people, in my opinion.

11 PECO has the power plants there. Everybody
12 knows it's, it's overpopulated when the first plant
13 was built. Now there are two large ones and people
14 are crowding into Limerick and being given public
15 money to live in this area. I notice that larger
16 income people are not crowding into that area.

17 Four. PECO, under such circumstances,
18 represents a bigger than ordinary security risk
19 from terrorism and human carelessness.

20 Despite all these considerations, PECO's
21 Officers are, to quote the Sunday Inquirer, "Taking
22 a contrarian view". They have decided to barge
23 ahead with their nuclear option instead of making
24 an informed decision to reduce their commitment to
25 anything but safety, as the reactors for which they

1 are already responsible become brittle with age.

2 They have signed a two year contract to
3 manage the Northeast Utilities' flawed Millstone
4 Unit One Reactor up in Connecticut, and considered,
5 but apparently rejected because of expenses, the
6 management of the Maine Yankee reactor and part
7 ownership of Louisiana River Bend reactor, and they
8 have an agreement with British energy officials to
9 buy and operate old reactors in this country
10 jointly.

11 While Canadian industry is shutting down
12 seven reactors, PECO has actually made an offer to
13 the Department of Energy to burn plutonium in MOX
14 fuel in our local civilian reactors, despite the
15 increased dangers and redesigning expenses entailed.

16 I do not believe a company forging ahead
17 with the dubious nuclear option, despite all its
18 demonstrated hazards to the public, both physical
19 and financial, should receive the support of
20 Pennsylvania ratepayers.

21 Today, I wrote an addition.

22 In summary, PECO was conned for military
23 reasons by the Federal Government into extensive
24 investment in expensive, dangerous, and obsolete
25 nuclear technology, and is now trying to bluff its

1 way through by specializing in it.

2 While involved in handling this complicated
3 issue, PECO has sunk to last place among power
4 providers in Pennsylvania, according to PUC
5 estimates, in responding to customers' service
6 complaints resulting, for example, in a disastrous
7 gas blast in Norristown a while ago. You saw the
8 victim. And last week in the most recent burning
9 death of a customer, this time of an old woman in
10 Northeast Philadelphia whose candle set fire to her
11 room 12 hours after PECO had turned off her
12 electricity for non-payment of bills.

13 Pace University researchers have just advised
14 PPE&G, a PECO partner, to shut down its Salem
15 nuclear reactor and convert the facility to gas. I
16 believe ENRON's offer of service and money is timely
17 for electricity users in this region and could be
18 literally a lifesaver.

19 JUDGE RAINEY: Thank you, Ms. Miner, and we'll
20 enter into the record your statement.

21 MS. MINER: Please read my background, and
22 this is a book just recently published by a
23 cartographer who lists the ten most dangerous places
24 in America to live, and one of them is any place
25 within a region of a nuclear power plant.

1 JUDGE RAINEY: Thank you, Ms. Miner.

2 Mr. Doug Harris.

3 Mr. Harris, would you raise your right hand,
4 please?

5 - - - - -

6 DOUG HARRIS, having been duly sworn,
7 was examined and testified as follows:

8 - - - - -

9 JUDGE RAINEY: Thank you. Proceed.

10 MR. HARRIS: My name is Doug Harris and I
11 represent Harris Fuels, H-A-R-R-I-S, located at 206
12 Otter, O-T-T-E-R, Street in Bristol, Pennsylvania.

13 I am the fourth generation of the family-
14 owned business. We employ approximately 25 people.
15 The reason why I'm here, my fellow ACCA member also
16 discussed, was the issue of cost subsidization.
17 It's a serious issue facing small businesses in
18 Pennsylvania. In other States, Ohio, New York, and
19 Delaware, they have dealt with this issue and I
20 hope that the PUC deals with this issue when they
21 approve PECO's agreement here.

22 What happens is a big monopoly utility
23 company can come in and do work a lot cheaper, due
24 to the fact they don't have the proper insurance,
25 they're self-insured, and they can make better

1 deals. This is an unfortunate situation for the
2 consumers because what can happen is the companies
3 can get bought out, they come and go, and that
4 leaves the small family businesses out in the cold
5 and we cannot, you know, do the work as cheap as
6 these other companies, but we have been here and
7 we've always here.

8 We have our customers in mind. I can't
9 always say that these other companies have the
10 customers in mind. We're here 24 hours a day,
11 seven days a week, and I think in the big picture,
12 when this all goes through, that this is going to
13 be lost with these big utilities coming in doing
14 the work at cheaper prices and not keeping the
15 customer in their mind.

16 JUDGE RAINEY: Thank you, Mr. Harris.

17 Charles Nicholas.

18 Mr. Nicholas, would you raise your right
19 hand, please?

20

- - - - -

21 CHARLES NICHOLAS, having been duly sworn,
22 was examined and testified as follows:

23

- - - - -

24 JUDGE RAINEY: Thank you. Please proceed.

25 MR. NICHOLAS: My name is Charles Nicholas.

1 I live at 2054 Edge Hill Drive in Buckingham,
2 Pennsylvania.

3 JUDGE RAINEY: Mr. Nicholas, spell your last
4 name for us.

5 MR. NICHOLAS: It's like Saint Nicholas,
6 N-I-C-H-O-L-A-S. I'm age 59. I have a college
7 degree. I played all the games in, in business for
8 years and was downsized, like a lot of people aged
9 55 and up, which is a stage in our culture that
10 we've all gone through, so now I'm an entrepreneur.
11 I have my own concrete resurfacing business,
12 employing two to four crews of people, and I'm also
13 a human resource consultant, and so I'm just out
14 there every day trying to make a living to protect
15 the savings I have so I can retire one of these
16 fine days.

17 I know one thing that I learned in business,
18 I learned as an entrepreneur in business, that when
19 I go out in the marketplace, when the customer
20 looks at me in the final analysis with my proposal
21 in front of him, he says, Is that the best price
22 you can give me, and I have a decision to make. I
23 have to take into account all my costs, all my
24 benefits, everything I've got on the line there and
25 I have to make a decision. I either go with it and

1 say, Yes, sir, or I say, I can give you another
2 five percent, you know, and he rips up that invoice
3 and writes out a new one and takes another five or
4 ten percent off it.

5 When I get my electric bill, however, I don't
6 have that choice. None of us has that choice,
7 because we are under a system where there isn't
8 that deregulation. One day in this country with
9 computerization, we all know you can do everything
10 in the world with it, you should be able to put a
11 little machine on your house and every day when
12 electricity comes in, pick the best price from the
13 best producer, and I don't know anything about
14 ENRON. I do know that PECO has made a reputation
15 for itself. We've heard it here today.

16 I'm a little concerned about our politicians
17 and our Chambers of Commerce who talk about
18 competitiveness. They must not be in competition,
19 because they're not out there on the line every day
20 and they forget what it was when they got to be the
21 head of the Chamber of Commerce or a State Senator
22 or a local person. They want to remain a status
23 quo. They built up croni-ism and they're not
24 protecting us. They may think they are, but they're
25 not my father.

1 I can, I can take care of myself in this
2 world, given a fair playing field, and every day we
3 all have to do that, and that's why we have these
4 meetings, and I'm very proud that all of you people
5 are here representing your own interests, but if a
6 company like ENRON and Environ or any of those other
7 companies come into the area, they've got PECO
8 sweating right now. For the first time in many
9 years, PECO is starting to sweat. Maybe they're
10 going to look at their bottom line.

11 I've been paying the highest rates for
12 electricity in my area for years. I can go five
13 miles from my house, up in Lehigh Valley, I can't
14 get their electric prices. How can they provide
15 better electricity prices than PECO? PECO is larger
16 than them. PECO wanted to buy them. How stupid?
17 They should have been bought by Lehigh Valley PP&L.
18 Then we would have all gotten a better pencil, so
19 I'm appreciative of you people today taking the
20 time to listen to all of our rhetoric and I know
21 you'll give us a fair representation, and I think
22 if PECO starts to sweat a little bit, they'll take
23 a look at their ten percent guaranteed and maybe
24 there's 20 percent there. I don't know, maybe
25 there's 30 percent there, but they will also have

1 the same sweat that I have every day and they need
2 some competition. That's what it's about.

3 The Chamber of Commerce, State Senator Fumo
4 and the rest of the politicians, I know you think
5 you're doing a great job, but you've got croni-ism
6 built up for years and you're protecting your own
7 interests and not the interests of the rest of the
8 people. We don't have anybody protecting us, except
9 people like these people here today.

10 I thank you very much.

11 JUDGE RAINEY: Thank you, Mr. Nicholas
12 Domenic DiPillo.

13 Mr. Dipillo, would you raise your right
14 hand, please?

15 - - - - -

16 DOMENIC DiPILLO, having been duly sworn,
17 was examined and testified as follows:

18 - - - - -

19 JUDGE RAINEY: Thank you. Please proceed.

20 MR. DiPILLO: My name is Domenic,
21 D-O-M-E-N-I-C, last name D-I capital P-I-L-L-O. I
22 live at 65 Hickory Lane in Chalfont, Pennsylvania.
23 I have no affiliation to either parties of the suit
24 here today, and I'm here as a member of the
25 Feasterville Businessmen's Association, stating the

1 fact that, urging the Commission here to support
2 the settlement for PECO's rates, based on a few
3 facts.

4 It's a guaranteed ten percent savings, that
5 as business owners and consumers, we can bank on.
6 We can budget and plan for this savings, and that's
7 all I have to say for today.

8 Thank you.

9 JUDGE RAINEY: Thank you, Mr. DiPillo.

10 Anthony Silvi.

11 Mr. Silvi, would you raise your right hand,
12 please?

13 - - - - -

14 ANTHONY SILVI, having been duly sworn,
15 was examined and testified as follows:

16 - - - - -

17 JUDGE RAINEY: Thank you. Please proceed.

18 MR. SILVI: My name is Anthony Silvi,
19 S-I-L-V-I. I live at 9 Cameo Drive in Richboro. I
20 am a residential customer of PECO. In addition, I
21 am also a business customer of PECO. I'm a Board of
22 Director of a small nonprofit credit union in
23 Northeast Philadelphia, of which our annual electric
24 bill represents almost one month of profit to us.

25 I think it's important that we start to

1 enjoy the savings immediately. The proposal is on
2 the table. I strongly suggest that you accept it.
3 There's been a lot of talk about it, and there
4 really appears to be an intelligent proposal here.
5 I strongly suggest you move on with it and accept
6 the proposal.

7 JUDGE RAINEY: Thank you, Mr. Silvi.

8 Walter McLight.

9 MR. McCLINTON: That's Walter McClinton.

10 JUDGE RAINEY: I'm sorry, sir.

11 MR. McCLINTON: That's okay.

12 JUDGE RAINEY: Mr. McClinton, would you raise
13 your right hand, please?

14 - - - - -

15 WALTER McCLINTON, having been duly sworn,
16 was examined and testified as follows:

17 - - - - -

18 JUDGE RAINEY: Please proceed, spelling your
19 last name.

20 MR. McCLINTON: Walter McClinton,
21 M-C-C-L-I-N-T-O-N. I'm here on behalf of youth.
22 I'm going back into the '60s when PECO performed --
23 provided us with fields to play on and lights and
24 they serviced the youth throughout the whole time
25 and if they leave, you come up with new fields,

1 PECO donates the poles, they will put the lights up
2 for you, and I do support PECO 100 percent.

3 JUDGE RAINEY: Thank you, Mr. McClinton.

4 Mr. John Heller. Mr. Heller?

5 Mr. Robert Kelly.

6 MR. KELLY: Your Honor, I thought it was an
7 attendance sheet.

8 JUDGE RAINEY: Mr. James McManus.

9 Mr. McManus, would you raise your right
10 hand, please?

11

- - - - -

12 JAMES McMANUS, having been duly sworn,
13 was examined and testified as follows:

14

- - - - -

15 JUDGE RAINEY: Thank you. Please proceed.

16 MR. McMANUS: My name is James McManus,
17 M-C-M-A-N-U-S. I'm a Senior Vice President with
18 Greater Philadelphia Chamber of Commerce, with
19 offices at two, 200 South Broad Street. We are a
20 PECO customer and PECO is one of our 6,000 regional
21 business members.

22 I am here today to read a letter from our
23 President, Charles Peasey, who is out of town. It
24 is addressed to the members of the Pennsylvania
25 Public Utility Commission.

1 "Dear members, I am writing in regard to the
2 settlement recently reached between PECO Energy and
3 the consumer groups to advance electric competition
4 in Pennsylvania.

5 "Electric deregulation was an issue which was
6 heavily supported by the Greater Philadelphia
7 Chamber of Commerce, as we believe that it would
8 serve to make us more competitive as a State and
9 would lead to increased job growth and retention.

10 "We were pleased that in our efforts we were
11 joined by PECO Energy in the drive for deregulation.
12 PECO Energy has been a vital corporate citizen in
13 Southeastern Pennsylvania for as long as I can
14 remember. They have always partnered with the
15 community in the economic development arena, as
16 well as leading the charge on many issues, such as
17 the Philadelphia Plan.

18 "The proposed settlement is a clear example
19 of their continued leadership in our region. This
20 settlement will accelerate the customer choice
21 timetable, while allowing PECO Energy to remain a
22 viable corporate entity. Clearly, this settlement
23 is a win for both Pennsylvania customer and the
24 business interests here in the Southeast.

25 "The Greater Philadelphia Chamber of Commerce

1 supports the timely approval of this settlement and
2 urges your favorable consideration".

3 Thank you.

4 JUDGE RAINEY: Thank you, Mr. McManus.

5 Tracy Kay.

6 Mr. Kay, would you raise your right hand,
7 please?

8

9 TRACY KAY, having been duly sworn,
10 was examined and testified as follows:

11

12 JUDGE RAINEY: Please proceed.

13 Maybe at this point I can also ask that
14 everyone who is testifying, announce any affiliation
15 which they may have with any of the parties. Thank
16 you.

17 Sorry to interrupt you, Mr. Kay.

18 MR. KAY: Good morning. My name is Tracy
19 Kay, T-R-A-C-Y, K-A-Y. I reside at 642 Pugh Road
20 in Wayne, Pennsylvania. I'm here today on behalf
21 of the Schuylkill Center for Environmental
22 Education; which is located in Roxborough. We do
23 have -- I personally do not have any affiliation
24 with PECO, other than my monthly check to them as
25 Executive Director of the Schuylkill Center. I

1 also write a monthly check, but we are also, as a
2 nonprofit organization, a proud recipient of support
3 from PECO Energy.

4 The Schuylkill Center is a provider of
5 educational opportunities to schools and communities
6 of the Greater Philadelphia Region. We are not an
7 advocacy organization. We do not wish to address
8 any aspect of the deregulation issue. We would,
9 however, like in our capacity as one of the region's
10 leading environmental education organizations, to
11 speak positively on PECO Energy Company's behalf
12 regarding their considerable interest in and
13 support for the Schuylkill Center programs.

14 PECO has been a corporate partner of the
15 Center for over 20 years and has provided occasional
16 capital support, including funds for a 1990 building
17 campaign, and a van for education programs and wild-
18 life rehabilitation purposes.

19 PECO's most significant and meaningful
20 support of The Schuylkill Center, however, has been
21 for The Regional Environmental Education Program,
22 and for the ongoing Philadelphia County and Delaware
23 Valley Special Education Eco-Meets.

24 For five years, 1991 through '96, PECO
25 provided grant support that enabled The Center to

1 disseminate its environmental education elementary
2 curriculum by means of teacher inservices training
3 in the City of Philadelphia, as well as throughout
4 Delaware Valley and Lancaster County and in Hartford
5 County, Maryland. Over 2700 public and non-public
6 elementary teachers were provided with a curriculum
7 and instruction on how to best integrate this into
8 their existing science lessons. This grant also
9 provided for class visits to The Schuylkill Center
10 for a related outdoor lesson.

11 PECO has been supporting the Philadelphia
12 County and Delaware Valley Special Education
13 Eco-Meets for eight and seven years, respectively.
14 A total of 38 schools participated this year in
15 these environmental Olympics, which stress a
16 combination of competition and cooperation, while
17 exploring ecological concepts.

18 PECO Energy has maintained a close and
19 active interest in The Schuylkill Center's programs
20 for teachers and their students, primarily through
21 its Education Outreach Department. The Center
22 recognizes PECO's positive role in helping provide
23 environmental understanding to the communities of
24 the Greater Philadelphia Region, and we appreciate
25 the opportunity to present our viewpoint within the

1 context of these Public Input Hearings.

2 JUDGE RAINEY: Thank you, Mr. Kay.

3 Mr. Lance Haver.

4 Mr. Haver, would you raise your right hand,
5 please?

6

- - - - -

7

8 LANCE HAVER, having been duly sworn,
was examined and testified as follows:

9

- - - - -

10 JUDGE RAINEY: Please proceed.

11

12

13

14

15

16

MR. HAVER: My name is Lance Haver. I live
at 6803 Lawton Avenue in Philadelphia. My
affiliation is with the consumer group CEPA. I am
a signatory of the settlement. I have never worked
for PECO. I have picketed them, I have been arrested
for demonstrating.

17

18

19

20

21

22

23

24

25

PECO has been doing wrong, but I do want to,
in the name of honesty, I do want to tell the truth.
I did go to ENRON Corporation over six months ago
and through our lawyer, asked them to help us fight
these stranded costs, because we knew they were too
high, and ENRON refused, and as I read my testi-
mony, I hope you will understand that what ENRON's
plan is, is nothing other than a shadow game. They
are simply trying to stop us from getting the

1 benefits that many of us in this room rode to
2 Harrisburg to demand.

3 My name is Lance Haver. I am the Educational
4 Director of CEPA, the Consumers Education and
5 Protective Association, a 31-year-old grass roots
6 consumer group founded by Max Weiner, who I am
7 proud to say I worked with for over ten years and
8 proud to say that Bess Weiner has come down here
9 today to work with us still.

10 I am here today to urge the Commission to
11 accept the settlement agreement and explain why the
12 ENRON proposal is a smoke screen, a thinly veiled
13 attempt to eliminate the consumer protection in the
14 settlement agreement and force consumers to pay more
15 for energy.

16 The settlement, while not perfect, offers the
17 greatest benefits any consumer has seen anywhere in
18 the country as a result of the restructuring of the
19 electric utility industry and much better than what
20 the PUC could grant. I want to stress that there
21 are added benefits in the settlement that go beyond
22 the protections in the law.

23 The settlement guarantees a minimum ten
24 percent decrease in our bills. If it is approved,
25 the average consumer will save almost \$100 a year

1 and the decrease will be guaranteed until the year
2 2001. The settlement gives every consumer the
3 right to buy low cost electricity one year before
4 the law would, protects our savings by prohibiting
5 PECO from raising the regulated portion of the bill
6 until the year 2004, longer than the law provides,
7 and increases the number of families in PECO's low-
8 income program, which would take care of the people
9 who were here today protesting. If this plan were
10 approved, it increases that number by 60,000. Some
11 of the people who were here today saying they could
12 not pay their bills would get the benefit, but only
13 if this plan is approved and only if ENRON is
14 stopped.

15 In addition, the settlement extends the rate
16 cap past the provisions in the law, so that if
17 deregulation causes prices to rise, as they did
18 when cable and the phone company were deregulated,
19 consumers will still see lower electric bills and
20 perhaps most importantly, the settlement protects
21 people who are confused and don't pick a generating
22 company. PECO will have to offer the same low
23 prices to everyone, not just a small percentage of
24 their consumers. Without that protection, which
25 ENRON and the other marketers oppose, thousands of

1 consumers will be overcharged.

2 In all honestly, and in deference to my
3 allies at Action Alliance, let me point out that
4 the settlement doesn't give consumers everything we
5 wanted. That's absolutely true. It only forces
6 PECO to absorb \$2 billion of their mistakes, what
7 they call stranded costs. We lowered what we were
8 paying for the mistakes by 29 percent, and while we
9 were trying to do better, it is the biggest reduction
10 any consumer anywhere in the country has won.

11 In Maine, Massachusetts, New York, California,
12 consumers are being forced to pay 100 percent of
13 the stranded costs. If the settlement is approved,
14 we will pay far less.

15 The ENRON plan that has been filed at the
16 last minute is a smoke screen. It is an attempt to
17 stop consumers from receiving the benefits of the
18 proposed settlement. I want to be very clear on
19 this point. ENRON's proposal sounds good, but it
20 is not real. It is pie in the sky that will never
21 be delivered.

22 Of course, a 20 percent reduction sounds
23 better than a ten percent reduction, and that is
24 what ENRON wants us to believe is the question;
25 however, the truth is, the choice today is not

1 between a ten percent discount with PECO or a 20
2 percent discount with ENRON, as some newspapers
3 seem to believe, the question is do consumers want
4 guaranteed protection against rising prices and a
5 guaranteed minimum ten percent reduction or do
6 consumers want to grasp for empty promises and see
7 any rate reduction put off for at least the next
8 four years?

9 If you read ENRON's own expert testimony,
10 and follow what they have done elsewhere, their
11 goals become very clear. ENRON opposes consumer
12 protection and wants to force us to pay more for
13 energy than what is in the settlement agreement.
14 The company knows that there will be no support for
15 their position if they explain it honestly. Instead,
16 they have created an illusion, a proposal that has
17 no chance of being accepted, in hopes that people
18 will become confused and draw, withdraw support for
19 the settlement. Remember, if the settlement isn't
20 approved, there will be no guaranteed rate reduction,
21 no guaranteed consumer protection, and that is
22 exactly what ENRON wants.

23 It is easy to see through ENRON's smoke
24 screen if you study what they have done in other
25 parts of the country. In Oregon, for example, ENRON

1 made promises to consumers and environmentalists.
2 Now they are reneging on those promises. ENRON has
3 worked to defeat consumer protection clauses in the
4 Oregon legislature, and according to a leading
5 newspaper in Orgeon, bribed their way to seizing
6 what they wanted. It is important to understand
7 just how dishonest ENRON has been. Here in
8 Philadelphia, they say they are opposed to forcing
9 consumers to pay for stranded costs, but their
10 proposal would make us pay a higher percentage, and
11 in Oregon they are trying to force consumers there
12 to pay 100 percent of the stranded costs.

13 Here they say they want to guarantee everyone
14 the right to choose, but in Oregon they are trying
15 to stop the people of Saint Helens, a small
16 community, from choosing the energy that they want.
17 Clearly, ENRON will say whatever they think will
18 sell.

19 The spokesperson for the Oregon consumer
20 group states unequivocally, ENRON's bottom line is
21 not in the public interest. He also said, and I
22 quote, "ENRON has destroyoed what many observers
23 felt was an excellent bill for consumers, and they
24 are going to replace it with a self-interested
25 vision, a vision that maximizes their profits at

1 the expense of consumers".

2 And while ENRON promises lower prices,
3 consumers in the Midwest found that ENRON was over-
4 charging. It was so bad that the Department of
5 Energy, which rarely does anything, forced ENRON to
6 make refunds to the consumers they had overcharged.

7 To understand just how little ENRON considers
8 the sanctity of human life, all one has to do is
9 read Ralph Nader's Multi National Monitor or
10 Pulitzer Prize winner Seymore Hersh's article in
11 the New Yorker or Amnesty International's papers.
12 Amnesty International goes so far as to say that
13 ENRON colluded with the Indian Police to violate
14 the human rights of people protesting ENRON's power
15 plants.

16 If the truth were known about ENRON and its
17 plan, it would never be seriously considered, but
18 ENRON is conducting an expensive advertising
19 campaign and many people may not hear the truth
20 about ENRON.

21 That is why ENRON's plan, while not a real
22 offer, is a real danger. If too many people fall
23 for ENRON's smoke screen, then the settlement that
24 guarantees lower rates, consumer protection against
25 rising energy costs, and protection for those who

1 don't understand what is going on, will be thrown
2 out.

3 Already as a result of ENRON's actions,
4 60,000 low-income families will be forced to wait
5 for help. ENRON's callous public-be-dammed attitude
6 has forced the PUC to delay ruling on what would
7 help low incomes and seniors, and then they try to
8 tell us that they're acting in the public interest.

9 If ENRON is successful at blocking the
10 settlement, consumers will see no rate reduction
11 for many years and be forced to pay 100 percent of
12 the stranded costs for at least the next few years,
13 and that is what ENRON wants. They want to drive
14 up the price of energy and guarantee themselves a
15 profit. That is what their own testimony says.
16 Far from helping consumers, ENRON wants to fleece
17 us.

18 That is why we support the settlement and
19 urge you to do so, also. I'm not here to tell you
20 that PECO has done a great job. They haven't. We
21 have been forced to pay bills that are much too
22 high, and I think everyone knows that, but I am
23 here to tell you that the only way to stop, the
24 only way to get a rate redcuton is to support the
25 settlement. It is the only way to guarantee rate

1 reduction and protect consumers from price gouging.

2 The Public Utility Commission should approve
3 the settlement. It is time for the PC to protect
4 consumers' interests, not guarantee the profits for
5 multi-national corporations like ENRON.

6 I'd like to close with the following: If
7 this settlement is not approved, make no mistake,
8 ENRON's plan is worthless. We will never see it.
9 The only hope we have then is if we can support a
10 bill boycott, where people will risk having their
11 electricity turned off.

12 Thank you.

13 JUDGE RAINEY: Any questions from the parties
14 for Mr. Haver? If not, thank you, Mr. Haver.

15 Ms. Jean Kehoe.

16 Ms. Kehoe, would you raise your right hand,
17 please?

18 - - - - -

19 REGINA KEHOE, having been duly sworn,
20 was examined and testified as follows:

21 - - - - -

22 JUDGE RAINEY: Ms. Kehoe, speak into the
23 microphone and spell your last name.

24 MS. KEHOE: Okay. My name is Regina Kehoe,
25 K-E-H-O E. I am a PECO consumer. I live at 4574 G

1 Street in the Juniata Park section and since, I
2 might add that since I have lived at that address,
3 my bill has increased approximately five times from
4 what it was when I first moved there.

5 I'm a 70-year-old woman who supplements my
6 Social Security by working. I'm a CEPA member and
7 run the CEPA Northeast Branch, of which I handle
8 individual complaints, and that I, like everyone
9 else, want the greatest discounts that I can get.
10 Our bills are mighty high and they should be
11 lowered, but I know that after listening to a
12 number of consumer complaints, that empty promises
13 have no value, and ENRON's plan is an empty promise.

14
15 I want guaranteed savings and I can only get
16 that through the settlement. I cannot afford to
17 wait three to five years to see what will happen
18 through the courts. How many senior citizens will
19 die waiting for the courts to grant us the lower
20 rates we could have this September coming, if the
21 Commission approves the settlement?

22 In addition, I want to make it clear that
23 most people I know don't even understand what's
24 happening. They've not had enough information or
25 time. Many, many, many people didn't even receive

1 the card that PECO sent out for them to sign and,
2 and send back to them in reference to the pilot
3 program and everything.

4 It's very important to have consumer
5 protection included in these changes. Otherwise,
6 the majority of us will be taken advantage of, like
7 we were during the phone deregulation, and that's
8 why I support the settlement and why I urge the PUC
9 to do so, also.

10 Thank you.

11 JUDGE RAINEY: Thank you, Mrs. Kehoe.

12 Claire Prostka, and I'm sorry if I'm mis-
13 pronouncing your name.

14 MS. PROSTKA: That's okay. Everyone does.

15 JUDGE RAINEY: Would you raise your right
16 hand, please?

17 - - - - -

18 CLAIRE PROSTKA, having been duly sworn,
19 was examined and testified as follows:

20 - - - - -

21 JUDGE RAINEY: Thank you.

22 MS. PROSTKA: My name is Claire Prostka.

23 JUDGE RAINEY: Would you spell your name,
24 please?

25 MS. PROSTKA: C-L-A-I-R-E, P-R-O-S-T-K-A. I

1 pay my electric bill through my rent. I've been
2 the manager of small businesses and am currently
3 looking for work. I not only want the settlement
4 approved because it will make it easier for me to
5 pay my bills, I want it approved because it will
6 help bring jobs into the region and without a job,
7 I can't pay bills.

8 I have heard the ENRON advertisements and
9 know they are nothing more than smoke screens and
10 empty promises. There is no way their proposal
11 will be accepted by PECO.

12 Also, what they're trying to do is stop this
13 settlement from being accepted. If they have this
14 settlement then thrown out, I will not see any
15 benefit for years to come. I don't think I should
16 have to wait so that ENRON can force up the price
17 of energy.

18 Thank you.

19 MR. SPIELVOGEL: Your Honor, point of order.
20 I thought these hearings were about discussing the
21 Joint Settlement Agreement on the PECO proposal,
22 not about a contest between PECO and ENRON. I
23 think it's unfair to those people who came to speak
24 on the proposal on the table to listen to a lot of
25 rhetoric by self-serving interests about other

1 competitive issues, issues that have nothing to do
2 with the proposal before the PUC, and I would ask
3 you to exercise the proper judicial procedure and
4 rule out of order any testimony that's not on
5 point, to be the issue that we're here to discuss.
6 Thank you.

7 JUDGE RAINEY: Sir, I appreciate your remarks.
8 We are here to take any testimony from interested
9 parties with any relevance whatsoever to the re-
10 structuring of PECO Energy Company.

11 Mr. Sankowitz. Mr. Sankowitz?

12 Okay. Mr. Sankowitz is the last person on
13 the sign-in sheet that I have right now. I see
14 people have their hands up and have probably signed
15 subsequent appearance sheets.

16 Would you raise your hands again? Maybe we
17 can take --

18 MR. ABNEY: I've been here two hours waiting,
19 and signed the sheet and I haven't been called yet.
20 I have a problem with that.

21 JUDGE RAINEY: Okay. I don't have your name
22 on the sheet here, right now. I am just considering
23 whether or not this might be a good time to take a
24 break and then come back.

25 MR. HAVER: Your Honor, here are more.

1 JUDGE RAINEY: Why don't we take the people
2 who have their hands up presently.

3 We'll take this gentleman and then we'll
4 take you. We'll take everyone who has their hand
5 up, if you will just please bear with me.

6 MR. HAVER: Your Honor, someone just handed
7 me this, and this is the list of people who have
8 apparently spoken already. I recognize the names
9 of people who have already spoken, so I don't
10 know.

11 JUDGE RAINEY: Sir, would you raise your
12 right hand, please?

13

- - - - -

14 LAWRENCE SPIELVOGEL, having been duly
15 sworn, was examined and testified as follows:

16

- - - - -

17 JUDGE RAINEY: Thank you.

18 MR. SPIELVOGEL: My name is Lawrence
19 Spielvogel, S-P-I-E-L-V-O-G-E-L. I live at 203
20 Hughes Road in King of Prussia, and I'm a PECO
21 customer. I don't represent any parties to this
22 case.

23 I am a consulting engineer and I'm here for
24 myself and several thousand PECO customers who do
25 not have the resources to participate in these

1 hearings. Their interests are not represented by
2 any of the parties to this proceeding, and I'd like
3 to depart for just a second from my prepared
4 remarks, because we've had a lot of talk about this
5 so-called ten percent guarantee. Ten percent
6 guaranteed for two years, after which for the next
7 eight years, you're going to pay higher rates than
8 you ever did before and this, if it's approved by
9 the PUC, it's legitimate larceny.

10 I received my copy of the Joint Petition for
11 Partial Settlement just this week. Thus, it is not
12 possible to give my complete comments on the Joint
13 Petition; therefore, I ask that additional hearing
14 dates be set up to give the public and PECO
15 customers an opportunity to provide testimony on
16 this important subject.

17 I did request and receive the testimony
18 provided by PECO witnesses. I also received the
19 rebuttal testimony of William F. Sundermeyer of
20 PECO Energy Company. This is designated as PECO
21 Statement No. 13R. This statement presents the
22 PECO Energy Company methods for breaking up existing
23 electric rates into unbundled rates in the PECO re-
24 structuring plan. This is where PECO cuts up the
25 pie.

1 This statement shows the calculation of the
2 detailed actual rates to be paid by all PECO
3 customers. Almost the same calculations are included
4 in the Joint Petition, with a different set for
5 each year of the proposed rates.

6 Enclosed is a copy of one page from Exhibit
7 WFS 10, and I have extra copies. This exhibit
8 shows how PECO proposes to unbundle Rate GS. Over
9 150,000 commercial customers buy electricity on
10 Rate GS.

11 Following are some examples of the accuracy
12 of the arithmetic done by PECO. Remember, this is
13 just one page from one PECO witness testimony.
14 Further, this is revised testimony. I reviewed the
15 original testimony and told them about many errors.
16 Some errors were corrected, but many were not.

17 Number of customers, reference to the PECO
18 compliance filing of September, 19th, 1997 on their
19 pilot program, shows that 7,041 customers on Rate
20 GS are allowed to participate in the pilot program.
21 This means there are a total of 140,000 customers
22 on Rate GS, or roughly 1.7 million bills per year
23 for that class of customer; however, Exhibit WFS 10
24 shows 1,800,000 bills just for single phase Rate GS
25 customers, plus another 657,000 bills for poly

1 phase customers, or a total of 40 percent more
2 customers than PECO says exist as of August 31,
3 1977. Obviously, an explanation is required for
4 this discrepancy.

5 Moreover, PECO shows 1.8 million bills per
6 year for single phase customers, at an \$8.67 fixed
7 distribution charge; however, reference to the
8 current PECO tariff shows a third category under
9 Rate GS single phase, non-demand customers. With
10 these customers, the fixed distribution charge is
11 \$6.63 a month. There are probably tens of thousands
12 of customers that fall into this category that PECO
13 has not even mentioned in this exhibit.

14 These errors are repeated throughout the
15 Joint Settlement Petition.

16 The number of kilowatt hours shown in
17 Exhibit WFS 10 shows the number of kilowatt hours
18 that PECO claims to bill in each block of the Rate
19 GS. They show a total of 5.7 billion kilowatt
20 hours, yet when I added these same numbers, I get a
21 total of 6.1 billion kilowatt hours. How can PECO
22 lose almost half a billion kilowatt hours just for
23 this one rate? This error is repeated numerous
24 times throughout the Joint Settlement Petition.

25 Incorrect multiplication enclosed from

1 Exhibit LGS 1, that I prepared this exhibit, shows
2 the unbundled components of Rate GS from Columns 4,
3 5, and 6 in the PECO exhibit. PECO says their
4 revenue is, the amount we pay, is obtained by
5 multiplying Column 4 by Column 5, so I went to my
6 little handy calculator and calculated Column 4
7 times Column 5. The last column is my exhibit,
8 shows the difference between the PECO calculations
9 and my calculations.

10 On a line by line basis, the difference is
11 as much as \$300,00 per year, and some line items
12 are off by as much as two and-a-half percent.
13 These errors are repeated throughout the Joint
14 Settlement Petition.

15 Now, PECO may say this is due to rounding,
16 but when I went to school, the product of two
17 numbers multiplied together was an exact numeral,
18 or the last dollar was rounded. That is hardly the
19 case here.

20 Other errors, Paragraph 15 of the Joint
21 Settlement Petition says one-third of each customer
22 class will have access on January 1, 1999, and two-
23 thirds of customers the next year. I doubt this is
24 intended. The same paragraph separates Rate GS
25 customers into large and small classes, but does

1 not say what happens to each class.

2 With all the intervenors and all the parties
3 and their high priced consultants and all the
4 experts at PECO and PUC, it is clear that not one
5 person ever even checked the arithmetic in the
6 Joint Settlement Agreement or the PECO filing.

7 If PECO makes errors like this in their PUC
8 filings, imagine what their monthly customers' bills
9 will be like.

10 I provided my exhibit to the PECO witness
11 two months ago, showing exactly what you have
12 before you this morning, yet PECO has chosen not to
13 revise their calculations, probably because I am
14 not a formal intervenor.

15 In conclusion, what's lacking in these
16 proceedings is some basic common sense and
17 elementary school knowledge of arithmetic.

18 I recommend that the PUC reject the PECO
19 application and Joint Settlement Petition until
20 they are done right and let the customers have the
21 opportunity to fully review and comment on them.

22 Thank you.

23 JUDGE RAINEY: Thank you, Mr. Spielvogel.

24 Yes, sir.

25 Would you raise your right hand, please?

1

- - - - -

2

RONALD ABNEY, having been duly sworn, was
examined and testified as follows:

3

4

- - - - -

5

JUDGE RAINEY: Thank you.

6

7

MR. ABNEY: Good morning. My name is Ronald
Abney and I don't represent any interests.

8

9

JUDGE RAINEY: Would you spell your last name
and provide your address.

10

11

MR. ABNEY: A-B-N-E-Y, 6248 Ludlow Street,
Philadelphia, Pennsylvania.

12

JUDGE RAINEY: Thank you.

13

14

15

16

17

18

19

20

MR. ABNEY: My question is, why aren't we
allowed a choice? I don't see the big issue? This
is America. This is not Russia. We've been beat
about the head for the last ten years by the
Electric Company. We are no longer on a regional
basis. We have to compete nationally and inter-
nationally. Why don't we compete regionally as
well? Let the public utilities compete.

21

22

23

24

25

This ten percent program, why wasn't it
expanded across the board to all consumers? You
know, what's the reason? Is it because of the
costs? But why was the cost of nuclear plant
failures that happened at Limerick, I believe it

1 was Limerick One, why were they passed along to us,
2 when originally it was stated that we weren't going
3 to pick up that tab?

4 There's a lot of things. PECO has had a
5 monopoly for 100 years and this is the first time
6 we've been offered some kind of a deal. Why was
7 that done, because they're afraid of competition?
8 Why in 100 years has PECO never given us as
9 customers any type of break? Why should we believe
10 that they're going to help us now with this ten
11 percent situation, and there's only a small segment
12 of consumers who are going to be eligible for this?

13 I might not be eligible. Why wasn't it
14 given across the board? Why did we have to write
15 in to PECO and ask for this and be selected? It
16 should have been done straight across the board
17 with everyone, okay?

18 MEMBER OF THE AUDIENCE: Like California.
19 Everyone, the first, day one.

20 MR. ABNEY: Let me ask you another question.
21 Will we as consumers be able to monitor the picking
22 process for the "lucky ones" who are able to get
23 this discount or is this going to be in some back
24 room, smoke-filled room, closed doors? Are we
25 going to be able to monitor this? Why aren't the

1 consumer groups involved in this process of picking
2 who is going to get the discount? That's a
3 question.

4 You know, we talk about other companies
5 coming. PECO has tentacles in Maryland, Delaware,
6 Pennsylvania, parts of New York. Why is this so
7 much of a problem for another company coming in
8 here and competing with PECO?

9 You have all these talking heads. I've
10 heard members of nonprofit groups who are getting
11 paid straight up by PECO. I've heard legislators
12 today, I've heard members of the Chamber of
13 Commerce. These are the same people ten years ago
14 who, who pressured the President, the Congress, the
15 State legislators, the City Council to make
16 competition available, to make companies compete.
17 Now they're using the same bully pulpit to beat us
18 about the head and tell us that we're not supposed
19 to be competitive.

20 This is America, okay? I don't understand
21 this. We should let someone from outside PECO
22 compete with PECO. PECO had 100 years to do this,
23 when they should have given us a discount 15 years
24 ago, 20 years ago. They only started this when
25 they realized deregulation was going to take effect.

1 When did they get this offer, a month ago? They
2 knew deregulation was coming down the tube ten
3 years ago. We could have been offered this deal
4 then. We weren't given anything.

5 PECO has had a monopoly, as I said, for over
6 100 years, and has yet to pass any savings along to
7 the consumers until they realized that electric
8 deregulation was coming, and then nothing was done
9 until recently. That's what I just said before.

10 We must understand that competition is no
11 longer regional, not -- nor national, but inter-
12 national. Not only will ENRON come, there'll be
13 other companies. With NAFTA, in fact, there are
14 companies going to be coming from Canada, Mexico,
15 and everywhere to offer us cheaper electricity and,
16 and power of any source. We have to come on and
17 wake up. We can no longer afford to be entrenched
18 and have this embattled attitude and we have to
19 open up our area to other competition, and if you
20 want change, if you want the change, you have --
21 let us have the option of making that decision.
22 Don't decide for us. Let us have the option and
23 I'm finished.

24 Have a good day.

25 JUDGE RAINEY: Thank you, Mr. Abney.

1 A gentleman that had his hand up.

2 Raise your right hand, please.

3 - - - - -

4 ANDY RUDIN, having been duly sworn,
5 was examined and testified as follows:

6 - - - - -

7 JUDGE RAINEY: Speak directly into the micro-
8 phone.

9 MR. RUDIN: My name is Andy Rudin and I'm
10 Project Coordinator for a project in Philadelphia
11 that's been around since 1980 called The Interfaith
12 Coalition on Energy.

13 JUDGE RAINEY: I'm sorry. Would you spell
14 your last name, please, and give your address.

15 MR. RUDIN: My last name is spelled R-U-D-I-N,
16 address is 7217 Oak Avenue, Melrose Park 19127.

17 JUDGE RAINEY: Thank you.

18 MR. RUDIN: I would like to begin, this
19 hearing has to do with procedure. I received a
20 postcard on October 1st. At the bottom of the
21 postcard, it said that if I wanted to get a copy of
22 the proposed plan, I could call an 800 number at
23 PECO. I called that 800 number the day I got the
24 postcard, talked to the man who said his name was
25 Ed, who said that he did not understand that this

1 800 number was set up and he had no idea what plan
2 I was talking about, even though it was listed on
3 the postcard sent to me by PECO.

4 JUDGE RAINEY: Mr. Rudin, might I suggest
5 that at the break or at the conclusion, you do
6 speak to Mr. Bonney.

7 MR. RUDIN: Oh, no. This has to do with the
8 system wide postcard that was sent out.

9 Ed's supervisor did not know what this plan
10 was all about. That means -- and I still have not
11 recieved the plan, even though they called me the
12 day after that to tell me I was going to get a
13 copy. This has to do with the usurping of your
14 authority to get the plans out for public review,
15 supplanting it with a false hope on their part.

16 JUDGE RAINEY: My suggestion was just going
17 to be that you could make sure that you directly
18 talk to someone so that they could get that plan
19 right to you, but please continue.

20 MR. RUDIN: With all respect, I don't trust
21 them any more.

22 I would also like to point out in terms of
23 process, that when the -- in my role, by the way,
24 before I came here this morning, I received six
25 phone calls from congregations that were selected

1 in the pilot program. My job is to try to find out
2 which of the 30 plus suppliers have the best deal
3 for the congregations. There's 2800 congregations
4 in the PECO service territory, that we have know of.

5 We sent a newsletter to the 7,000 congre-
6 gations across the country. I've been doing this
7 for the last 17 years. Prior to this, however, we
8 dealt with this business of what was, what was PECO
9 talking about in terms of all the advertisements
10 that were coming out with Energy One and Horizon
11 Energy. At the time when all this was being
12 discussed, why were one year contracts being pushed
13 in full page ads when there is a one month, one
14 month trial period for anybody who got, got into
15 the pilot program? Therefore, they could change
16 their supplier every month, if they want to, under
17 the guidelines, but these ads that the PUC allowed
18 to happen, and apparently sanctioned, said that it
19 was apparently okay for these ads to run.

20 In response, we had to make a mailing to all
21 of the congregations within the PECO service
22 territory, at our expense, and we have no funding
23 from PECO whatsoever or no Board representation
24 from PECO, used to have from Philadelphia Electric,
25 but that's before they started focusing their

1 energy on us.

2 This was very confusing. We had to send a
3 letter out and we got a tremendous response from
4 everybody that was out there who got this letter,
5 that this was necessary to straighten out this mess
6 that happened with the advertising, with the full
7 page ads in the Inquirer and elsewhere.

8 Just before that, going back in time, we had
9 been negotiating with PECO Energy since May of 1986,
10 1996, to try to get them to correct an error on the
11 way they read their commercial meters, in that if
12 they -- they out source their meter reading programs
13 to some, some contractor who they admitted after a
14 year of us asking them, was an incompetent meter
15 reading contractor, and we found that commercial
16 meters were being misread by estimated bills, where
17 demand was estimated higher than what subsequent
18 meter reading of the demand meter would reveal.

19 Now, for example, at my home library, the
20 Elkins Park Library, it took us two months to get
21 PECO to realize, on just this one account, how
22 much, when they had made a mistake of just two
23 readings, two, two month readings, it was close to
24 \$1,000.

25 At Saint Ann's at Lehigh, on Lehigh Avenue,

1 Catholic parish, we found \$1800 worth of billing
2 errors, and if we translate this out to the 26
3 accounts that we have already shown PECO, we
4 presented to them as, as recently as June 10th of
5 1997, nothing has been done for these accounts,
6 except one has been resolved, and we think that
7 that may have been resolved in PECO's favor, rather
8 than the congregation's favor.

9 If we were to extrapolate this to all the
10 commercial accounts in Philadelphia, the error is
11 somewhere between 20 and \$60 million. We're being
12 stonewalled. We cannot -- we've asked PECO for the
13 account representatives for these charges so we can
14 deal with them directly to find out how to resolve
15 each of these meter reading problems, and we cannot
16 get it. At PECO, we're dealing with John Hughes
17 and Valarie Donovan. Put them on the record.

18 Just before we tried to negotiate some kind
19 of a deal to put a PV panel on a roof to supply
20 renewable energy to our offices, PECO wanted \$2,000
21 to just do the study on the building, and when we
22 buy, when we buy PECO power, it's 13 and-a-half
23 cents and we send it back to PECO, even when it's
24 on peak, on a seasonal peak day and a peak time
25 during the day when they need the power, the most

1 they are going to give us is two and-a-half cents,
2 two and-a-half cents to sell it to them and 13
3 and-a-half cents to buy it back from them.

4 What you need to do is, no matter what
5 happens in here, is bring net metering, where the
6 meter can actually spin backwards if we chose to
7 deliver pollution free energy back into the grid.

8 Even before that, you chose, you chose to
9 withdraw your newsletters from public consumers.
10 The PUC never -- doesn't send out newsletters
11 showing how rotten the meter reading practices in
12 the service of PECO is.

13 I don't why you withdrew that newsletter,
14 but, but I would like to see it reinstated as part
15 of this process.

16 Finally, I'll tell you, as a contractor
17 that's been in this business for 20 years, working
18 in Philadelphia for 15, saving energy for congre-
19 gations, that when I showed up here as a private
20 contractor in 1982, October of 1982, for reasons
21 that were beyond my understanding, I was wined and
22 dined at country clubs by PECO Energy.

23 I saw PECO paying a minister, a black
24 minister to convince people that Limerick was the
25 way to go. I don't know where you were then.

1 MR. SPIELVOGEL: With the ratepayers.

2 MR. RUDIN: The ratepayers.

3 Larry is a Board member of ours. We attended
4 those meetings together. We attended the meetings
5 that boasted that Limerick was going to be clean
6 power, because of the coming clean air regulation.
7 All of these have turned out to be incorrect.

8 Where were you in these episodes? Where is
9 your newsletter that you withdrew? Where is your
10 position on net metering?

11 The only way out of this, in my judgment, is
12 for the PUC to reconstitute itself into a much,
13 much stronger body, and I don't care if it's ten
14 percent, I don't care about ENRON, I don't care
15 about PECO, but drive the best deal you can for the
16 religious congregations in PECO's service terri-
17 tory.

18 We are the people that maintain safety nets
19 for this community. We're the people with the Boy
20 Scouts, the Alcoholics Anonymous, the day care
21 programs, and we need to have some relief, not just
22 hype.

23 Thank you.

24 JUDGE RAINEY: Thank you.

25 MR. HAVER: What is your break schedule?

1 JUDGE RAINEY: Can I get a show of hands of
2 how many people wish to testify? Three, four. I
3 think we can get through those before we take a
4 break.

5 Raise your right hand, please.

6 - - - - -

7 JUDY READMA, having been duly sworn,
8 was examined and testified as follows:

9 - - - - -

10 JUDGE RAINEY: Thank you. Please proceed.

11 MS. READMA: My name is Judy Readma,
12 R-E-A-D-M-A. I am here to testify on behalf of my
13 sister. We are from Puerto Rico and we live -- I'm
14 here to testify for my sister, Jean Leigh. She's
15 babysitting today. She has little children, but
16 she wanted me to be sure --

17 JUDGE RAINEY: I'm sorry. You have to speak
18 loud so the court reporter can get it all down.

19 MS. READMA: I am sorry. It's my accent,
20 probably. I am here to testify on behalf of my
21 sister. We're from Puerto Rico. We live in
22 Yardley, 2113 North Crescent Boulevard, Yardley
23 19067.

24 I just wanted to let you know that it seems
25 -- she called me. She called me back. She told

1 me on television, they said this must be a takeover
2 or a hostile takeover by these cowboys. Who are
3 they? I don't know who they are. We are used to
4 talking to PECO, to calling them up. They help
5 us. They're always here.

6 In Bucks County when we had the big snow,
7 they were the first ones here. We could -- there
8 was not a sole in town except PECO Energy, trying to
9 get our lights on in Bucks, when we had a horrible
10 snowstorm, so this is the kind of, kind of concern
11 she has.

12 She has a Master's in Human Resources and
13 two children in college and, and a young son who
14 also is in college, and as I say, she thinks that
15 we have to go with the secure.

16 These are the people that provide jobs to --
17 thousands of Pennsylvanians are employed by PECO
18 Energy. Thousands of Hispanics are benefitting
19 from the service of PECO Energy, the service of
20 bilingual translations of their, of their community
21 enrollment with them.

22 She told me several things to tell you. I
23 don't know whether I have said all of them, but
24 she's concerned for the Latino community.

25 The most important part is the relationship,

1 one to one, the friends that we have made these
2 years, the trust we have in them, and that we would
3 like to keep this trust and we would like to keep
4 PECO Energy for Pennsylvania, for the Pennsylvanians.
5 PECO means Pennsylvania. That's what the P stands
6 for.

7 Thank you very much.

8 JUDGE RAINEY: Thank you.

9 Sir?

10 Would you raise your right hand, please?

11 - - - - -

12 PRESTON HERRING, having been duly sworn,
13 was examined and testified as follows:

14 - - - - -

15 JUDGE RAINEY: Please speak directly into the
16 microphone.

17 MR. HERRING: How you all doing? My name is
18 Preston Herring, P-R-E-S-T-O-N, H-E-R-R-I-N-G. I
19 live with my mother and, you know, she pays all the
20 bills, but I'm against, I'm against PECO. I'm
21 going with this here, you know, me and my mother is.

22 I'm here speaking on her behalf, you know.
23 I'm tired of seeing her crying about bills, you
24 know.

25 We had just moved into this house and she's

1 crying about gas bills, she's crying about electric
2 bills and, you know, I'm just tired of seeing her
3 hurt like that there, you know, so I just came to
4 speak my mind.

5 That's all. Thank you.

6 JUDGE RAINEY: Thank you, Mr. Herring.

7 Sir?

8 Raise your right hand, please.

9

- - - - -

10 MICHAEL MORRILL, having been duly sworn,
11 was examined and testified as follows:

12

- - - - -

13 MR. MORRILL: It's been a long day. I'll try
14 to keep it short.

15 My name is Michael Morrill, M-O-R-R-I-L-L.
16 I live at 249 South Melville Street in Philadelphia
17 19139. I'm here representing the Pennsylvania
18 Consumer Action Network today, and talking about
19 disclosures, we are one of the few nonprofit groups
20 here today that's testified that doesn't get any-
21 thing from any of the companies, but if you want to
22 give us money, here's our business card. I have a
23 feeling, though, that after my testimony, that
24 nobody representing the utility industry is going
25 to want to give us anything.

1 Judge Rainey, I want to thank you, first of
2 all, for asking for that kind of disclosure, and I
3 would like to ask you, due to the rumors that are
4 circulating here in the corridors, of people being
5 paid to testify today, that you do some investi-
6 gation into that.

7 There's -- if people are being paid to
8 testify, then that is not good testimony and I
9 wish, I wish that any paid testimony for people who
10 are not registered lobbyists will be stricken from
11 the testimony, stricken from the record.

12 I'd also like to say that I'm not a fan of
13 either PECO or ENRON, but one of the things that is
14 concerning me is materials like this that are being
15 circulated without any organization being listed on
16 here. Who is the Consumers Coalition for Choice?
17 There's no phone number, there's no address, there's
18 no documentation about who's providing this stuff.
19 We know for a fact that people from Houston are
20 standing downstairs passing it out, but the people
21 at the table downstairs are denying that they work
22 for ENRON, so I would like that kind of documen-
23 tation.

24 This morning's Philadelphia Inquirer quotes
25 Thomas P. Hill, Junior, PECO Vice President and

1 controller, "There is a sham being laid out before
2 our consumers. It will not work. It can't work.
3 It's an impossible transaction".

4 Thank you, Mr. Hill, for writing my testimony.
5 There is a sham being laid out before consumers and
6 it is not limited to the smoke and mirrors of the
7 ENRON proposal, the 20 percent rate reduction. The
8 sham being laid out before consumers is the
9 proposition that we should be paying anything at
10 all to bail out these corporate behemoths. Where
11 do ENRON or PECO get off trying to ram five to \$10
12 billion of corporate welfare down the throats of
13 ratepayers? Where do members of the PUC get off
14 trying to make us pay for PECO's mistakes, and
15 where does Governor Ridge get off trying to tell us
16 that bailing out big corporations is for our own
17 good?

18 When I testified last time in this room, I
19 laid out my concerns about how the entire re-
20 structuring plan was developing. Specifically, I
21 mentioned, number one, bailing out utility companies
22 at ratepayer expense. I said that the deal struck
23 between the large industrial users, electric
24 companies, and Governor Ridge would provide nearly
25 full bailout. Soon after that, the PUC tipped its

1 hand when Commissioner Quain told the main
2 legislature that he believed in granting full
3 bailouts to PECO. They have since given PECO every
4 indication that they would get almost everything
5 they have asked for. Some estimates, including the
6 estimates based on this new settlement, have shown
7 that PECO will recoup more than what they asked
8 for, when interest, et cetera, is calculated in.

9 Number two, we talked about the eventual
10 merger and buyout of utility companies leading to
11 limited choices. I mentioned predictions by
12 economists, predictions that granting bailouts to
13 companies such as PECO would result not in rate
14 reductions, but in buying out other companies.
15 PECO is currently roaming the world, looking for
16 more ecological disasters in which to invest.

17 Allegheny Power is hoping to purchase
18 Ducane. Out of state utilities are looking to buy
19 in state utilities. In ten years at this rate,
20 there will only be a few major generators, leading
21 to a market that has no real choice and limited or
22 non-existent savings with virtually no regulations.

23 No. 3, I talked about no environmental
24 protections and no expansion of green power. The
25 plans being debated have no environmental

1 protections built in. There are lots of weasel
2 words about supporting green energy, but there's
3 nothing of significance that would enable customers
4 a real choice of green power. There's no plan to
5 develop green energy in Pennsylvania.

6 In fact, if the mergers and takeovers
7 continue, there will be little room for green
8 renewable sources in the market. If the PUC does
9 not mandate the development of green power, we will
10 be signing the death certificate for green power in
11 Pennsylvania, leaving this new market, with its
12 jobs and economic potential, to other States and
13 other nations.

14 Number four, I talked about little or no
15 increase in service for low-income customers. PECO
16 and ENRON are throwing crumbs to low-income Pennsyl-
17 vanians. We need more than the pittance that they
18 are proposing. The utilities State wide should be
19 required to establish a fund in the hundreds of
20 millions or billions of dollars which would be used
21 to stimulate the economy in low-income neighbor-
22 hoods, prevent utility shutoffs of poor customers
23 and retrofit every substandard home in Pennsyl-
24 vania. If we're talking five to \$10 billion for the
25 corporations, why not one billion for the poor?

1 Anything short of that is merely budget dust.

2 Unfortunately, all of the concerns in my
3 previous testimony have been realized. The PUC and
4 Governor Ridge have encouraged a course which will
5 lead to no savings for customers, huge profits for
6 corporations, a degraded environment, and serious
7 economic consequences and good losses for Pennsyl-
8 vania.

9 Yes, Mr. Hill, there is a sham being laid
10 out here today. It's a sham that believes in the
11 stupidity of Pennsylvania's citizenry, but Pennsyl-
12 vanians aren't as stupid as you think.

13 We don't buy the PECO proposal, we don't buy
14 the ENRON proposal, and since you believe in a free
15 market system, make the system truly free. No
16 bailout for any companies, but if any payments are
17 to be made, they should be made in the form of
18 reparations to the customers, not to the utilities.
19 Give us \$5 billion and let our communities thrive.

20 Let's give grants to unemployed workers to
21 start their own businesses. Let's put money into
22 wind energy research and create a new, home grown
23 energy source that will not only create jobs, but
24 will clean up our environment and make us a leader
25 in new technology.

1 member of the Pennsylvania Society of Professional
2 Engineers and the National Society of Professional
3 Engineers.

4 I would like to start by commenting on some
5 previous testimony that was given earlier today,
6 the testimony by Mr. Robert Mantey, who I have
7 known since 1960. I would just want to bear witness
8 to the fact that his testimony is both accurate and
9 truthful. Many of the points that Mr. Mantey made,
10 I had intended to make, so I won't take your time
11 in repeating them.

12 As far as the plan is concerned, I believe
13 firmly that the PUC should approve the plan as it
14 stands. I have a long list of reasons why this
15 should be done. Every one of them has already been
16 discussed by previous presenters, so in the essence
17 of time, I will not repeat them, other than to say
18 that this plan should be supported.

19 You talk about stranded costs. Back in the
20 1960's, there was a big push to clean up the air.
21 PECO put scrubbers at Eddystone. We converted the
22 oil plant, the coal plants in Philadelphia to oil
23 plants and we built the Limerick, the Peachbottom
24 and the Limerick Generating Station. All this at
25 great cost, but people wanted clean air. Today I'm

1 hearing they don't want to pay for it, but we have
2 it and in the Delaware Valley, I think it's very
3 important that we maintain this.

4 Now, as a member of the Pennsylvania Society
5 of Professional Engineers, I am the Alternate State
6 Delegate from Chester County. We have a meeting
7 coming up in November, the Board of Directors
8 meeting. I am going to propose to the PSPE that
9 they go on record as saying we will look into any
10 outside utility, either in the State of Pennsyl-
11 vania, or outside the State of Pennsylvania who is
12 selling power here and not meeting the requirements
13 for clean air that we have established in the
14 Delaware Valley.

15 The wind blows from west to east, and we get
16 all this pollution and on a very hot summer day
17 when some upstate utility fires up its old coal
18 plant, runs at max out and pumps all that noxious
19 gas and sulfurs into our air just to make a few
20 bucks, that's where the professional engineers are
21 going to take a stand.

22 Recently, in fact the beginning of this
23 month, there was some legislation passed here in
24 Pennsylvania requiring stricter inspections on
25 automobiles. Starting the 1st of October, it's

1 going to cost us 30 to \$50 to have our emissions
2 tested. The place I deal with told me already I
3 have to go somewhere else because they don't have
4 the equipment. I think this is a good idea.

5 All I know about it so far is if my car
6 doesn't pass, I get a year's reprieve to fix it and
7 if I can't fix it reasonably, I may have to get rid
8 of the car.

9 Terry Liller, L-I-L-L-E-R, Manager of
10 Vehicle Inspections for Pennsylvania Department of
11 Transportation stated, "The stations and garages
12 have spent 30 to \$50,000 for new equipment to
13 conduct the test. They have to be able to recoup
14 their investments". Why should not PECO be allowed
15 to recoup an investment made on clean air technology
16 for pollution control in the Delaware Valley?

17 That's the basics of what I intended to say,
18 but I feel I must add a statement, because I've
19 heard some very erroneous testimony regarding the
20 use of nuclear technology. I know where this testi-
21 mony comes. It comes from gross misconceptions
22 about the technology in itself.

23 I can stand here all afternoon and defend
24 nuclear technology, but I won't do that because the
25 French have already done it for us and the Japanese

1 have done it for us. The French have 70 percent of
2 their power from nuclear energy; the Japanese,
3 about 60. Why do they do that? Because neither of
4 those nations has oil or coal or gas in the ground
5 and in order to maintain energy independence, they
6 went to the nuclear option and by the turn of this
7 century, I would project that Japan will surpass
8 France and be the world's leader in the use of
9 nuclear power to supply the energy they need for a
10 highly industrialized economy, despite the fact
11 that it's the only country that had the so-called
12 Atom bomb dropped on it. I find that rather ironic.

13 JUDGE RAINEY: Thank you, Mr. Kohler.

14 MR. KOHLER: You're welcome.

15 JUDGE RAINEY: Mr. Ernest Jones.

16 Mr. Jones, would you raise your right hand,
17 please?

18 - - - - -

19 ERNEST JONES, having been duly sworn,
20 was examined and testified as follows:

21 - - - - -

22 JUDGE RAINEY: Please proceed.

23 MR. JONES: Thank you. Good afternoon,
24 Judges and Commissioners. My name is Ernest Jones
25 and I'm Executive Director of the Greater Phila-

1 delphia Urban Affairs Coalition.

2 Let me also, before I go into my testimony,
3 state that I am a ratepayer. I have no financial
4 interest in PECO or any of the other companies that
5 are seeking to provide electric services here.

6 As I stated, my name is Ernest Jones and I
7 am Executive Director of the Greater Philadelphia
8 Urban Affairs Coalition. That's an organization
9 which brings together business and community leaders
10 to solve urban problems. Each year, we provide
11 services to over 100,000 disadvantaged citizens in
12 the Greater Philadelphia Region, and many of them
13 have concerns about the deregulation issues that
14 are before this body today.

15 Based on the numerous conversations I've had
16 with them; that is, our clients, members of the
17 business community, I am here today to urge that
18 you approve the proposed settlement which was
19 arrived at through what I understand were intense
20 negotiations among a very diverse group of
21 individuals, organizations, including elected
22 officials and PECO Energy Company.

23 When I testified before this honorable body
24 in 1996 regarding the whole issue of electric
25 deregulation and its potential effect on the

1 quality of the life for residents of this region,
2 particularly our disadvantaged citizens, I raised
3 several issues and several concerns. One of those
4 concerns was what would happen to poor people in a
5 totally deregulated environment where the "bottom
6 line" rather than a more altruistic or caring
7 system might extensively dictate the actions of a
8 company.

9 The second concern I raised was what would
10 happen to PECO Energy Company, which has played
11 such an important role in the region, both as an
12 employer and as a good corporate citizen.

13 A last concern I had, and was shared by many
14 other customers, was how could PECO Energy lower
15 its rates, which I believe we all said were a little
16 too high, and still remain a strong enterprise in
17 this region?

18 I am pleased to say that the settlement
19 that's before this body that's been proposed meet
20 all of the concerns that I've stated. I believe it
21 will offer the requisite protection for the poor,
22 and you all have been told how PECO plans to expand
23 the services to its customers. I think the proposed
24 settlement is fair, both to PECO and to the public,
25 and allows PECO to remain a strong, viable

1 institution and continue to play the kind of role
2 that it has played for so many years in the greater
3 Philadelphia region.

4 In closing, I would just urge that you, that
5 you accept the proposed settlement and do so with
6 all due haste.

7 Thank you very much.

8 JUDGE RAINEY: Thank you, Mr. Jones.

9 Eugene Campbell.

10 Marcus Sesseco.

11 Joe Schuda.

12 Mr. Schuda, would you raise your right hand,
13 please?

14 - - - - -

15 JOE SCHUDA, having been duly sworn,
16 was examined and testified as follows:

17 - - - - -

18 JUDGE RAINEY: Please proceed.

19 MR. SCHUDA: My name is Joe Schuda. I live
20 at 14 Forest Lane in Wayne, Pennsylvania,
21 S-C-H-U-D-A.

22 Most of the testimony that's been offered
23 today kind of stole my thunder, but to reiterate
24 one other bit of testimony, the gentleman who
25 sighted the calculations in the proposed study, I

1 would urge the PUC to re-evaluate those numbers
2 strongly and also consider the stranded cost
3 calculations that have been developed to ensure
4 that there are not, I'll use the word double
5 dipping, based on previous experiences in the State
6 of California, as they deregulated some of their
7 industries and will soon occur, and before any
8 settlements are concluded or reached and acted
9 upon, I would really appreciate, not just for my
10 own benefit personally, but for the regional area,
11 that we all have a fair look at those numbers and
12 they're supported in a -- as much coverage has been
13 generated by this in the newspapers, that that
14 information is put out to the general public to
15 consider in a public forum, so I appreciate your
16 help.

17 In one other note, we've been down the road
18 with PECO in several areas and deregulation has
19 already occurred in the natural gas industry and
20 today PECO still enjoys a windfall profit from the
21 proceeds they received on the sale of their
22 interstate pipeline capacity and I would urge PUC
23 to evaluate that and to ensure that the ratepayers
24 are not being, are being properly reimbursed for
25 the credit that PECO receives from the sale of

1 their under-utilized firm transportation capacity
2 on transcontinental pipeline and Eastern Texas
3 pipeline, so please look at that and see that we
4 get our just dues.

5 Thank you.

6 JUDGE RAINEY: Thank you, Mr. Schuda.

7 Eugene Campbell. I think I stated that name
8 previously.

9 Glenda Lynn Merry.

10 Theresa Gordon.

11 Pat Gillespie.

12 Is there anyone else here who has not testi-
13 fied who would like to?

14 Yes, Ma'am.

15 MS. WATTS: My name was on the list, but I
16 don't know where it is.

17 JUDGE RAINEY: Raise your right hand, please.

18 - - - - -

19 PHYLLIS WATTS, having been duly sworn,
20 was examined and testified as follows:

21 - - - - -

22 MS. WATTS: Good afternoon. My name is
23 Phyllis Watts. My address is -- W-A-T-T-S. My
24 address is 6521 North 11th Street and I live in
25 East Oak Lane, Pennsylvania.

1 I am recently widowed and I have one of
2 those large homes in East Oak Lane, so therefore, I
3 do burn a lot of energy.

4 I am asking the PUC to support PECO's
5 proposal, because at this point in time, in
6 speaking to many of the residents, and also I am
7 the President of an organization there, but I'm not
8 speaking on their behalf, but I get a lot of their
9 complaints and concerns, we would rather deal with
10 a known company, because it's just like when Bell
11 Telephone would -- when they decided to deregulate,
12 we're totally confused. The reason people just pay
13 their phone bill, because it's mass confusion, so
14 I'm urging you to support PECO's settlement,
15 because we'd rather deal with PECO and if we can
16 get a better cost reduction, 50 percent would be
17 good, especially for my house, but now we have to
18 pay for burglar alarms, we have to pay for, you
19 know, additional security lighting because we do
20 not have additional police officers, so we need
21 that support.

22 Thank you for allowing me to speak today.

23 JUDGE RAINEY: Thank you, Ms. Watts.

24 Is there anyone else who would like to
25 testify? If not, I would like to thank everyone

1 for their participation here today and their
2 cooperation, and this hearing is adjourned.

3 - - - - -

4 (Hearing concluded at 2:15 p.m.)

5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

C E R T I F I C A T I O N

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I HEREBY CERTIFY that the proceedings and evidence are contained fully and accurately in the stenographic notes taken by me upon the foregoing matter on OCTOBER 10, 1997, and that this is a correct transcript of same.

Margaret E. Bartuska

MARGARET E. BARTUSKA

NOTARIAL SEAL
MARGARET E. BARTUSKA, Notary Public
Bristol Borough, Bucks County
My Commission Expires June 13, 1998

(The foregoing certification of this transcript does not apply to any reproduction of the same by any means unless under the direct control and/or supervision of the certifying reporter.)

