

R-00973953, R-00973953C0001-
PECC St. 4 C0007

Phila 10/14/97
E. Holbert

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

SUPPLEMENTAL TESTIMONY OF

RICHARD K. DOUGLASS

PROTHONOTARY'S OFFICE
97 OCT 20 AM 9:52

ON BEHALF OF
PENNSYLVANIA ELECTRIC COMPETITION
COALITION

DOCKETED
NOV 04 1997

PUC DOCKET NO. R-00973953
RE: JOINT PETITION FOR PARTIAL SETTLEMENT
OF PECO RESTRUCTURING PLAN

**DOCUMENT
FOLDER**

September 29, 1997

1 Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.

2
3 A. My name is Richard K. Douglass. I am currently employed as Manager of Electric
4 Trading for Delmarva Power & Light Company, with offices at 252 Chapman Road,
5 Newark, Delaware 19714.

6 Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

7 A. I am testifying on behalf of the Pennsylvania Electric Competition Coalition.¹

8 Q. WHAT IS YOUR PROFESSIONAL EXPERIENCE?

9 A. I am responsible for the electric trading activities of Delmarva Power in the bulk power
10 markets. Delmarva Power is a member of the PJM Interconnection, and the largest share
11 of our bulk energy and capacity transactions are with PJM.

12 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

13 A. I will testify to the recent changes in the market for PJM capacity.

14 Q. PLEASE ELABORATE.

15 A. PJM capacity is not available at this time for purchase by suppliers like Conectiv Energy
16 for either the 1997-1998 planning period or the 1998-1999 planning period. The excess
17 capacity situation which witnesses have claimed existed does not exist today. Under this
18 circumstance, the effective price for capacity is \$58.40 kw/year, which is the PJM
19 deficiency penalty. With current market conditions, previous price projections for
20 capacity dramatically understate the price that will have to be paid by suppliers. The
21 market is driving the price towards the PJM deficiency penalty.
22

¹ The members of the coalition are: Conectiv Energy, Enron and New Energy Ventures.

1 Q. DOES THIS COMPLETE YOUR TESTIMONY?

2 A. Yes.

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