

KJR

LAW OFFICES
**POWELL, TRACHTMAN, LOGAN, CARRLE,
BOWMAN & LOMBARDO**

A PROFESSIONAL CORPORATION

114 NORTH SECOND STREET
HARRISBURG, PA 17101

(717) 238-9300
FACSIMILE (717) 238-9325
EMAIL: PTLCLBL@MCMAIL.COM

September 8, 1997

OF COUNSEL
RALPH B. POWELL, JR.
MALCOLM B. JACOBSON
367 SOUTH GULPH ROAD
KING OF PRUSSIA, PA 19406
(610) 354-9700
FAX (610) 354-9760
SUITE 126
811 CHURCH ROAD
CHERRY HILL, NJ 08002
(609) 663-0021
FAX (609) 663-1590

MICHAEL G. TRACHTMAN
PAUL A. LOGAN*†*
GUNTHER O. CARRLE*
C. GRAINGER BOWMAN
BRUCE D. LOMBARDO
RICHARD B. ASHENFELTER, JR.
JONATHAN K. HOLLIN
LAWRENCE A. BORDA*†
NEIL P. CLAIN, JR.*
JOEL P. PERILSTEIN*
MARK S. MCKAIN*
ETHAN N. HALBERSTADT*
DAVID T. BOLGER†
RICHARD J. DAVIES*
KEVIN B. WATSON*
DAVID W. FRANCIS
FREDERICK P. WARNER*
STEVEN G. BARDSLEY*
ROBERT E. BALLARD*
MICHAEL W. WINFIELD*
ANDREW B. CLAUSS
SALIL P. PATEL*
MICHELE F. CONTE*
BRADFORD J. SANDLER*
MICHAEL J. MARANSKY*

*ALSO ADMITTED IN NJ
*ALSO ADMITTED IN NC
*ALSO ADMITTED IN MD
*ALSO ADMITTED IN DE
*ALSO ADMITTED IN DC
†ALSO ADMITTED IN FL
*ALSO ADMITTED IN NY
*ALSO ADMITTED IN KY

PLEASE REPLY TO:

Harrisburg
97 SEP -8 PM 4:03
RECEIVED
P.A.P.U.C.
PROTHONOTARY'S OFFICE

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

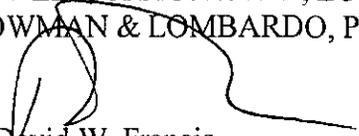
**RE: In the Matter of Pennsylvania Power & Light Company's Restructuring
Plan; Docket No. R-00973954**

Dear Mr. McNulty:

Enclosed for filing are an original and ⁹~~10~~ copies of *The Quaker Oats Company's and Mount Joy Wire Corporation's Consolidated Exceptions to the Initial Decision of ALJ George Kashi Denying Their Petitions to Intervene*. Please time stamp one copy and return in the envelope provided. Thank you.

Very truly yours,

POWELL, TRACHTMAN, LOGAN, CARRLE,
BOWMAN & LOMBARDO, P.C.

By 
David W. Francis

DWF/mak
Enclosures
cc: Service List

DOCUMENT
FOLDER

2470.1

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

IN THE MATTER OF PENNSYLVANIA
POWER & LIGHT COMPANY'S
RESTRUCTURING PLAN

DOCKET NO. R-00973954

THE QUAKER OATS COMPANY'S AND MOUNT JOY WIRE CORPORATION'S
CONSOLIDATED EXCEPTIONS TO
THE INITIAL DECISION OF ALJ GEORGE KASHI
DENYING THEIR PETITIONS TO INTERVENE

I. INTRODUCTION

These exceptions are an appeal from Administrative Law Judge George M. Kashi ("the ALJ") initial decision denying the Quaker Oats Company's ("Quaker") and Mount Joy Wire Corporation's ("Mt. Joy") (collectively "petitioners") petitions to intervene in P&L's restructuring case, and their motion to reconsider his denial. The ALJ did not issue a formal written initial decision denying the petitions to intervene; instead he issued an oral decision on the record during the August 18, 1997 hearing. In addition, ALJ Kashi did not issue a formal written initial decision denying Petitioners' motion for reconsideration; instead he notified Petitioners' counsel on August 28, 1997 via telephone, and subsequently in person, of the denial.

It is Quaker's and Mount Joy's understanding, based upon communications with the Office of the Prothonotary, that denials of intervention are treated as initial decisions by the Office of the Administrative Law Judge, and may be appealed through the filing of exceptions. These timely exceptions are being filed pursuant to 52 Pa. Code § 5.533 within twenty days (20) after the ALJ's initial decision on August 18, 1997.

RECEIVED
97 SEP -8 PM 4:08
PA. UIC OFFICE
PROTHONOTARY

DOCKETED
SEP 09 1997
DOCUMENT
FOLDER

II. BACKGROUND

Petitioners' denied intervention relates exclusively to PP&L's proposal to eliminate the definition of interruptible power from its tariff. Accordingly, in order to fully understand petitioner's standing, it is necessary to briefly discuss the history of the 500 MW cap.

On December 30, 1994, PP&L filed its Supplement No. 50 to tariff electric Pa.P.U.C. No. 200 with the Commission at Docket No. R-00943271 ("PP&L's rate filing"). PP&L's rate filing proposed, *inter alia*, to institute a 500 MW cap on the amount of interruptible load that PP&L would maintain on its system as follows:

The Company will limit the amount of interruptible power to a total of 500 MW from all customers served under Rate Schedules LP-4, LP-5, LP-6, IS-1, and Interruptible Service by Agreement. For the purpose of determining this amount, interruptible power is the twelve month average of each customer's monthly On-peak Demand less the customer's contract Firm Power level.

(emphasis supplied). During hearing in the rate case, PP&L presented the testimony of Mr. Oliver G. Kasper, Manager of the Pricing and Contract Administration, to explain how PP&L would calculate the 500 MW cap. Mr. Kasper explained the 500 MW cap to the Commission as follows:

PP&L is proposing a cap of 500 MW of non-coincident interruptible load. This is a twelve month rolling average of the sum of the individual customer's average monthly maximum demands minus the sum of the individual contracted firm demands.

(P.U.C. Docket No. R-00943271, Statement 8, Direct Testimony of Oliver G. Kasper, page 15).

On September 27, 1995, the Commission entered an order allowing PP&L to implement the 500 MW cap on interruptible power. Subsequently, on October 5, 1995, PP&L filed with the Commission its compliance filing, which contained the following definition of the 500 MW cap:

The company will not enter into new contracts for interruptible power if the amount of interruptible power from all customers served under Rate Schedules IS-1, IS-P, IS-T, PR-2, the Competitive Rate Rider, and Interruptible Service by Agreement exceeds a total of 500 MW. *For the purpose of determining this amount, interruptible power is the twelve month average of each customer's monthly Maximum On-Peak Demand less the customer's contract Firm Power level.*

(emphasis supplied) This language was effective on September 28, 1996 and is contained in the current tariff on file with the Commission.

In 1996, two other customers of PP&L, Caradon Mideast Aluminum ("Caradon") and Metal Industries, Inc. ("M.I.") each filed complaints against PP&L before the Commission at Docket Nos. C-00968031 and C-00968275, seeking, *inter alia*, retroactive application of the interruptible rates to September 28, 1995. Caradon and M.I. each alleged that PP&L has consistently been below the 500 MW cap since its inception. Quaker and Mount Joy also requested interruptible service from PP&L in or about September, 1995, but were refused by PP&L.¹

During the pendency of the Caradon and MI vs. PP&L litigation, PP&L filed its instant proposed restructuring plan at Docket No. R-00973854. Included within the plan is a proposal by PP&L to eliminate the definition of the 500 MW cap. This is set forth in the direct testimony of Mr. Oliver G. Kasper as follows:

Q: Is the Company proposing any other changes to the tariff regarding interruptible service?

A: The Company's current tariff has a 500 MW cap on the amount of

¹ Caradon, MI, Quaker and Mount Joy were all placed on an interruptible rate of service effective September, 1996. Accordingly, their claims relate to the retroactive application of the interruptible rate.

interruptible load. The Company proposes to retain the cap, but remove the definition contained in the tariff.

Q: Why is the Company proposing to remove the definition?

A: The Company consistently has calculated the amount of available interruptible load as a customer's maximum actual annual demand (in any 12-month period) and the customer's firm contract demand. This is consistent with the underlying purpose of interruptible load (to reduce peak demand) and how the Company calculates interruptible load as a capacity reserve obligation in the Pennsylvania-New Jersey-Maryland Interconnection. *Unfortunately, the definition of the cap in the Company's tariff has created some confusion and has lead some customers to propose a substantially different method for calculating interruptible load based upon 12-month monthly average data.* This alternative definition is inconsistent with how the Company has always calculated interruptible load, and substantially understates the amount of interruptible load on the Company's system. If this alternative definition were adopted, it would force the Company to contract for excessive amounts of interruptible load to the detriment of the Company and its other customers. To avoid continued controversy, the Company seeks to remove the definition from the tariff.

Q: Is the Company proposing any change in the way it calculates interruptible load?

A: *No.. The Company proposes to calculate interruptible load in the same manner is always has done.*

(emphasis supplied). (Direct Testimony of Oliver G. Kasper; PP&L Statement No. 10; p. 15 ln. 15 - p. 16 ln. 22).

On April 18, 1997, Caradon and M.I. filed with the Commission at Docket Nos. C-00968031 and C-00968275 a consolidated petition for Commission review and answer to material questions, requesting the Commission review (1) whether PP&L was required by law to apply the clear and unambiguous language of a lawfully filed tariff; and (2) whether the language "[I]nterruptible power is the twelve month average of each customer's monthly Maximum On-Peak Demand less the customer's contract firm Power level" is clear and unambiguous. In

response, PP&L argued that the language of the tariff, which it now seeks to eliminate, is ambiguous as follows:

PP&L submits that the amount of interruptible load properly should be determined by: (1) taking the sum of each customer's maximum monthly demand over a 12-month period; and (2) subtracting the sum of their individual contract firm power levels. *Although the disputed tariff language may not be a model of clarity, the intent of the tariff provision was to measure interruptible load, a peaking resource, by examining each customer's maximum monthly demand over a 12-month period less their contractual Firm Power level. The reference to "monthly" in PP&L's tariff was intended to reflect the fact that customers' meters are read on a monthly basis, not daily or hourly. The maximum monthly demand therefore is the highest of the monthly peak demands in each 12-month period. The reference to "twelve month average" refers to the fact that: (1) each customer's highest monthly demand is determined over a 12-month period, rather than some other time frame; and (2) each customer's contract firm power level may vary on a monthly basis to reflect contract modifications or adjustments following an emergency interruption or emergency test. In other words, the phrase "twelve month average" reflects the fact that PP&L's level of interruptible power will vary in any given month if a customer's highest monthly maximum demand for the prior 12-month period changes, or if its firm power level is revised.*

(P.U.C. Docket No. C-00968031 and C-00968275; Brief of Pennsylvania Power & Light Company In Opposition to Petition of Caradon Mideast Aluminum and Metal Industries For Commission Review and Answer to Material Questions, p. 6).

The Commission granted the petition for interlocutory review, but declined to answer the questions presented. The rationale provided was as follows:

In our evaluation of the Complainants first Material Question, we note from the record that PP&L admits that "the disputed tariff language may not be a model of clarity." (PP&L Brief, p. 6). There is clearly a critical issue at controversy. There is clearly a record to develop. However, it is also clear to us that additional

entities beyond the parties in this proceeding have a significant stake in the interpretation of the “disputed tariff language” inasmuch as PP&L is now seeking to dispute what is allegedly “the clear and unambiguous language of a lawfully filed and approved tariff.”

In our opinion, this controversy goes beyond merely interpreting the disputed language and reaches the point of recreating (or redrafting) by construction PP&L’s tariff. At the very least, the OTS should participate in the revisiting of the disputed language. The OCA and the OSBA, as well as the other parties to Pa.PUC v. PP&L, Docket No. R-00943271 which gave rise to the disputed tariff language, should be served with notice of this proceeding and given an opportunity to intervene. It should be noted that if a clear interpretation of the disputed language cannot be achieved, the disputed language should be construed against its promulgator, PP&L.

(P.U.C. Docket Nos. C-00968031; C-00968275, Opinion and Order, May 8, 1997).²

On April 29, 1997, Caradon and M.I filed petitions to intervene in the restructuring case. Appendix at Exhibit A. Caradon and M.I.’s petitions disputed PP&L’s claim that it has always calculated interruptible power according to the method described in Mr. Kasper’s direct testimony, and further alleged that any determination supporting PP&L’s claimed “underlying purpose and intent” or methodology could have a substantially adverse impact upon their litigation against PP&L, as well as any future plans to increase their interruptible power requirements. PP&L did not object to Caradon’s and MI’s petitions. Accordingly, on June 17, 1997 ALJ Kashi issued an order granting Caradon’s and MI’s petition to intervene. (R-00973954, Order dated June 17, 1997; Appendix at Exhibit B).

²OTS, OCA and OSBA did not intervene in C-00968031 and C-00968275, perhaps because the issue of reconsidering the disputed language was pending before them in the restructuring case. However, neither OTS, OCA nor OSBA addressed PP&L’s proposal to eliminate the definition of the 500 MW cap from the tariff. Accordingly, PP&L’s proposal has gone completely unchallenged.

On July 14, 1997 Quaker filed a complaint against PP&L at Docket No. C-00970537 seeking, *inter alia*, retroactive application of the interruptible rate to September 18, 1995. Subsequently, on July 15, 1997, Quaker filed a petition for intervention in this case entitled, *The Quaker Oats Company's Petition to Join as a Party to the Intervention of Caradon Mideast Aluminum and Metal Industries, Inc* ("Quaker Petition") (Appendix at Exhibit C). Quaker's petition alleged the same basis for intervention as did Caradon's and M.I.'s petitions. However, Quaker's petition recognized that its interests were already adequately represented by Caradon and MI, but that if Caradon and M.I. were to resolve their differences with PP&L before trial, Quaker's interests would no longer be adequately represented. Thus, Quaker's petition was specifically address the contingency of Caradon and MI withdrawing from the restructuring case. This was set forth at paragraph 15 of Quaker's petition:

Quaker Oats petition is to join Caradon and Metal Industries intervention, in so far as they have similar interests in this case. *However, in the event Caradon and Metal Industries were to resolve their differences with PP&L between now and trial, Quaker Oats' interests would not be adequately represented by the existing participants in the proceedings.*

(emphasis supplied).

52 Pa. Code §5.61 provides 20 days in which a participant may answer a petition to intervene. This 20 day period expired on August 4, 1997. Further, 52 Pa. Code §5.66 provides that a failure to file an answer to a petition for intervention waives any objection to the granting of the petition. PP&L did not file an answer to Quaker's petition or otherwise object thereto. Accordingly, PP&L waived any objection to Quaker's petition as of August 4, 1997.³

³In fact, PP&L never objected to Quaker's or Mount' Joy's petitions to intervene or the subsequent motion for reconsideration.

52 Pa. Code § 5.75 provides, "As soon as practicable after the expiration of the time for filing answers to petitions as provided in § 5.66 (relating to answers to petitions to intervene), the Commission or presiding officer will grant or deny the petition in whole or in part or may, if found to be appropriate, authorize limited participation. Accordingly ALJ Kashi should have acted upon Quaker's petition as soon as practicable after August 4, 1997.

On July 28, 1997, Mount Joy also filed a petition for intervention entitled, *Mount Joy Wire Corporation's Petition to Join as a Party to the Intervention of Caradon Mideast Aluminum, Metal Industries and the Quaker Oats Company* ("Mt. Joy petition"). (Appendix at Exhibit D). Mt. Joy's petition also mirrored the reasons for intervention alleged by Caradon, Metal Industries, and Quaker. Similar to Quaker, it specifically addressed the contingency of Caradon, Metal Industries and/or Quaker Oats resolving their differences with PP&L prior to trial. This was set forth in paragraph 16 of Mt. Joy's petition as follows:

Mount Joy's petition is to join Caradon, Metal Industries, and Quaker Oats intervention, in so far as they have similar interests in this case. However, in the event Caradon, Metal Industries, and/or Quaker were to resolve their differences with PP&L between now and trial, Mount Joy's interests would not be adequately represented by the existing participants in the proceedings.

(emphasis supplied) In addition, given the timing of the petition, Mount Joy's petition also addressed the contingency of Caradon, Metal Industries and/or Quaker Oats settling their disputes with PP&L before the Mount Joy petition could be acted upon. This was set forth in paragraph 18 of Mount Joy's petition:

In the alternative, in the event that Caradon, Metal Industries and/or Quaker Oats were to settle their respective disputes with PP&L and withdraw from this intervention prior to this petition being acted upon, Mount Joy respectfully requests that this be treated as a petition for intervention.

PP&L did not object to Mount Joy's petition either.

On July 16, 1997 Caradon, M.I., and Quaker filed certain consolidated requests for admission upon PP&L ("RFA") (Appendix at Exhibit E). These RFA sought to challenge PP&L's claim that they had always calculated interruptible power according to the methodology suggested by Mr. Kasper in his direct testimony. These RFA were based exclusively upon documents prepared by PP&L or transcripts of testimony from PP&L which contradict PP&L's claims. In addition to addressing Mr. Kasper's testimony before the Commission in the rate case discussed above, the RFA also addressed (1) statements made by PP&L to customers which contradict its testimony here, and (2) deviations by PP&L from the method it claims to use.

The most compelling statements made by PP&L which contradict Mr. Kasper's testimony in this case occurred in internal e-mail communications. For example, an internal e-mail message from Ms. Janet Hilliard to, *inter alia*, Paul E. Russell and Oliver G. Kasper, states,

Caradon questioned the 500 MW cap for interruptible load. Their main question was whether PP&L is above or below the cap. Ollie indicated that at this time, we are below the 500 MW cap, but that this was only a measure of capacity on the hour of system peak. This translates to a capacity at the hour of system peak of greater than 350 MW. According to our base rate filing and our filing for the closing of the interruptible rate, PP&L only requires 300-350 MW on the hour of system peak. Any additional interruptible capacity beyond this has no value for PP&L. Even though we are below our level of 500 MW, this is still creating a peak reduction capability of 363 MW. Ollie explained to the customer that it does not make good business sense to continue signing up new interruptible capacity that has no value to PP&L.

(RFA at Exhibit J, L). Similarly, an e-mail from Mr. Kasper to Mr. Russell stated,

1) I state that yes in recent months we have dropped below the 500 MW cap, but PP&L need to review the available resoure [sic] and that the resource availability that we needed was between 300 and 350 mw as referenced in the filing to close the interruptible

rate in 1995 and again in the rate case. I indicated that interruptible capacity above this level has no value to PP&L and does not make good business sense for PP&L to continue to sign on new interruptible capacity.

2) When questioned about the tariff, I said the tariff does not state that we must sign contracts when below the 500 MW and this give me the ability to make business decision for PP&L. When questioned about this interpretation by the consultant, I believe that I must be reviewing the resource value for the share holders of PP&L, and this tariff language gives us the flexibility to do that. He then asked if the PUC concurred with my interpretation and I responded that the PUC has not review this interpretation.

(RFA at Exhibit J).

The RFA also challenged PP&L on their claim that they have always calculated interruptible power according to the methodology explained by Mr. Kasper. In fact, RFA nos. 33 through 41 suggest that PP&L does not always use the highest on-peak demand for a customer during the previous 12 months, but occasionally will use a projected maximum on-peak demand based upon assumptions, and will "reserve" a portion of the 500 MW cap for that customer, even though they never actually reached that level.

PP&L initially objected to the RFA, and on August 1, 1997, Quaker and M.I. filed a motion to compel. These pleadings placed the evidence contradicting PP&L's direct testimony plainly in front of the ALJ. In response, on August 11, 1997, PP&L filed its *Answer of Pennsylvania Power & Light Company to Interruptible Intervenors Motion to Compel Responses to Requests for Admission*. ("PP&L Answer to Motion to Compel") (Appendix at Exhibit F). In this response, PP&L proposed to answer the RFA, but to submit surrebuttal testimony of Mr. Kasper which, they claim, explains away the issues raised in the RFA which contradict PP&L's assertions in direct testimony. (Appendix at Exhibit G).

On August 8, 1997, Caradon and M.I. each files separate petitions to withdraw their participation with prejudice from the restructuring matter. (Appendix at Exhibit H). Each of these petitions plainly indicated that they were to apply only to Caradon and M.I., and not any other party. Paragraph 2 of Caradon's petition provided, "This petition applies only to Caradon Mideast Aluminum, a Division of Caradon America, Inc." Similarly, paragraph 2 of M.I.'s petition provided, "This petition applies only to Metal Industries, Inc." On August 11, 1997, PP&L disclosed to ALJ Kashi that Caradon and M.I. had reached an agreement in principle to settle their claims against PP&L. *See Answer of Pennsylvania Power & Light Company to Interruptible Intervenors Motion to Compel Responses to Requests for Admission.*

On August 15, 1997 ALJ Kashi granted seven (7) petitions to intervene in this case, including two petitions that were filed after Quaker's petition. Specifically, the ALJ granted ERI Services, Inc.'s petition (filed July 23, 1997) and the Pennsylvania Association of Plumbing, Heating, Cooling Contractors, Inc. (filed July 25, 1997). (Appendix at Exhibit I) However, the ALJ took no action on August 15, 1997, on Quaker's and Mount Joy's petitions. The ALJ did grant Caradon's & M.I.'s motion to withdraw.

Finally, on August 18, 1997, the ALJ ruled upon Quaker's and MI's petitions on the record as follows:

Be that as it may, there is one outstanding matter that was not taken care of in that order.⁴ There were two petitions that were filed, one by Mount Joy, and the second by Quaker Oats. Those petitions were petitions to join as parties certain intervenors in this

⁴ "That Order" refers to the listing prepared by ALJ Kashi which placed the parties into particular interest groups, to be headed by lead counsel. Contrary to ALJ Kashi's subsequent remarks, Quaker was addressed in that Order, and placed in the "Large Customer" group with PPLICA, Dept. of the Army, Kraft, and Bethlehem Steel. (Appendix at Exhibit J).

particular matter, and essentially then went ahead and filed for requests for admissions, and we've had motions to compel, etcetera, etcetera. And unfortunately, their horse ran away. The two parties that they were attempting to join, that being Metal Industries and Caradon Mideast Aluminum, filed a petition with me on Friday, I believe it was, Thursday or Friday, to withdraw their petition to intervene with prejudice. I granted that petition. Having granted the petition, there is nothing for Quaker Oats and Mount Joy to join to. And therefore their petitions are going to be denied as moot. The petition to join being denied as moot, their requests for admissions, etcetera, etcetera, are not necessary to even go to.

Yes Sir.

MR. HALBERSTADT: Good morning, Your Honor. My name is Ethan Halberstadt. I'm here today on behalf of Mount Joy and Quaker Oats Company.

May I be heard briefly with respect to that issue?

JUDGE KASHI: Very Briefly.

MR. HALBERSTADT: Your Honor, the petitions to join included as an alternative as a petition to intervene, as well. And we feel that in order to protect their rights, they need to be parties to this proceeding. The relief was and/or; and join as a party, or to intervene in their own right.⁵

JUDGE KASHI: Then they're untimely.

MR. HALBERSTADT: Would Your Honor consider a motion for reconsideration with respect to that?

JUDGE KASHI: Yes, please. And you can set it forth in writing.

MR. HALBERSTADT: Thank-you, Your Honor.

(N. T. of Aug. 18, at pp. 410-411).

⁵Only the Mount Joy petition *specifically* requested that it be treated as a petition to intervene in its own right. However, as explained below, petitioners submit that this was unnecessary, and that Quaker's petition was a petition to intervene and should have been treated as one.

Subsequently, on August 19, 1997 Quaker and Mount Joy filed *The Quaker Oats Company and Mount Joy Wire Corporation's Motion to Reconsider the Denial of Their Petitions to Intervene*. ("Motion to Reconsider") (Appendix at Exhibit K). On the morning of August 20, the filing of the Motion to Reconsider was brought to the attention of ALJ Kashi, as follows:

MR. FRANCIS: Your Honor, David Francis for the Quaker Oats Company and Mount Joy Wire Corporation. We filed a motion for [re]consideration on our petition for intervention with Your Honor last night.

JUDGE KASHI: I haven't seen it yet.

MR. FRANCIS: I'm sure you haven't.

JUDGE KASHI: I'll get to it at the first break.

MR. FRANCIS: I understand, Your Honor. I guess my matter would be, Your Honor, that -- I wouldn't expect you to rule on that immediately. Mr. Kasper is here today. We would ask that we be permitted to cross him and to introduce certain requests for admission. In the event Your Honor ruled against us on the motion for reconsideration, we can strike the cross-examination.

JUDGE KASHI: Let me take a look at your request first.

MR. FRANCIS: Thank you.

JUDGE KASHI: Maybe we can save everybody a lot of time and heartache that way.

MR. FRANCIS: Thank you.

JUDGE KASHI: I appreciate your calling it to my attention.

(N. T. of Aug. 20 at 922-923). Subsequently, the ALJ informed Quaker and Mount Joy that he would not rule upon the motion for reconsideration immediately, but would direct PP&L to make Mr. Kasper available at a latter date in the event it was granted:

JUDGE KASHI: ...

For the record, Mr. Francis, I'm going to ask that Mr. Kasper be kept available perhaps for your questions. I was unable to attend to that over the lunch hour. I will attend to it as soon as possible. If you're going to have a chance to do it, Mr. Russell will make sure Mr. Kasper is available.

MR. FRANCIS: At a future date, Your Honor?

JUDGE KASHI: At a future date.

(N.T. of Aug. 20, at 1048).

PP&L never filed a response or objection to the motion for reconsideration. The ALJ ruled upon the Motion for Reconsideration on Thursday, August 28, 1997, by telephoning Quaker's and Mt. Joy's counsel's office and informing it that the motion had been denied. Subsequently, also on August 28, 1997, because counsel did not receive the telephone message, the ALJ informed both Quaker's and Mt. Joy's counsel in person that the motion had been denied.

III. EXCEPTIONS

A. The ALJ erred in treating Quaker's and Mount Joy's petitions as contingent upon Caradon and MI remaining in the case.

First and foremost, the ALJ erred in treating Quaker's and Mount Joy's petitions as contingent upon Caradon and M.I. remaining in the case. In so doing, he ignored the very basis for Quaker's and M.I.'s petitions. As described above, Quaker's and M.I.'s petitions were specifically filed to address the contingency of Caradon and MI withdrawing from the litigation prior to trial, thereby leaving Quaker's and Mount Joy's interests completely unrepresented.

Although Quaker's and Mount Joy's petitions were framed as petitions to "join as a party" to an existing intervention, this does not mean they were not petitions for intervention in

their own right.⁶ The rationale for fashioning these as petitions to join is obvious and simple. Initially, Caradon and MI had filed a joint petition to intervene, thereby consolidating their common interests in one intervention. Quaker's and Mount Joy's interests were identical to Caradon's and M.I.'s interests. Accordingly, for the sake of economy and efficiency, Quaker and Mount Joy sought to have their interventions consolidated with Caradon's and M.I.'s.⁷ In the event Caradon and M.I. remained in the case, all four would proceed as a single intervention. In the event Caradon and M.I. withdrew from the case, then Quaker and Mount Joy would proceed as a single intervention.

The ALJ's ruling ignores the petitioners' intent to simplify the intervention of these parties, and thereby punishes Quaker and Mount Joy for attempting to streamline the process. Clearly, had Quaker and Mount Joy filed completely separate petitions to intervene, these would have been granted. The ALJ granted *every* other intervention filed in this case, including those filed after Quaker's petition.

Finally, the ALJ's action in denying Quaker's and Mount Joy's intervention on the technical basis that they tried to consolidate their interests with Caradon and M.I. is inconsistent.

⁶Recall that Mount Joy's petition also specifically requested that it be treated as a separate petition to intervene in the event Caradon, M.I. and Quaker were to withdraw from the litigation.

⁷This fact was spelled out in both petitions to intervene. Paragraph 16 of Quaker's petition provides, "Quaker shares counsel with Caradon and Metal Industries; accordingly it is anticipated that Quaker's participation in this case will be jointly with Caradon and Metal Industries, and that there will be no other impact in this case." Similarly, paragraph 17 of Mount Joy's petition provides, "Mount Joy shares counsel with Caradon, Metal Industries, and Quaker Oats; accordingly it is anticipated that Mount Joy's participation in this case will be jointly with Caradon, Metal Industries, and Quaker, and that there will be no other impact to this case, nor increase in the amount of cross-examination expected of PP&L's witnesses.

with the other streamlining efforts the ALJ has adopted in this case. Specifically, prior to the presentation of testimony, the ALJ appointed "lead counsel" among those entities with similar interests, and has since required the submission of "joint briefs." Yet his denial of Quaker's and Mount Joy's petitions punished them for consolidating on their own initiative.

B. The ALJ erred in delaying action upon Quaker's petition until after ruling upon Caradon's and M.I.'s motion to dismiss.

If the Commission were to hold that Quaker's intervention was contingent upon Caradon and M.I.'s continued participation in the case, then it should also recognize that the ALJ's delay in acting upon Quaker's petition until dismissing Caradon's and M.I.'s motion to dismiss was purely arbitrary. As explained above, in the absence of objection by PP&E, the ALJ should have ruled upon Quaker's petition "as soon as practicable" after August 4, 1997. See 52 Pa. Code §§ 5.66 and 5.75. Nevertheless, the ALJ delayed ruling upon Quaker's petition until August 18, 1997, and until after ruling upon Caradon's & M.I.'s motions to dismiss their participation with prejudice on August 15, 1997. Had the ALJ ruled upon Quaker's petition prior to or concurrent with his action in granting Caradon's and MI's motions to dismiss, Quaker would have been a party to the intervention, and thus would have been unaffected by Caradon's and MI's dismissals.

In Board of Pub. Ed., City of Pittsburgh v. Thomas, __ Pa. Commw. __, 399 A.2d 1148 (1979), Judge Blatt observed that arbitrary action is one based on random or convenient selection rather than on reason. Id. at __, 399 A.2d at 1150. In this case, the ALJ randomly or conveniently selected to rule upon Caradon's and M.I.'s motions to dismiss before ruling upon Quaker's petition to intervene. The ALJ's on the record comments of August 18, 1997, strongly suggest that the decision to delay was one of convenience. Specifically, by delaying action upon

Quaker's and Mt. Joy's petitions, he could avoid acting upon the motion to compel. This random selection, which has no other rational basis in the record, extinguished Quaker's and Mount Joy's rights in this litigation.

C. The ALJ erred in denying the petitions to intervene on the basis that they were "untimely."

As an initial matter, Quaker and Mount Joy admit that their petitions were filed beyond the period initially allowed for such intervention. However, that fact alone is not a sufficient basis for denying the petitions to intervene. Specifically, 52 Pa. Code § 5.74 provides that late petitions for intervention may be considered "for good cause shown." In this case, Quaker and M.I. have demonstrated sufficient good cause for the timing of these petitions. Specifically, petitioners recognized that their interests in this litigation were already adequately represented by Caradon and M.I. Petitioners only filed their respective petitions to address the contingency of Caradon and M.I. withdrawing from the litigation, which ultimately did occur.

In fact, under the regulatory framework, Quaker and M.I. may not have had standing without Caradon and M.I. withdrawing from the litigation. Specifically, under Pa. Code § 5.72 (a)(2), intervention is only appropriate for those claiming an interest that will be directly affected in the proceedings where that interest "is not adequately represented by existing participants." Since Caradon and M.I. already adequately represented Quaker's and Mount Joy's interests, they may not have satisfied this requirement. It was only because Quaker and Mount Joy specifically pled that their interests would not be adequately protected "in the event Caradon and Metal Industries were to resolve their differences" that Quaker and Mount Joy had any basis to allege standing in the first place. Accordingly, Quaker's and Mount Joy's "good cause" was to address the upcoming withdrawal by Caradon and M.I. from the litigation.

Moreover, there is an element of bias in the ALJ's determination to reject Quaker's and Mount Joy's petitions on the basis of untimeliness. As noted above, ALJ Kashi granted every other petition for intervention submitted in the case, including those submitted after Quaker Oats. The ALJ's ruling that the petitions were untimely does not provide a rational basis as to why he approved the late applications of so many others, but not Quaker and Mount Joy.

D. Petitioner's satisfied the requirements for intervention in this case.

Quaker and Mount Joy have satisfied the regulatory requirements for intervention under 52 Pa. Code § 5.72(2), which allows for intervention when the petitioner has "An interest which may be directly affected and which is not adequately represented by existing participants, and as to which the petitioner may be bound by the action of the Commission in the proceeding." First, petitioner's do have an interest which may be directly affected by this case. Specifically, currently pending before the Commission at Docket Nos. C-00970537 and C-00970606 are complaints filed by Quaker and Mount Joy against PP&L requesting a retroactive application of the interruptible rate to September, 1995. The basis for these complaints is that PP&L has consistently been below the 500 MW cap since September, 1995, when that cap is calculated in accordance with the unambiguous language of the current tariff. If PP&L is successful in getting the language of the tariff changed to delete the definition of the 500 MW cap based upon the theory that they have always calculated interruptible power according to an annual maximum demand method, that could have a collateral effect of Quaker's and Mount Joy's rights in their litigation.⁸

⁸Obviously, Quaker and Mount Joy reserve the right to argue that any adverse finding would not have a binding effect upon their respective cases.

Second, petitioners' rights are not adequately represented by the existing participants.

This fact is evident from the record. None of the remaining participants in the hearing challenged PP&L on its claims or questioned PP&L about its proposal. Accordingly, the current state of the record reflects only PP&L's direct testimony.

Moreover, petitioners' participation in this case is in the public interest. Since the OTS, OSBA and OCA all declined to address PP&L's proposal, there has not been a sufficient evidentiary record established to make a thorough determination as to whether PP&L's proposal to change the way it calculates interruptible power is in the public interest. Petitioners were the only parties who were prepared to address this issue at trial.

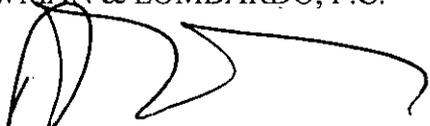
V. CONCLUSION

This Commission has authority to disregard the initial decision of the ALJ. ATT v. Pa. P.U.C., 130 Pa. Commw. 595, 568 A.2d 1362 (1990). This Commission has previously set aside an initial decision of an ALJ denying intervention. See Re Equitable Gas Co. 76 Pa. P.U.C. 23 (Pa. P.U.C., Jan. 16, 1992); Re Pennsylvania Power Co., 77 Pa.P.U.C. 246 (Pa. P.U.C. Oct. 15, 1992)

Based upon the arguments presented above, the Commission should reverse the Initial Decision of ALJ Kashi, and grant the petitions to intervene. In addition, the matter should be remanded to ALJ Kashi for further hearings on PP&L's proposal to eliminate the definition of interruptible power from the tariff.

Respectfully Submitted,

POWELL, TRACHTMAN, LOGAN, CARRLE,
BOWMAN & LOMBARDO, P.C.

By 

David W. Francis
Pa. I.D. No. 53718
114 North Second Street
Harrisburg, PA 17101
(717) 238-9300

Date: September 8, 1997 (11:43am)

CERTIFICATE OF SERVICE

I hereby certify that on September 8, a copy of the within document was served upon the following person(s) by first class U.S. Mail, postage prepaid.

Lisa M. Helpert
Preston Gates Ellis & Rouvelas Meeds LLP
1735 New York Avenue, NW, Suite 500
Washington, D.C. 20006-5209

Paul E. Russell
PA Power & Light Company
2 North Ninth Street
Allentown, PA 18101

Johnnie Simms, Esq.
Office of Trial Staff
PA Public Utility Commission
Third Floor, Pitnick Building
901 N. 7th Street - Rear
Harrisburg, PA 17105-3265

Karen Oill Moury, Esq.
Bernard A. Ryan, Esq.
Office of Small Business Advocate
Suite 1102, Commerce Building
300 N. Second Street
Harrisburg, PA 17101

James H. Norris, Esq.
Eckert Seamans Cherin & Mellott
42nd Floor, 600 Grant Street
Pittsburgh, PA 15219

David B. MacGregor, Esq.
Morgan, Lewis & Bockius LLP
2000 One Logan Square
Philadelphia, PA 19103-6993

Craig R. Burgraff, Esq.
James A. Mullins, Esq.
Assistant Consumer Advocate
Office of Consumer Advocate
1425 Strawberry Square
Harrisburg, PA 17120

David M. Kleppinger, Esq.
Robert A. Weishaar, Jr., Esq.
Pamela C. Polacek, Esq.
McNees, Wallace & Nurick
P.O. Box 1166
Harrisburg, PA 17108

Steve Hunton, Esq.
Assistant General Counsel
PECO Energy Company
2301 Market Street, S 23-1
Philadelphia, PA 19103

Robert P. Haynes, III, Esq.
Mette, Evans & Woodside
3401 N. Front Street
P.O. Box 5950
Harrisburg, PA 17110-0950

Daniel Clearfield, Esq.
Alan Kohler, Esq.
Robert J. Longwell, Esq.
Wolf, Block, Schorr & Solis
305 N. Front Street, Suite 401
Harrisburg, PA 17101

Michael T. Vough, Esq.
Vough & Mecadon
Greater Pittston Professional Center
126 S. Main Street
Pittston, PA 18640

Alan J. Barak, Esq.
1417 Blue Mountain Parkway
Harrisburg, PA 17112

David A. McCormick, Esq.
Dept. of the Army
Office of Judge Advocate General
901 N. Stuart Street
Arlington, VA 22203-1837

Scott J. Rubin, Esq.
3 Lost Creek Drive
Selingsrove, PA 17870-9357

Eric Epstein
2308 Brandywine Drive
Harrisburg, PA 17110

Michael A. Stosser, Esq.
Adelia S. Borrasca, Esq.
Heller Ehrman White & McAuliffe
815 Connecticut Avenue, N.W., Suite 200
Washington, D.C. 20006-4004

Rhonda Hendrickson
100 North 10th Street
Harrisburg, PA 17108

Richard L. Caplan, Esq.
Mary Huwaldt, Esq.
Caplan & Luber, LLP
40 Darby Road
Paoli, PA 19301

Craig A. Doll, Esq.
214 State Street
Harrisburg, PA 17101

Billie E. Ramsey, Executive Director
ARIPPA
1300 Market Street, Suite 7
Lemoyne, PA 17043

Robert F. Young, Esq.
Anthony C. Adonizio, Esq.
Deputy General Counsel
Allegheny Electric Cooperative, Inc.
212 Locust Street
P.O. Box 1266
Harrisburg, PA 17108-1266

Bruce A. Connell
General Counsel
600 N. Dairy Ashford, ML-1034
Houston, TX 77070

Terrance J. Fitzpatrick, Esq.
David M. DeSalle, Esq.
Ryan, Russell, Ogden & Seltzer, LLP
800 N. Third Street, Suite 101
Harrisburg, PA 17102-2025

Joan O. Brandeies, Esq.
Schnader, Harrison, Segal & Lewis
Suite 3600, 1600 Market Street
Philadelphia, PA 19103-4252

John Munsch
Allegheny Power
800 Cabin Hill Drive
Greensburg, PA 15601-1689

Gary A. Jeffries, Esq.
CNG Energy Services Corporation
One Park Ridge Center
P.O. Box 15746
Pittsburgh, PA 15224-0746

David Cruthirds
Electric Clearinghouse, Inc.
1000 Louisiana, Suite 5800
Houston, TX 77002-5050

David M. Boonin
New Energy Ventures, Inc.
200 S. Broad Street, Suite 800
Philadelphia, PA 19102

Michael L. Kessler, Esq.
American Energy Solutions, Inc.
111 S. Alfred Street
Alexandria, VA 22314

Usher Fogel, Esq.
Roland, Rogel, Koblenz & Carr, LLP
1 Columbia Place
Albany, NY 12207

Clinton A. Vince, Esq.
Paul E. Nordstrom, Esq.
Deborah A. Swanstrom, Esq.
Joel D. Newton, Esq.
Verner & Lipfert, Berhard, McPherson &
Hand
901 15th Street, N.W., Suite 700
Washington, D.C. 20005

Linda C. Smith, Esq.
Dilworth, Paxson, Kalish & Kauffman LLP
305 N. Front Street, Suite 403
Harrisburg, PA 17101-1236

Susan M. Shanaman, Esq.
212 N. Third Street, Suite 203
Harrisburg, PA 17101-1505

Gordon J. Smith, Esq.
John & Hengerer
1200 17th Street, N.W., Suite 600
Washington, D.C. 20036-3006

Joseph A. Dworetzky
Hangley Aronchick Segal & Pudlin
One Logan Square, 12th Floor
Philadelphia, PA 19103-6933

William T. Hawke, Esq.
Janet L. Miller, Esq.
Todd S. Stewart, Esq.
Malatesta Hawke & McKeon LLP
Harrisburg Energy Center
100 N. Tenth Street
Harrisburg, PA 17101

James D. Steffes
Enron Corp.
1400 Smith Street
P.O. Box 4428
Houston, TX 77002

Randall V. Griffin, Esq.
Delmarva Power & Light Company
800 King Street
P.O. Box 231
Wilmington, DE 19899

Mid-Atlantic Power Supply Association
Suite 200
620 Herndon Parkway
Herndon, VA 20170

Stephen J. Baron
J. Kennedy and Associates, Inc.
Suite 475
35 Glenlake Parkeway
Atlanta, GA 30328

Jerry Mendl
MSB Energy Associates
Suite 200
7507 Hubbard Avenue
Middleton, WI 53562

Robert D. Knecht
Industrial Economics Inc.
2067 Massachusetts Avenue
Cambridge, MA 02140

Harry S. Geller, Esq.
PA Utility Law Project
118 Locust Street
Harrisburg, PA 17101

Patricia Armstrong, Esq.
Regina L. Matz, Esq.
Thomas Thomas Armstrong & Niesen
212 Locust Street, Suite 500
P.O. Box 9500
Harrisburg, PA 17108-9500

Andrew Altman, Deputy Director
Clean Air Council Suite 300
135 S. 19th Street
Philadelphia, PA 19103



David W. Francis

Date: September 8, 1997

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

IN THE MATTER OF PENNSYLVANIA
POWER & LIGHT COMPANY'S
RESTRUCTURING PLAN

DOCKET NO. R-00973954

THE QUAKER OATS COMPANY'S AND MOUNT JOY WIRE CORPORATION'S
CONSOLIDATED EXCEPTIONS TO
THE INITIAL DECISION OF ALJ GEORGE KASHI
DENYING THEIR PETITIONS TO INTERVENE

APPENDIX

RECEIVED
97 SEP - 8 PM 4: 02
P.A.P.U.C.
PROTHONOTARY'S OFFICE

DUCKETED

SEP 09 1997

DOCUMENT
FOLDER

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

IN THE MATTER OF PENNSYLVANIA
POWER & LIGHT COMPANY'S
RESTRUCTURING PLAN

DOCKET NO. R-00973954

**CARADON MIDEAST ALUMINUM, A DIVISION OF CARADON AMERICA INC.'S
AND METAL INDUSTRIES INC.'S JOINT PETITION TO INTERVENE**

1. The names and addresses of Petitioners are as follows:

- a. Caradon Mideast Aluminum
a division of Caradon America Inc.
330 Elmwood Road
Crestwood Industrial Park
Mountaintop, PA 18707-0098
(hereinafter "Caradon")
- b. Metal Industries, Inc. of California
Route 209
Elizabethville, PA 17023
(hereinafter "MI")

2. Petitioners' attorney is:

David W. Francis
Powell, Trachtman, Logan, Carrle,
Bowman & Lombardo, P.C.
114 North Second Street
Harrisburg, PA 17101
(717) 238-9300

3. On April 1, 1997 Pennsylvania Power and Light Company ("PP&L") filed its restructuring plan ("PP&L's plan") pursuant to the provisions of the Electricity Generator Customer Choice and Competition Act.

4. PP&L's plan calls for, inter alia, a significant change in the way PP&L will be

RECEIVED
97 APR 29 PM 3:34
P.A.P.U.C.
PROTHONOTARY'S OFFICE

required to calculate interruptible power for all customers served on the interruptible rate. Specifically, PP&L's plan calls for the deletion of the definition of interruptible power from each interruptible rate schedule. Currently, the tariff requires PP&L to calculate interruptible power as "the twelve month average of each customer's monthly Maximum On-peak demand less the customer's contract Firm power level." Under PP&L's plan, PP&L will calculate interruptible power as the highest on-peak demand for each customer in the previous 12-months less the customer's contract firm power level.

5. In the direct testimony of Mr. Oliver Kasper submitted to the Commission, he stated,

The Company consistently has calculated the amount of available interruptible load as a customer's maximum actual annual demand (in any 12-month period) and the customer's firm contract demand. This is consistent with the underlying purpose of interruptible load (to reduce peak demand) and how the Company calculates interruptible load as a capacity reserve obligation in the Pennsylvania-New Jersey-Maryland Interconnection.

Unfortunately, the definition of the cap in the Company's tariff has created some confusion and has led some customers to propose a substantially different method for calculating interruptible load based upon 12-month monthly average data. This alternative definition is inconsistent with how the Company has always calculated interruptible load, completely at odds with the purpose of and need for interruptible load, and substantially understates the amount of interruptible load on the Company's system. If this alternative definition were adopted, it would force the Company to contract for excessive amounts of interruptible load to the detriment of the Company and its other customers. To avoid continued controversy, the Company seeks to remove the definition from the tariff.

6. Upon information and belief, the customers who have allegedly proposed a substantially different method for calculating interruptible load are, Caradon and MI.

7. Presently pending before the Commission at Docket Nos. C-00968031 and C-

00968275 are complaints filed by Caradon and MI against PP&L which request, inter alia, that PP&L be required to retroactively place Caradon and MI on the interruptible rate commensurate with their respective requests for interruptible power in September, 1995. PP&L admits that the twelve month average of each customer's monthly maximum on-peak demand less the customer's contract firm power level has never exceeded the 500 MW cap in the tariff. Nevertheless, PP&L refused to place Caradon, MI and others on the rate despite requests for interruptible service.

8. Caradon and MI dispute that the methodology they propose (and currently required) for the calculation of interruptible power is inconsistent with the underlying purpose of interruptible load or substantially understating the amount of interruptible load on the Company's system. To the contrary, according to PP&L's methodology, PP&L will continue to carry a customer's interruptible load for the purposes of the 500 MW cap even if the resource is no longer available. By way of example, according to PP&L's methodology, it continued to count Bethlehem Steel's basic oxygen furnace interruptible capacity toward the 500 MW cap for 12 full months after it closed. Accordingly, PP&L's methodology substantially overstates the amount of interruptible load being carried on the system.

9. Caradon and MI also dispute that PP&L has always calculated interruptible power according the methodology set forth in the plan.

10. Upon information and belief, PP&L is attempting to litigate issues presented in the MI and Caradon litigation in this collateral proceeding.

11. Any determination in this matter supporting PP&L's proposed "underlying purpose and intent of interruptible load" or methodology for calculating interruptible load may

have a substantially adverse impact upon the matters at Docket Nos. C--00968031 and C-00968275.

12. Further, any determination in this matter supporting PP&I's proposed methodology for calculating interruptible load may have a substantially adverse impact upon Caradon's and MI's ability to increase their interruptible power requirements through economic development.

13. Caradon's and MI's interests are not adequately represented by the existing participants in the proceeding.

WHEREFORE, Caradon and MI request that they be permitted to intervene in this matter.

POWELL, TRACHTMAN, LOGAN, CARRLE,
BOWMAN & LOMBARDO, P.C. .

By 
David W. Francis

Date: April 29, 1997

CERTIFICATE OF SERVICE

AND NOW, on April 29, 1997, I hereby certify that I have served a true and correct copy of the within **Petition** upon the following person(s) by regular first class United States mail, postage prepaid.

David B. MacGregor, Esq.
Morgan, Lewis & Bockius
2000 One Logan Square
Philadelphia, Pa 19103-6993

Billie Ramsey
1300 Market Street, Suite 7
Lemoyne, PA 17043

Paul E. Russell
PA Power & Light Company
2 North Ninth Street
Allentown, PA 18101

Donald A. Kaplan, Esq.
Lisa M. Helpert, Esq.
Preston Gates, Ellis & Rouveles Meeds, LLP
Suite 500, 1735 N.Y. Avenue
Washington, D.C. 20006

Tanya McClosky, Esq.
Irwin Popowsky, Esq.
James Mullins, Esq.
Office of the Consumer Advocate
1425 Strawberry Square
Harrisburg, PA. 17120

Bernard A. Ryan, Esq.
Karen Oill Moury
Office of Small Business Advocate
Suite 1102 Commerce Building
300 N. Second Street
Harrisburg, PA 17101

Charles F. Hoffman
Johnnie Simms
Scott H. Debroff
Office of Trial Staff
P.O. Box 3265
Harrisburg, PA 17105

David M. Kleppinger, Esq.
James Dougherty, Esq.
McNees, Wallace & Nurick
P.O. Box 1166
Harrisburg, PA 17108

Joan A. Brandeis
Schnader, Harrison, Segal & Lewis
Suite 3600, 1600 Market Street
Philadelphia, PA 19103-4252

Alan J. Barak
Penn Engineering Project
1417 Blue Mountain Parkway
Harrisburg, PA 17112

Fred Zeleman
Pace University School of Law
78 N. Building
White Plains, NY 10603

Jeff Schmidt
The Sierra Club
P.O. Box 663
Harrisburg, PA 17108

ALJ George Kashi
PA. Public Utility Commission
Room 6-8A, North Office Bldg.
P.O. Box 3265
Harrisburg, PA 17105-3265

David A. McCormick
Regulatory Law Office
OTJAG
Department of the Army
901 N. State Street - Room 713
Arlington, VA 22203-1837

Robert P. Haynes, III
Mette, Evans & Woodside
P.O. Box 5950
Harrisburg, PA 17110

Bruce A. Connell, Esq.
Legal Dept.
600 N. Dairy Ashford, ML-1034
Houston, TX 77079

Scott J. Rubin, Esq.
3 Lost Creek Drive
Selinsgrove, PA 17870

Bruce Biewald
Synapse Energy Electronics, Inc.
101 Chilton Street
Cambridge, MA 02138

Kenneth Zielonis
Stevens & Lee
208 N. Third Street, Suite 310
Harrisburg, PA 17108-2090

Office of Special Assistant
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

James P. Melia
Kirkpatrick & Lockhart
240 N. Third Street
Harrisburg, PA 17101-1507

Craig A. Doll, Esq.
214 State Street
Harrisburg, PA 17101

Gordon E. Goodman
Dupont Power Marketing, Inc.
600 N. Dairy Ashford, CH-1081
Houston, TX 77079

Daniel Clearfield
Alan Kohler
Robert J. Longwell
Wolf, Block, Schorr & Solis
305 N. Front Street
Harrisburg, PA 17101

William T. Hawke
Janet L. Miller
Todd S. Stuart
Malatesta, Hawke & McKeon, LLP
Harrisburg Energy Center
P.O. Box 1778
Harrisburg, PA 17105-1778

Mary Huwaldt, Esq.
Caplan & Luken
40 Darby Road
Paoli, PA 17301

Michael Vough
Vough & Associates
126 S. Main Street
Pittston, PA 18040

Terrence J. Fitzpatrick
David M. DeSalle
Ryan, Russel, Ogdent Selter LLP
800 N. Third Street, Suite 101
Harrisburg, PA 17102

Stephen J. Seldon, Esq
Asst. General Counsel
Bethlehem Steet
8th and Easton Avenue
Bethlehem, PA 18016

Cynthia Fordham, ALJ
PA Public Utility Commission
Broad and Spring Garden Streets
1302 South Office Building
Philadelphia, PA 19130

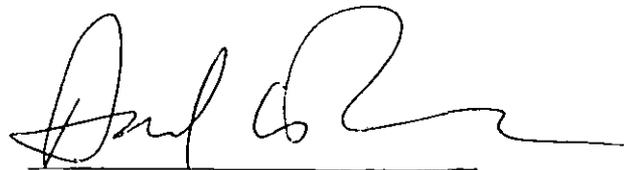
Stephen L. Huntoan
Asst. General Counsel
PECO Energy Co.
2301 Market Street S23-1
Philadelphia, PA 19103

Joel D. Newton
Verner, Lipfert, Bernhard McPherson & Hand
901 15th Street, New Suite 700
Washington, D.C. 20005

Harry S. Geller
118 Locust Street
Harrisburg, PA 17101

George Ellis, Esq.
Pa. Coal Association
212 N. Third Street, Suite 102
Harrisburg, PA 17101

Lisa Yoho
The Eastern Group
2900 Eisenhower Ave., Suite 300
Alexandria, VA 22314



David W. Francis

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

KJR

Application of Pennsylvania Power &
Light Company For Approval of Its
Restructuring Plan Under Section 2806
of the Public Utility Code

Docket No. R-00973954

ORDER

AND NOW, this 17th day of June, 1997, upon consideration of the additional filed Petitions to Intervene listed below, together with the lack of opposition from Pennsylvania Power & Light Company, said Petitions are hereby granted.

18. New Energy Ventures, Inc.
Joseph A. Dworetzky, Esquire
19. American Association of Retired Persons
Linda C. Smith, Esquire
20. The Center For Energy & Economic Development
Susan M. Shanaman, Esquire
21. Pennsylvania Petroleum Association
Usher Fogel, Esquire
22. CNG Energy Services Corporation
Gary A. Jeffries, Esquire
23. Pennsylvania Electric Consumers Council
Robert P. Haynes, III, Esquire
24. Commission on Economic Opportunity of
Luzerne County
Michael T. Vough, Esquire

PA.P.U.C.
PROTHONOTARY'S OFFICE

97 JUN 19 AM 9:20

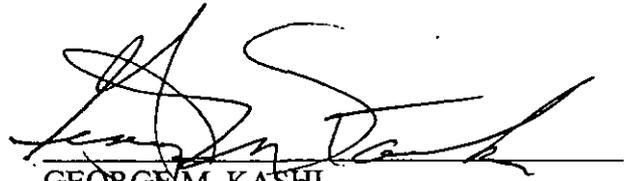
RECEIVED

DOCKETED

JUN 26 1997

DOCUMENT
FOLDER

25. GPU Energy (Metropolitan Edison Co. and
Pennsylvania Electric Co.)
Terrance J. Fitzpatrick
26. American Energy Solutions, Inc.
Michael L. Kessler
27. Caradon Mideast Alumunim (Division of Caradon
America, Inc.
David W. Francis, Esquire
28. Metal Industries, Inc. of California
David W. Francis, Esquire



GEORGE M. KASHI
Administrative Law Judge

Application for approval of a Restructuring Plan

PAUL E RUSSELL ESQUIRE
PENNSYLVANIA POWER AND LIGHT
COMPANY
TWO NORTH NINTH STREET
ALLENTOWN PA 18101

LISA M HELPERT-
PRESTON GATES ELLIS AND
ROUVELAS
MEEDS, LLP
SUITE 500
WASHINGTON DC 20006

DONALD A KAPLAN
PRESTON GATES ELLIS AND
ROUVELAS
MEEDS, LLP
SUITE 500
WASHINGTON DC 20006

DONALD H MUTH
PA PUC BUREAU OF FUS
PO BOX 3265
NORTH OFFICE BUILDING
HARRISBURG PA 17105-3265

Z AHMED KALOKO
PA PUC CEEP
PO BOX 3265
HARRISBURG PA 17105-3265

GLENN BARTON
PA PUC BUREAU OF AUDITS
PO BOX 3265
HARRISBURG PA 17105-3265

JOHN F POVILAITIS ESQUIRE
PA PUC LAW BUREAU
PO BOX 3265
HARRISBURG PA 17105-3265

IRWIN A POPOWSKY ESQUIRE
CONSUMER ADVOCATE
1425 STRAWBERRY SQUARE
HARRISBURG PA 17120

BERNARD A RYAN ESQUIRE
SMALL BUSINESS ADVOCATE
SUITE 1102 COMMERCE BUILDING
300 NORTH SECOND STREET
HARRISBURG PA 17101

JOHNNIE E SIMMS ESQUIRE
PA PUC OFFICE OF TRIAL STAFF
PO BOX 3265
HARRISBURG PA 17105-3265

DAVID M KLEPPINGER ESQUIRE
MCNEES WALLACE AND NURICK
PO BOX 1166
100 PINE STREET
HARRISBURG PA 17108

ELIZABETH R BENSON
ENERGY ASSOCIATES
7303 TIMBER LANE
FALLS CHURCH VA 22046-2735

WARREN W MACK PRESIDENT
AHLSTROM DEVELOPMENT
CORPORATION
4350 LAJOLLA VILLAGE DRIVE
SUITE 210
SAN DIEGO CA 92122

ALAN KOHLER ESQUIRE
WOLF BLOCK SCHORR AND SOLIS-
COHEN
305 NORTH FRONT STREET
HARRISBURG PA 17101-1236

RICHARD L CAPLAN ESQUIRE
CAPLAN AND LUBER LLP
40 DARBY ROAD
PAOLI PA 19301

BILLIE E RAMSEY EXECUTIVE
DIRECTOR
ARIPPA
1300 MARKET STREET
LEMOYNE PA 17043

CRAIG G GOODMAN ESQUIRE
EQUITABLE RESOURCES
3333 K STREET NW
SUITE 425
WASHINGTON DC 20007

LOUIS J CARTER ESQUIRE
7300 CITY LINE AVENUE
PHILADELPHIA PA 19151-2291

GINNY KREITLER RMI INC. 111
PRESIDENTIAL BOULEVARD
SUITE 127
BALACYNWYD PA 19004

EDWIN D HILL INTERNATIONAL VICE
PRESIDENT
IBEW
200 CORPORATE CENTER DRIVE
SUITE 301
PA 15108

WILLIAM SCHMITT
LOCAL 1600 IBEW
540 GRANGE ROAD
PO BOX 470
TRELLEWORTH PA 18087

J KENNEDY AND ASSOCIATES INC.
SUITE 475
35 GLENLAKE PARKWAY
ATLANTA GA 30328

JDD S STEWART ESQUIRE
MALATESTA HAWKE AND MCKEON
100 NORTH TENTH STREET
PO BOX 1778
HARRISBURG PA 17120

A YOHO DIRECTOR OF
REGULATORY AFFAIRS
THE EASTERN GROUP, INC.
2900 EISENHOWER AVENUE
SUITE 300
ALEXANDRIA VA 22314

SARAH T TOMALTY ESQUIRE
DRENNAN AND ASSOCIATES
1216 16TH STREET NW
WASHINGTON DC 20036

DAVID A MCCORMICK ESQUIRE
DEPARTMENT OF THE ARMY
OFFICE OF THE JUDGE ADVOCATE
GENERAL
901 NORTH STUART STREET
ARLINGTON VA 22203-1837

JAMES MELIA ESQUIRE
KIRKPATRICK AND LOCKHART
THE PAYNE SHOEMAKER BUILDING
240 NORTH THIRD STREET
HARRISBURG PA 17101-1507

JOAN O BRANDEIS ESQUIRE
SCHNADER HARRISON SEGAL AND
LEWIS
SUITE 3600
1600 MARKET STREET
PHILADELPHIA PA 19103-4252

WAYNE M THOMAS ESQUIRE
KOHN NAST AND GRAFF PC
1101 MARKET STREET 24TH FLOOR
PHILADELPHIA PA 19107

CRAIG R KUENNEN ENERGY
SERVICES MANAGER
COMMISSION ON ECONOMIC
OPPORTUNITY
211 SOUTH MAIN STREET
WILKES-BARRE PA 18701-1596

ALAN J BARAK ESQUIRE
MID-ATLANTIC ENERGY PROJECT
1417 BLUE MOUNTAIN PARKWAY
HARRISBURG PA 17112

ROBERT P HAYNES III ESQUIRE
METTE EVANS AND WOODSIDE
3401 NORTH FRONT STREET
HARRISBURG PA 17110-0950

STEPHEN J SELDEN ESQUIRE
BETHLEHEM STEEL CORPORATION
EIGHTH AND EATON AVENUES
BETHLEHEM PA 18016

ERIC J EPSTEIN
2308 BRANDYWINE DRIVE
HARRISBURG PA 17110

NORMAN J KENNARD ESQUIRE
MALATESTA HAWKE AND MCKEON
100 NORTH TENTH STREET
HARRISBURG PA 17101

STEPHEN L HUNTOON ESQUIRE
PECO GAS SUPPLY COMPANY
2301 MARKET STREET
PHILADELPHIA PA 19101-8699

NOEL H TRASK ESQUIRE
PECO ENERGY COMPANY
2301 MARKET STREET
PHILADELPHIA PA 19101-8699

KENNETH ZIELONIS ESQUIRE
STEVENS AND LEE
208 NORTH THIRD STREET
SUITE 310
HARRISBURG PA 17101

PAUL E NORDSTROM ESQUIRE
VERNER AND LIIPFERT BERNHARD
MCPHERSON AND HAND
901 15TH STREET NW
WASHINGTON DC 20005

JOHN L MUNSCH ESQUIRE
ALLEGHENY POWER
800 CABIN HILL DRIVE
GREENSBURG PA 15601

SCOTT H DEBROFF ESQUIRE
PA PUC OFFICE OF TRIAL STAFF
PO BOX 3265
HARRISBURG PA 17105-3265

MICHAEL VOUGH ESQUIRE
VOUGH AND ASSOC
126 SOUTH MAIN STREET
PITTSBURGH PA 15201

CRAIG A DOLL ESQUIRE
DELMARVA POWER AND LIGHT
COMPANY
214 STATE STREET
HARRISBURG PA 17101

SCOTT J RUBIN ESQUIRE
INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS LOCAL 1600
3 LOST CREEK DRIVE
SELINGSGROVE PA 17870

HARRY S GELLER ESQUIRE
PA UTILITY LAW PROJECT
118 LOCUST STREET
HARRISBURG PA 17101

TERRANCE J FITZPATRICK ESQUIRE
RYAN RUSSELL OGDEN AND SELTZER
800 N THIRD STREET
SUITE 101
HARRISBURG PA 17102

MICHAEL A STOSSER ESQUIRE
KRAFT FOODS INC
815 CONNECTICUT AVENUE NW
SUITE 200
WASHINGTON DC 20006-4004

WIN H KOCH
428 ROBIN ROAD
ALLENTOWN PA 18104-6724

JOSEPH A DWORETZKY ESQUIRE
KHANGLEY ARONCHICK SEGAL &
PUDLIN
ONE LOGAN SQUARE 12TH FLOOR
PHILADELPHIA PA 19103

LINDA C SMITH ESQUIRE
DILWORTH PAXSON KALISH &
KAUFFMAN
SUITE 403
305 NORTH FRONT STREET
HARRISBURG PA 17101

SUSAN M SHANAMAN ESQUIRE
SUITE 203
212 NORTH THIRD STREET
HARRISBURG PA 17101

USHER FOGEL ESQUIRE
ROLAND FOGEL KOBLENZ & CARR LLP
1 COLUMBIA PLACE
ALBANY NEW YORK 12207

GARY A JEFFRIES ESQUIRE
CNG ENERGY SERVICES CORP
ONE PARK RIDGE CENTER
PO BOX 15746
PITTSBURGH PA 15224-0746

MICHAEL L KESSLER ESQUIRE
AMERICAN ENERGY SOLUTIONS
111 SOUTH ALFRED STREET
ALEXANDRIA VA 22314

DAVID W FRANCIS ESQUIRE
POWELL TRACHTMAN LOGAN
CARRLE BOWMAN & LOMBARDO PC
114 NORTH SECOND STREET
HARRISBURG PA 17101

BRIAN A RIDER PRESIDENT
PENNSYLVANIA RETAILERS'
ASSOCIATION
224 PINE STREET
HARRISBURG PA 17101-1325

cc: Chief ALJ/Lewis/Scheduler
Chairman Quain
Vice Chairman Crutchfield
Commissioner Bloom
Commissioner Rolka
Commission Hanger
Kevin Cadden - BPL 111
John Frazier - BPL 101
Office of Trial Staff (2)
Consumer Advocate
Small Business Advocate
Bill Barrett - FUS
Beth Plantz
New Filing

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

IN THE MATTER OF PENNSYLVANIA
POWER & LIGHT COMPANY'S
RESTRUCTURING PLAN

DOCKET NO. R-00973954

THE QUAKER OATS COMPANY'S PETITION TO JOIN AS A PARTY TO THE
INTERVENTION OF CARADON MIDEAST ALUMINUM AND
METAL INDUSTRIES, INC.

1. The name and address of Petitioner is:

The Quaker Oats Company
P.O. Box 3040
Shiremanstown, PA 17011

2. Petitioner's attorney is:

David W. Francis
Powell, Trachtman, Logan, Carrle,
Bowman & Lombardo
114 North Second Street,
Harrisburg, PA 17101
(717) 238-9300

3. On April 1, 1997 Pennsylvania Power and Light Company ("PP&L") filed its restructuring plan ("PP&L's plan") pursuant to the provisions of the Electricity Generator Customer Choice and Competition Act.

4. PP&L's plan calls for, *inter alia*, a significant change in the way PP&L will be required to calculate interruptible power for all customers served on the interruptible rate. Specifically, PP&L's plan calls for the deletion of the definition of interruptible power from each interruptible rate schedule. Currently, the tariff required PP&L to calculate interruptible power as "the twelve month average of each customer's monthly Maximum On-Peak demand less the customer's contract Firm power level." Under PP&L's plan, PP&L will calculate the

RECEIVED
97 JUL 15 AM 9:36
P&P.U.C.
PROTHONOTARY'S OFFICE

interruptible power as the highest on-peak demand for each customer in the previous 12-months less the customer's contract firm power level.

5. In the direct testimony of Mr. Oliver Kasper submitted to the Commission, he stated,

The Company consistently has calculated the amount of available interruptible load as a customer's maximum actual demand (in any 12-month period) and the customer's firm contract demand. This is consistent with the underlying purpose of interruptible load (to reduce peak demand) and how the Company calculated interruptible load as a capacity reserve obligation in the Pennsylvania-New Jersey-Maryland Interconnection.

Unfortunately, the definition of the cap in the Company's tariff has created some confusion and has led some customers to propose a substantially different method for calculating interruptible load based upon 12-month average data. This alternative definition is inconsistent with how the Company has always calculated interruptible load, completely at odds with the purpose of and need for interruptible load, and substantially understated the amount of interruptible load on the Company's system. If this alternative definition were adopted, it would force the Company to contract for excessive amounts of interruptible load to the detriment of the Company and its other customers. To avoid continued controversy, the Company seeks to remove the definition from the tariff.

6. Upon information and belief, the customers who have allegedly proposed a substantially different method for calculating the interruptible load includes The Quaker Oats Company.

7. Presently pending before this Commission is a complaint filed by Quaker Oats against PP&L with requests, *inter alia*, that PP&L be required to retroactively place Quaker on the interruptible rate commensurate with the respective requests for interruptible power in January, 1995. PP&L admits that the twelve month average of each customer's monthly

maximum on-peak demand less the customer's contract firm power level has never exceeded the 500 MW cap in the tariff.

8. Quaker Oats disputes that the methodology it proposes (and currently required) for the calculation of interruptible power is inconsistent with the underlying purpose of interruptible load or substantially understating the amount of interruptible load on the Company's system. To the contrary, according to PP&L's methodology, PP&L will continue to carry a customer's interruptible load for the purposes of the 500 MW cap even if the resource is no longer available. By way of example, according to PP&L's methodology, it continued to count Bethlehem Steel's basic oxygen furnace interruptible capacity toward the 500 MW cap for 12 full months after it closed. Accordingly, PP&L's methodology substantially overstated the amount of interruptible load being carried on the system.

9. Quaker Oats also disputes that PP&L has always calculated interruptible power according to the methodology set forth in the plan.

10. Upon information and belief, PP&L is attempting to resolve claims by companies such as Quaker in this proceeding without their participation.

11. Any determination in this matter supporting PP&L's proposed "underlying purpose and intent of interruptible load" or methodology for calculating interruptible load may have a substantially adverse impact upon Quaker's claim.

12. Further, any determination in this matter supporting PP&L's proposed methodology for calculating interruptible load may have a substantially adverse impact upon Quaker Oats' ability to increase its interruptible power requirements through economic development.

13. On April 29, 1997 Caradon Mideast Aluminum, a division of Caradon America Inc., ("Caradon") and Metal Industries, Inc. ("Metal Industries") filed a petition to intervene in this matter. Both are interruptible customers who presently have pending before the Commission complaints requesting a retroactive application of the interruptible rate in accordance with the current language of the tariff.

14. On June 17, 1997 an Order was entered granting Caradon and Metal Industries petition to intervene.

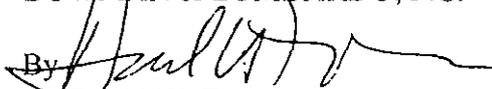
15. Quaker Oats' petition is to join Caradon and Metal Industries intervention, in so far as they have similar interests in this case. However, in the event Caradon and Metal Industries were to resolve their differences with PP&L between now and trial, Quaker Oats interests would not be adequately represented by the existing participants in the proceedings.

16. Quaker Oats shares counsel with Caradon and Metal Industries; accordingly it is anticipated that Quaker's participation in this case will be jointly with Caradon and Metal Industries, and that there will no other impact to this case.

WHEREFORE, Quaker Oats company respectfully requests that they be permitted to join in the intervention of Caradon Mideast Aluminum and Metal Industries in this matter.

Respectfully Submitted,

POWELL, TRACHTMAN, LOGAN, CARRLE,
BOWMAN & LOMBARDO, P.C.

By 

David W. Francis
Pa. I.D. No. 53718
114 North Second Street
Harrisburg, PA 17101
(717) 238-9300

DATE: July 15, 1997

CERTIFICATE OF SERVICE

I hereby certify that on July 15, 1997, a copy of the Quaker Oats Company's Petition to Join As A Party to the Intervention of Caradon Mideast Aluminum and Metal Industries, Inc. was served upon the following person(s) by first class U.S. Mail, postage prepaid.

Lisa M. Helpert,
Preston Gates Ellis & Rouvelas Meeds LLP
1735 New York Avenue, NW, Suite 500
Washington, D.C. 20006-5209

Paul E. Russell
PA Power & Light Company
2 North Ninth Street
Allentown, PA 18101

Johnnie Simms, Esq.
Office of Trial Staff
PA Public Utility Commission
Third Floor, Pitnick Building
901 N. 7th Street - Rear
Harrisburg, PA 17105-3265

Karen Oill Moury, Esq.
Office of Small Business Advocate
Suite 1102, Commerce Building
300 N. Second Street
Harrisburg, PA 17101

Harry S. Geller, Esq.
118 Locust Street
Harrisburg, PA 17108

David B. MacGregor, Esq.
Morgan, Lewis & Bockius LLP
2000 One Logan Square
Philadelphia, PA 19103-6993

Craig R. Burgraff, Esq.
James A. Mullins, Esq.
Assistant Consumer Advocate
Office of Consumer Advocate
1425 Strawberry Square
Harrisburg, PA 17120

David M. Kleppinger, Esq.
Robert A. Weishaar, Jr., Esq.
Pamela C. Polacek, Esq.
McNees, Wallace & Nurick
P.O. Box 1166
Harrisburg, PA 17108

Steve Huntoon, Esq.
Assistant General Counsel
PECO Energy Company
2301 Market Street, S 23-1
Philadelphia, PA 19103

Robert P. Haynes, III, Esq.
Mette, Evans & Woodside
3401 N. Front Street
P.O. Box 5950
Harrisburg, PA 17110-0950

Daniel Clearfield, Esq.
Alan Kohler, Esq.
Robert J. Longwell, Esq.
Wolf, Block, Schorr & Solis
305 N. Front Street, Suite 401
Harrisburg, PA 17101

Michael T. Vough, Esq.
Vough & Mecadon
Greater Pittston Professional Center
126 S. Main Street
Pittston, PA 18640

Alan J. Barak, Esq.
1417 Blue Mountain Parkway
Harrisburg, PA 17112

David A. McCormick, Esq.
Dept. of the Army
Office of Judge Advocate General
901 N. Stuart Street
Arlington, VA 22203-1837

Scott J. Rubin, Esq.
3 Lost Creek Drive
Selinsgrove, PA 17870-9357

Eric Epstein
2308 Brandywine Drive
Harrisburg, PA 17110

Michael A. Stosser, Esq.
Adelia S. Borrasca, Esq.
Heller Ehrman White & McAuliffe
815 Connecticut Avenue, N.W., Suite 200
Washington, D.C. 20006-4004

Rhonda Hendrickson
100 North 10th Street
Harrisburg, PA 17108

Richard L. Caplan, Esq.
Mary Huwaldt, Esq.
Caplan & Luber, LLP
40 Darby Road
Paoli, PA 19301

Craig A. Doll, Esq.
214 State Street
Harrisburg, PA 17101

Billie E. Ramsey, Executive Director
ARIPPA
1300 Market Street, Suite 7
Lemoyne, PA 17043

Robert F. Young, Esq.
Anthony C. Adonizio, Esq.
Deputy General Counsel
Allegheny Electric Cooperative, Inc.
212 Locust Street
P.O. Box 1266
Harrisburg, PA 17108-1266

Bruce A. Connell
General Counsel
600 N. Dairy Ashford, ML-1034
Houston, TX 77070

Terrance J. Fitzpatrick, Esq.
David M. DeSalle, Esq.
Ryan, Russell, Ogden & Seltzer, LLP
800 N. Third Street, Suite 101
Harrisburg, PA 17102-2025

Joan O. Brandeies, Esq.
Schnader, Harrison, Segal & Lewis
Suite 3600, 1600 Market Street
Philadelphia, PA 19103-4252

John Munsch
Allegheny Power
800 Cabin Hill Drive
Greensburg, PA 15601-1689

Gary A. Jeffries, Esq.
CNG Energy Services Corporation
One Park Ridge Center
P.O. Box 15746
Pittsburgh, PA 15224-0746

David Cruthirds
Electric Clearinghouse, Inc.
1000 Louisiana, Suite 5800
Houston, TX 77002-5050

David M. Boonin
New Energy Ventures, Inc.
200 S. Broad Street, Suite 800
Philadelphia, PA 19102

Michael L. Kessler, Esq.
American Energy Solutions, Inc.
111 S. Alfred Street
Alexandria, VA 22314

Usher Fogel, Esq.
Roland, Rogel, Koblenz & Carr, LLP
1 Columbia Place
Albany, NY 12207

Clinton A. Vince, Esq.
Paul E. Nordstrom, Esq.
Deborah A. Swanstrom, Esq.
Joel D. Newton, Esq.
Verner & Lipfert, Berhard, McPherson &
Hand
901 15th Street, N.W., Suite 700
Washington, D.C. 20005

Linda C. Smith, Esq.
Dilworth, Paxson, Kalish & Kauffman LLP
305 N. Front Street, Suite 403
Harrisburg, PA 17101-1236

Susan M. Shanaman, Esq.
212 N. Third Street, Suite 203
Harrisburg, PA 17101-1505

Gordon J. Smith, Esq.
John & Hengerer
1200 17th Street, N.W., Suite 600
Washington, D.C. 20036-3006

Joseph A. Dworetzky
Hangley Aronchick Segal & Pudlin
One Logan Square, 12th Floor
Philadelphia, PA 19103-6933

William T. Hawke, Esq.
Janet L. Miller, Esq.
Todd S. Stewart, Esq.
Malatesta Hawke & McKeon LLP
Harrisburg Energy Center
100 N. Tenth Street
Harrisburg, PA 17101

James D. Steffes
Enron Corp.
1400 Smith Street
P.O. Box 4428
Houston, TX 77002

Randall V. Griffin, Esq.
Delmarva Power & Light Company
800 King Street
P.O. Box 231
Wilmington, DE 19899

Mid-Atlantic Power Supply Association
Suite 200
620 Herndon Parkway
Herndon, VA 20170

Stephen J. Baron
J. Kennedy and Associates, Inc.
Suite 475
35 Glenlake Parkway
Atlanta, GA 30328

Jerry Mendl
MSB Energy Associates
Suite 200
7507 Hubbard Avenue
Middleton, WI 53562

James H. Norris, Esq.
Eckert Seamans Cherin & Mellott
42nd Floor, 600 Grant Street
Pittsburgh, PA 15219

Robert D. Knecht
Industrial Economics Inc.
2067 Massachusetts Avenue
Cambridge, MA 02140

Harry S. Geller, Esq.
PA Utility Law Project
118 Locust Street
Harrisburg, PA 17101

Patricia Armstrong, Esq.
Regina L. Matz, Esq.
Thomas Thomas Armstrone & Niesen
212 Locust Street, Suite 500
P.O. Box 9500
Harrisburg, PA 17108-9500

Andrew Altman, Deputy Director
Clean Air Council Suite 300
135 S. 19th Street
Philadelphia, PA 19103



David W. Francis

Date: July 15, 1997

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

IN THE MATTER OF PENNSYLVANIA
POWER & LIGHT COMPANY'S
RESTRUCTURING PLAN

DOCKET NO. R-00973954

MOUNT JOY WIRE CORPORATION'S PETITION TO JOIN AS A PARTY TO THE
INTERVENTION OF CARADON MIDEAST ALUMINUM, METAL INDUSTRIES, INC.,
AND THE QUAKER OATS COMPANY

1. The name and address of Petitioner is:

Mount Joy Wire Corporation
1000 E. Main Street
Mount Joy, PA 17522

2. Petitioner's attorney is:

David W. Francis
Powell, Trachtman, Logan, Carrle,
Bowman & Lombardo
114 North Second Street,
Harrisburg, PA 17101
(717) 238-9300

3. On April 1, 1997 Pennsylvania Power and Light Company ("PP&L") filed its restructuring plan ("PP&L's plan") pursuant to the provisions of the Electricity Generator Customer Choice and Competition Act.

4. PP&L's plan calls for, *inter alia*, a significant change in the way PP&L will be required to calculate interruptible power for all customers served on the interruptible rate. Specifically, PP&L's plan calls for the deletion of the definition of interruptible power from each interruptible rate schedule. Currently, the tariff requires PP&L to calculate interruptible power as "the twelve month average of each customer's monthly Maximum On-Peak demand less the customer's contract Firm power level." Under PP&L's proposal, PP&L will calculate the

RECEIVED
97 JUL 28 PM 4:10
PA.P.U.C.
PROTHONOTARY'S OFFICE

interruptible power as the highest on-peak demand for each customer in the previous 12-months less the customer's contract firm power level.

5. In the direct testimony of Mr. Oliver Kasper submitted to the Commission, he stated,

The Company consistently has calculated the amount of available interruptible load as a customer's maximum actual annual demand (in any 12-month period) and the customer's firm contract demand. This is consistent with the underlying purpose of interruptible load (to reduce peak demand) and how the Company calculates interruptible load as a capacity reserve obligation in the Pennsylvania-New Jersey-Maryland Interconnection.

Unfortunately, the definition of the cap in the Company's tariff has created some confusion and has led some customers to propose a substantially different method for calculating interruptible load based upon 12-month monthly average data. This alternative definition is inconsistent with how the Company has always calculated interruptible load, completely at odds with the purpose of and need for interruptible load, and substantially understates the amount of interruptible load on the Company's system. If this alternative definition were adopted, it would force the Company to contract for excessive amounts of interruptible load to the detriment of the Company and its other customers. To avoid continued controversy, the Company seeks to remove the definition from the tariff.

6. Upon information and belief, the customers who have allegedly proposed a substantially different method for calculating the interruptible load includes Mount Joy Wire Corporation.

7. Presently pending before this Commission is a complaint filed by Mount Joy Wire Corporation against PP&L that requests PP&L be required to retroactively place Mount Joy Wire Corporation on the interruptible rate commensurate with its request for interruptible power in September, 1995. PP&L admits that the twelve month average of each customer's monthly

maximum on-peak demand less the customer's contract firm power level has never exceeded the 500 MW cap in the tariff.

8. Mount Joy denies that PP&L has always calculated interruptible power according to the methodology suggested in its filing. In PP&L's rate case at Docket no. R-00943271, Mr. Oliver G. Kasper testified as to how the 500 MW cap should be calculated:

PP&L is proposing a cap of 500 MW of non-coincident interruptible load. This is a 12 month rolling average of the sum of the individual customers average monthly maximum demands minus the sum of the individual contracted firm demands.

9. Mount Joys also denies that the methodology it proposes (and currently required) for the calculation of interruptible power is inconsistent with the underlying purpose of interruptible load or substantially understating of amount of interruptible load on the Company's system. To the contrary, according to PP&L's methodology, PP&L will continue to carry a customer's interruptible load for the purposes of the 500 MW cap even if the resource is no longer available. By way of example, according to PP&L's methodology, it continued to count Bethlehem Steel's basic oxygen furnace interruptible capacity toward the 500 MW cap for 12 full months after it closed. Accordingly, PP&L's methodology substantially overstates the amount of interruptible load being carried on the system.

10. Upon information and belief, PP&L is attempting to resolve claims by companies such as Mount Joy in this proceeding without their participation.

11. Any determination in this matter supporting PP&L's proposed "underlying purpose and intent of interruptible load" or methodology for calculating interruptible load may have a substantially adverse impact upon Mount Joy's claim.

12. Further, any determination in this matter supporting PP&L's proposed methodology for calculating interruptible load may have a substantially adverse impact upon Mount Joys' ability to increase its interruptible power requirements through economic development.

13. On April 29, 1997 Caradon Mideast Aluminum, a division of Caradon America Inc., ("Caradon") and Metal Industries, Inc. ("Metal Industries") filed a petition to intervene in this matter. Both are interruptible customers who presently have pending before the Commission complaints requesting a retroactive application of the interruptible rate in accordance with the current language of the tariff.

14. On June 17, 1997 an Order was entered granting Caradon and Metal Industries petition to intervene.

15. On July 15, 1997 The Quaker Oats Company ("Quaker Oats") filed a petition to intervene in this matter. Quaker Oats is also an interruptible customer who presently has pending before the Commission a complaint requesting retroactive application of the interruptible rate in accordance with the current language of the tariff.

16. Mount Joy's petition is to join Caradon, Metal Industries, and Quaker Oats intervention, in so far as they have similar interests in this case. However, in the event Caradon, Metal Industries and/or Quaker were to resolve their differences with PP&L between now and trial, Mount Joy's interests would not be adequately represented by the existing participants in the proceedings.

17. Mount Joy shares counsel with Caradon, Metal Industries, and Quaker Oats; accordingly it is anticipated that Mount Joy's participation in this case will be jointly with

Caradon, Metal Industries, and Quaker, and that there will no other impact to this case, nor increase in the amount of cross-examination expected of PP&L's witnesses.

18. In the alternative, in the event that Caradon, Metal Industries and/or Quaker Oats were to settle their respective disputes with PP&L and withdraw from this intervention prior to this petition being acted upon, Mount Joy respectfully requests that this be treated as a petition for intervention.

WHEREFORE, Mount Joy company respectfully requests that they be permitted to join in the intervention of Caradon Mideast Aluminum, Metal Industries, and Quaker Oats in this matter.

Respectfully Submitted,

POWELL, TRACHTMAN, LOGAN, CARRLE,
BOWMAN & LOMBARDO, P.C.

By 

David W. Francis
Pa. I.D. No. 53718
114 North Second Street
Harrisburg, PA 17101
(717) 238-9300

DATE: July 28, 1997

CERTIFICATE OF SERVICE

I hereby certify that on July 28, 1997, a copy of Mount Joy Wire Corporation's Petition to Join as a Party to the Intervention of Caradon Mideast Aluminum, Metal Industries, Inc. and the Quaker Oats Company was served upon the following person(s) by first class U.S. Mail, postage prepaid.

Lisa M. Helpert
Preston Gates Ellis & Rouvelas Meeds LLP
1735 New York Avenue, NW, Suite 500
Washington, D.C. 20006-5209

Paul E. Russell
PA Power & Light Company
2 North Ninth Street
Allentown, PA 18101

Johnnie Simms, Esq.
Office of Trial Staff
PA Public Utility Commission
Third Floor, Pitnick Building
901 N. 7th Street - Rear
Harrisburg, PA 17105-3265

Karen Oill Moury, Esq.
Office of Small Business Advocate
Suite 1102, Commerce Building
300 N. Second Street
Harrisburg, PA 17101

James H. Norris, Esq.
Eckert Seamans Cherin & Mellott
42nd Floor, 600 Grant Street
Pittsburgh, PA 15219

David B. MacGregor, Esq.
Morgan, Lewis & Bockius LLP
2000 One Logan Square
Philadelphia, PA 19103-6993

Craig R. Burgraff, Esq.
James A. Mullins, Esq.
Assistant Consumer Advocate
Office of Consumer Advocate
1425 Strawberry Square
Harrisburg, PA 17120

David M. Kleppinger, Esq.
Robert A. Weishaar, Jr., Esq.
Pamela C. Polacek, Esq.
McNees, Wallace & Nurick
P.O. Box 1166
Harrisburg, PA 17108

Steve Huntoon, Esq.
Assistant General Counsel
PECO Energy Company
2301 Market Street, S 23-1
Philadelphia, PA 19103

Robert P. Haynes, III, Esq.
Mette, Evans & Woodside
3401 N. Front Street
P.O. Box 5950
Harrisburg, PA 17110-0950

Daniel Clearfield, Esq.
Alan Kohler, Esq.
Robert J. Longwell, Esq.
Wolf, Block, Schorr & Solis
305 N. Front Street, Suite 401
Harrisburg, PA 17101

Michael T. Vough, Esq.
Vough & Mecadon
Greater Pittston Professional Center
126 S. Main Street
Pittston, PA 18640

Alan J. Barak, Esq.
1417 Blue Mountain Parkway
Harrisburg, PA 17112

David A. McCormick, Esq.
Dept. of the Army
Office of Judge Advocate General
901 N. Stuart Street
Arlington, VA 22203-1837

Scott J. Rubin, Esq.
3 Lost Creek Drive
Selinsgrove, PA 17870-9357

Eric Epstein
2308 Brandywine Drive
Harrisburg, PA 17110

Michael A. Stosser, Esq.
Adelia S. Borrasca, Esq.
Heller Ehrman White & McAuliffe
815 Connecticut Avenue, N.W., Suite 200
Washington, D.C. 20006-4004

Rhonda Hendrickson
100 North 10th Street
Harrisburg, PA 17108

Richard L. Caplan, Esq.
Mary Huwaldt, Esq.
Caplan & Lubert, LLP
40 Darby Road
Paoli, PA 19301

Craig A. Doll, Esq.
214 State Street
Harrisburg, PA 17101

Billie E. Ramsey, Executive Director
ARIPPA
1300 Market Street, Suite 7
Lemoyne, PA 17043

Robert F. Young, Esq.
Anthony C. Adonizio, Esq.
Deputy General Counsel
Allegheny Electric Cooperative, Inc.
212 Locust Street
P.O. Box 1266
Harrisburg, PA 17108-1266

Bruce A. Connell
General Counsel
600 N. Dairy Ashford, ML-1034
Houston, TX 77070

Terrance J. Fitzpatrick, Esq.
David M. DeSalle, Esq.
Ryan, Russell, Ogden & Seltzer, LLP
800 N. Third Street, Suite 101
Harrisburg, PA 17102-2025

Joan O. Brandeies, Esq.
Schnader, Harrison, Segal & Lewis
Suite 3600, 1600 Market Street
Philadelphia, PA 19103-4252

John Munsch
Allegheny Power
800 Cabin Hill Drive
Greensburg, PA 15601-1689

Gary A. Jeffries, Esq.
CNG Energy Services Corporation
One Park Ridge Center
P.O. Box 15746
Pittsburgh, PA 15224-0746

David Cruthirds
Electric Clearinghouse, Inc.
1000 Louisiana, Suite 5800
Houston, TX 77002-5050

David M. Boonin
New Energy Ventures, Inc.
200 S. Broad Street, Suite 800
Philadelphia, PA 19102

Michael L. Kessler, Esq.
American Energy Solutions, Inc.
111 S. Alfred Street
Alexandria, VA 22314

Usher Fogel, Esq.
Roland, Rogel, Koblenz & Carr, LLP
1 Columbia Place
Albany, NY 12207

Clinton A. Vince, Esq.
Paul E. Nordstrom, Esq.
Deborah A. Swanstrom, Esq.
Joel D. Newton, Esq.
Verner & Lipfert, Berhard, McPherson &
Hand
901 15th Street, N.W., Suite 700
Washington, D.C. 20005

Linda C. Smith, Esq.
Dilworth, Paxson, Kalish & Kauffman LLP
305 N. Front Street, Suite 403
Harrisburg, PA 17101-1236

Susan M. Shanaman, Esq.
212 N. Third Street, Suite 203
Harrisburg, PA 17101-1505

Gordon J. Smith, Esq.
John & Hengerer
1200 17th Street, N.W., Suite 600
Washington, D.C. 20036-3006

Joseph A. Dworetzky
Hangley Aronchick Segal & Pudlin
One Logan Square, 12th Floor
Philadelphia, PA 19103-6933

William T. Hawke, Esq.
Janet L. Miller, Esq.
Todd S. Stewart, Esq.
Malatesta Hawke & McKeon LLP
Harrisburg Energy Center
100 N. Tenth Street
Harrisburg, PA 17101

James D. Steffes
Enron Corp.
1400 Smith Street
P.O. Box 4428
Houston, TX 77002

Randall V. Griffin, Esq.
Delmarva Power & Light Company
800 King Street
P.O. Box 231
Wilmington, DE 19899

Mid-Atlantic Power Supply Association
Suite 200
620 Herndon Parkway
Herndon, VA 20170

Stephen J. Baron
J. Kennedy and Associates, Inc.
Suite 475
35 Glenlake Parkway
Atlanta, GA 30328

Jerry Mendl
MSB Energy Associates
Suite 200
7507 Hubbard Avenue
Middleton, WI 53562

Robert D. Knecht
Industrial Economics Inc.
2067 Massachusetts Avenue
Cambridge, MA 02140

Harry S. Geller, Esq.
PA Utility Law Project
118 Locust Street
Harrisburg, PA 17101

Patricia Armstrong, Esq.
Regina L. Matz, Esq.
Thomas Thomas Armstrone & Niesen
212 Locust Street, Suite 500
P.O. Box 9500
Harrisburg, PA 17108-9500

Andrew Altman, Deputy Director
Clean Air Council Suite 300
135 S. 19th Street
Philadelphia, PA 19103

A handwritten signature in black ink, appearing to read "David W. Francis". The signature is written in a cursive style with a long horizontal tail extending to the right.

David W. Francis

Date: July 28, 1997

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

IN THE MATTER OF PENNSYLVANIA
POWER & LIGHT COMPANY'S
RESTRUCTURING PLAN

DOCKET NO. R-00973954

**CARADON MIDEAST ALUMINUM,
A DIVISION OF CARADON AMERICA, INC.'S,
METAL INDUSTRIES INC.'S, AND THE QUAKER OATS COMPANY'S
REQUESTS FOR ADMISSION DIRECTED TO
PENNSYLVANIA POWER & LIGHT COMPANY, FIRST SET.**

Pursuant to 52 Pa. Code, Caradon Mideast Aluminum, a division of Caradon America Inc. ("Caradon") and Metal Industries, Inc. ("MI") hereby propounds the following Requests for Admission upon Pennsylvania Power and Light Company ("PP&L"). PP&L shall either admit or deny the matter or set forth in detail the reasons why the PP&L cannot truthfully do so. A denial shall fairly meet the substance of the requested admission, and when good faith requires that PP&L qualify its answer or deny only a part of the matter of which an admission is requested, PP&L shall specify so much of it as is true and qualify or deny the remainder.

Instructions

1. On or about December 30, 1994, PP&L filed supplement No. 50 to Tariff Electric Pa.P.U.C. No. 200. ("Supplement No. 200).
2. Supplement No. 200 proposed to institute a 500 MW cap on the amount of interruptible load that PP&L would carry for eligible customers as follows:

The Company will limit the amount of interruptible power to a total of 500 MW from all customers served under Rate Schedules LP-4, LP-5, LP-6, IS-I, and Interruptible Service by Agreement.

For the purpose of determining this amount, interruptible power is the twelve month average of each customer's monthly On-peak Demand less the customer's contract Firm Power level.

3. Attached hereto as exhibit A is a true and correct copy of Rate Schedule LP-4 filed as part of Supplement No. 50.

4. As a result of Supplement No. 50, litigation ensued at docket no. R-00943271 ("the rate case").

5. Mr. Oliver G. Kasper, as Manager of the Pricing and Contract Administration Department, testified on behalf of PP&L during the rate case regarding PP&L's proposal to institute a 500 MW cap. A true and correct copy of Mr. Kasper's Direct Testimony is attached hereto as exhibit B and incorporated by reference.

6. As part of Mr. Kasper's testimony, PP&L submitted Exhibit OGK-2, "Digest of Proposed Changes Requested in Supplement No. 50 to Electric Tariff No. 200," a true copy of which is attached hereto as exhibit C.

7. During his direct testimony, Mr. Kasper testified as follows:

Q: Are there any other major changes being proposed for the interruptible service tariffs?

A: Yes. PP&L is proposing a cap of 500 MW of non-coincident interruptible load. This is a 12 month rolling average of the sum of the individual customer's average monthly maximum demands minus the sum of the individual contracted firm demands. On a diversified basis, this should result in a monthly peak demand reduction capability of about 300 to 350 MW.

8. During the rate case, Mr. Kasper was cross examined by several parties. A true and correct copy of a portion of that cross examination is attached hereto as exhibit D.

9. Mr. John F. Sipics, as General Manager -- Power Systems Support, testified on

behalf of PP&L during the rate case regarding PP&L's proposal to institute a 500 MW cap. A true and correct copy of Mr. Sipics' Direct Testimony is attached hereto as exhibit E and incorporated by reference

10. During the rate case, the Office of Trial Staff ("OTS") and Office of Consumer Advocate ("OCA"), among others, propounded data requests upon PP&L requesting information relating to PP&L's proposal to institute a 500 MW cap on interruptible power.

11. A true and correct copy of OTS interrogatory OTS-RS-14D, and PP&L's answer, is attached hereto as exhibit F.

12. A true and correct copy of OCA interrogatory Set V, No. 13, and PP&L's answer, is attached hereto as exhibit G.

13. A true and correct copy of OTS interrogatory OTS-RE-46D, and PP&L's response, is attached hereto as exhibit H.

14. A true and correct copy of OTS interrogatory no. OTS-RB-50, and PP&L's answer is attached hereto as exhibit I.

15. On September 27, 1995 the Commission entered an order at Docket No. R000943271 allowing PP&L to make changes to its Tariff, including the imposition of a 500 MW cap on interruptible power.

16. On October 5, 1995 PP&L filed with the Commission Supplement No. 56 to Tariff Electric Pa.P.U.C. No. 200 to comply with the Commission's September 27, 1995 order ("the October 5, 1995 compliance filing").

17. The October 5, 1995 compliance filing contained rate schedules IS-1, IS-P, IS-T, PR-2, the Competitive Rate Rider, and Interruptible Service by Agreement ("the interruptible

rate schedules"). Each contained the following language:

INTERRUPTIBLE POWER

Interruptible service under this rate schedule is available to customers with at least 1000 KW of year-round Interruptible Power who contract to accept interruptible power for at least one year, as detailed in this rate schedule.

The company will not enter into new contracts for interruptible power if the amount of interruptible power from all customers served under Rate Schedules IS-1, IS-P, IS-T, PR-2, the Competitive Rate Rider, and Interruptible Service by Agreement exceeds a total of 500 MW. For the purpose of determining this amount, interruptible power is the twelve month average of each customer's monthly Maximum On-Peak Demand less the customer's contract Firm Power level.

* * *

MAXIMUM ON-PEAK DEMAND

Maximum On-peak Demand is the average number of kilowatts supplied during the 15 minute period of maximum use during the On-peak Hours of the current billing period.

* * *

FIRM POWER

Firm Power is the level of KW demand which the customer has no obligation to curtail during an interruption of service called by the Company. The initial level of Firm Power shall be specified in the contract. This initial level will be adjusted by the Company to the level of Firm Power actually achieved by the customer during an emergency or an emergency test interruption period. The adjusted level shall become the level of Firm Power for the remaining term of the contract until a new level of Firm Power is achieved during a subsequent emergency or an emergency test interruption period. The level of Firm Power shall not be adjusted below the initial level of Firm Power specified in the contract.

INTERRUPTIBLE POWER

Interruptible Power is the Maximum On-Peak Demand less the Firm Power.

18. On or about February 15, 1996, a meeting was convened at Caradon's offices in

Mountaintop, Pennsylvania between, *inter alia*, Oliver Kasper, John Laputka, and Janet Hilliard. (The February 15, 1996 meeting).

19. Attached hereto as exhibit J is a true and correct copy of an e-mail transmission from Janet Hilliard to Paul E. Russell, William A. Dussinger, Jr., John F. Sipics, Michael Getz, Oliver Kasper, and Gerald S. Farber dated February 15, 1996.

20. PP&L has now abandoned the position that it is not required to put customers on the interruptible rate even when below the 500 MW cap, "on advice of counsel."

21. Attached hereto as exhibit K is a true and correct copy of an e-mail transmission from Oliver Kasper to Janet Hilliard, Paul E. Russell, Douglas A. Krall, William A. Dussinger, Jr., and James E. Abel, dated March 19, 1996.

22. Attached hereto as exhibit L is a true and correct copy of an e-mail transmission from Oliver Kasper to James E. Abel and Janet Hilliard dated March 19, 1996.

23. Attached hereto as exhibit M is a true and correct copy of PP&L's internal memorandum entitled, "Status and Policy on the Interruptible rates" dated March 4, 1996.

24. Prior to the March 4, 1996 Status and Policy on the Interruptible rates memorandum, PP&L did not have a written policy setting forth its methodology for calculating interruptible power under the 500 MW cap.

25. Attached hereto as exhibit N is a true and correct copy of PP&L's April 8, 1996 letter to Caradon, which states, "Mr. Kasper did state that the total maximum potential interruptible load from all Pennsylvania Power and Light customers for the last few months is below 500 MW."

26. On May 20, 1996 PP&L informed The Quaker Oats Company that PP&L was

below the 500 MW cap.

27. All of PP&L's billing rates for industrial and commercial customers are based upon the customer's maximum on-peak demand, which is the maximum fifteen minute period in the billing month during the hours 7:00 a.m. to 7:00 p.m.

28. Maximum on-peak demand is the maximum fifteen minute period of the billing month during the hours 7:00 a.m. to 7:00 p.m.

29. PP&L's billing period for industrial customers is approximately one-month.

30. Attached hereto as exhibit O is a true and correct copy of the Answer of Pennsylvania Power and Light Company to Consolidated Motion for Partial Summary Judgment of Caradon Mideast Aluminum and Metal Industries ("PP&L's Answer to Summary Judgment") without exhibits.

31. PP&L's Answer to Summary Judgment sets forth its position with regard to the language PP&L wishes to delete from the as follows:

As an initial matter, PP&L admits that the disputed tariff language is not a model of clarity. The intent of the tariff provision, however, was to measure interruptible load by examining each customer's maximum monthly demand over a 12-month period less their contractual Firm Power level. The reference to "monthly" in PP&L's tariff was intended to reflect that customer's meters are read on a monthly basis, not daily or hourly. The maximum monthly demand therefore is the highest of the monthly peak demands in each 12-month period. The reference to "twelve month average" reflects the fact that each customer's highest monthly demand is determined over a 12-month period, as opposed to some other time frame."

32. Attached hereto as exhibit P is a true and correct copy of PP&L's quantification of the interruptible power according to its theory under the 500 MW cap, as provided by PP&L's counsel to Caradon Mideast Aluminum's and Metal Industries counsel on May 1, 1997.

33. Attached hereto as exhibit Q is a true and correct copy of PP&L's filing guideline RP-1.7, prepared by Mr. Oliver Kasper.

34. Attached hereto as exhibit R is a true and correct copy of PP&L's answer to PPLICA Interrogatory Set I, No. 5.

35. The customer identified as customer no. 60 in exhibit P is the same customer identified as customer no. 59 in exhibit Q ("customer no. 59/60").

36. The quantification of interruptible power as reflected in exhibits P, Q and R, contain 26 MW of interruptible power from customer no. 59/60.

37. Prior to February, 1997, customer no. 59/60 never achieved an actual maximum on-peak demand in excess of 17.5 MW.

38. Prior to August, 1996, Customer no. 59/60 never achieved an actual maximum on-peak demand in excess of 300 KW.

39. RP-1.7 identifies customer no. 59/60 as having a maximum load of 1000 KW during the August 3, 1995 interruption and 1000 KW during the May 21, 1996 interruption.

40. Customer no. 59/60 did not have an actual maximum load of 1000 KW during the August 3, 1995 interruption.

41. Customer no. 59/60 did not have an actual maximum load of 1000 KW during the May 21, 1996 interruption.

42. The information supplied by PP&L in RP-1.7 is false.

43. Attached hereto as exhibit S is a true and correct copy of PP&L's contract with customer no. 59/60, which has been redacted by PP&L.

POWELL, TRACHTMAN, LOGAN, CARRLE,
BOWMAN & LOMBARDO, P.C.

By 

David W. Francis
Pa. I.D. No. 53718
114 North Second Street
Harrisburg, PA 17101
(717) 238-9300

DATE: July 16, 1997

RATE SCHEDULE LP-4
LARGE GENERAL SERVICE AT 12,470 VOLTS OR HIGHER

APPLICATION RATE SCHEDULE LP-4

This rate schedule is for large general service supplied from available lines of 12,470 volts or higher when customer furnishes and maintains all equipment necessary to transform the energy from line voltage.

NET MONTHLY RATE (Effective 2-28-95)

\$6.55 per kilowatt for all kilowatts of the Billing KW.

6.30 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
5.60 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
4.70 cts. per KWH for all additional KWH.

The Energy Cost Rate applies to all KWH supplied under this rate.

The Minimum Billing Demand is 25 KW.

The Net Monthly Rate Minimum is \$163.75.

NOTICE
This page of the Tariff
never went into effect.

CANCELLED
by
14th Revised Page No. 27
EFFECTIVE Sept 28, 1995

BILLING KW

The Billing KW is the average number of kilowatts supplied during the 15 minute period of maximum use during the current billing period.

Time-of-Day metering and billing is available on request for an additional charge of \$15.00 per month for a minimum period of one year. The Billing KW is the average number of kilowatts supplied during the 15 minute period of maximum use during the on-peak hours of the current billing period.

(I)

ON-PEAK HOURS

On-peak hours for billing purposes are 7 a.m. to 3 p.m., 8 a.m. to 4 p.m., or 9 a.m. to 5 p.m. local time, at the option of the customer, Mondays to Fridays inclusive except, New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. The Company's system on-peak period is 7 a.m. to 9 p.m. local time.

OPTIONAL INTERRUPTIBLE POWER

Optional Interruptible Power is available to customers served under this rate schedule with at least 1,000 KW of year-round interruptible power who contract to accept interruptible service for at least one year, as detailed in this provision.

The Company will limit the amount of interruptible power to a total of 500 MW from all customers served under Rate Schedules LP-4, LP-5, LP-6, IS-1, and Interruptible Service by Agreement. For the purpose of determining this amount, interruptible power is the twelve month average of each customer's monthly Maximum On-peak Demand less the customer's contract Firm Power level.

(C)

BILLING KW CREDIT (Effective 2-28-95)

(C) (I)

The monthly Billing KW credit is calculated as:

Billing KW Credit = [Interruptible Power X Average On-peak Load Factor] x \$6.00 per KW

ON-PEAK HOURS

On-peak hours for billing purposes are 7 a.m. to 7 p.m. local time, Mondays to Fridays inclusive except New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

MAXIMUM ON-PEAK DEMAND

Maximum On-peak Demand is the average number of kilowatts supplied during the 15 minute period of maximum use during the On-peak Hours of the current billing period.

(Continued)

SEP 28 1995
R-943271
SUSPENSION VACATED
EFFECTIVE SEP 28 1995
EXHIBIT
A

(I) Indicated Increase
(C) Indicates Change

RATE SCHEDULE LP-4 (CONTINUED)

ON-PEAK LOAD FACTOR

On-peak Load Factor for billing purposes is the ratio of the kilowatt-hours supplied during the On-peak Hours to the product of the Maximum On-peak Demand and the number of On-peak Hours for a billing period.

AVERAGE ON-PEAK LOAD FACTOR

Average On-peak Load Factor is the average of the On-peak Load Factors for the twelve months of the prior calendar year. Average On-peak Load Factor is recalculated annually and applied to service billed on and after April 1 of the current year under the Optional Interruptible Power provision. The Company may modify the On-peak Load Factors for the twelve months of the prior calendar year to reflect operations expected under this provision.

FIRM POWER

Firm Power is the level of KW demand which the customer has no obligation to curtail during an interruption of service called by the Company. The initial level of Firm Power shall be specified in the contract. This initial level will be adjusted by the Company to the level of Firm Power actually achieved by the customer during an emergency or an emergency test interruption period. The adjusted level shall become the level of Firm Power for the remaining term of the contract or until a new level of Firm Power is achieved during a subsequent emergency or an emergency test interruption period. The level of Firm Power shall not be adjusted below the initial level of Firm Power specified in the contract.

INTERRUPTIBLE POWER

Interruptible Power is the Maximum On-Peak Demand less the Firm Power.

HOURS OF INTERRUPTION

Load interruptions may be called by the Company as required for economic load control, for system and local emergencies, and for tests of the customer's ability and readiness to interrupt load during an emergency. The frequency of load interruptions shall be no more than 20 per calendar year with such interruptions being no more than 10 hours in any one day; or more often than five days in any single month; or more than 200 hours in a calendar year. Whenever possible, the customer will be notified in advance of a probable interruption and the estimated duration of the interruption. The customer is obligated to interrupt load during emergencies and emergency tests, but has the option to interrupt, or accept an additional charge for continued use, during periods of economic load control. The Company may cancel the contract for interruptible service if the customer fails to interrupt during an emergency or an emergency test interruption period. (C)

The charge for continued use (KWH) of interruptible load (KW) during a period of economic load control is the sum of the charges under the rate plus the Company's estimated PJM Interconnection billing rate applied to all KWH used during the interruption period.

The additional charge for not interrupting load (KW) when called for during an emergency or an emergency test interruption period is: \$25.00 per KW for all KW by which the maximum 15 minute demand (KW) for the period of requested interruption exceeds the Firm Power (KW). This penalty shall be applied separately for each requested interruption, and shall be in addition to all other charges provided for under the rate. (C) (I)

INDUSTRIAL DEVELOPMENT INITIATIVES RIDER

The Industrial Development Initiatives Rider included in this Tariff applies to eligible customers served under this Rate Schedule, except for customers served under the Optional Interruptible Power provision or the Economic Development Initiatives Rider.

ECONOMIC DEVELOPMENT INITIATIVES RIDER

The Economic Development Initiatives Rider included in this Tariff applies to eligible customers served under this Rate Schedule, except for customers served under the Optional Interruptible Power provision or the Industrial Development Initiatives Rider.

ELECTRIC VEHICLE RIDER (EXPERIMENTAL)

The Electric Vehicle Rider included in this Tariff applies to eligible customers served under this Rate Schedule.

OFF-PEAK SPACE CONDITIONING AND WATER HEATING (Effective 2-28-95)

For customers served under this rate schedule, off-peak energy for storage space conditioning and/or water heating may be supplied exclusively through a separate submeter and billed separately at the rate of \$15.00 per month plus 2.90 cts. per KWH for all KWH of use, with a monthly minimum charge of \$15.00. Any billing KW resulting from usage during other than the off-peak hours is billed at Rate Schedule charges. (I)

Service through the separate meter may be used between the off-peak hours of 7 p.m. to 7 a.m. local time, Mondays to Fridays inclusive, and all day Saturday, Sunday and the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

SPECIAL BASE RATE CREDIT ADJUSTMENT

The Special Base Rate Credit Adjustment included in this Tariff is applied to charges under this rate except for charges made under the Energy Cost Rate and charges made under the State Tax Adjustment Surcharge.

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this rate except for charges made under the Energy Cost Rate.

PAYMENT

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 15 days from the date bill is mailed. When not so paid, the gross rate applies which is the above net rate plus 5% on the first \$200.00 of the then unpaid balance of the monthly bill and 2% on the remainder thereof.

CONTRACT PERIOD

Not less than one year

NOTICE
This page of the Tariff
is being put into effect.

(I) Indicates increase
(C) Indicates Change

SUSPENDED
SEP 28 1995
TO: R-943271
SUSPENSION VACATED

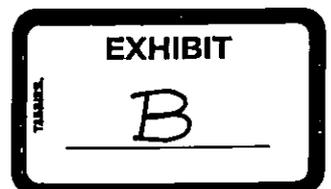
CANCELLED
6th by
Revised Page No. 27A
SEP 28 1995

PENNSYLVANIA POWER & LIGHT COMPANY

Statement 8

Direct Testimony of Oliver G. Kasper

Docket No. R-00943271



1 Q Please state your full name and business address.

2 A. Oliver G. Kasper, Two North Ninth Street, Allentown, Pennsylvania, 18101.

3

4 Q. By whom are you employed and in what capacity?

5 A. I am employed by Pennsylvania Power & Light Company (PP&L or the Company) in the
6 Rates Section of the Power Systems Support Department as Manager-Pricing and Contract
7 Administration.

8

9 Q. What are your principal duties and responsibilities as Manager-Pricing and Contract
10 Administration?

11 A. I am responsible for tariff administration which involves the development of PP&L's retail
12 and resale electric rates, tariff rules and regulations, and ensuring the uniform administration
13 of these rates, regulations and interpretations throughout the Company. I also direct the
14 development of PP&L's rate design and cost of service activities.

15

16 Q. What is your educational background?

17 A. I graduated from Michigan Technological University in 1973 with a Bachelor of Mechanical
18 Engineering. I am a Registered Professional Engineer in the Commonwealth of
19 Pennsylvania.

20

21 Q. Please describe your professional experience.

1 A. I was employed by Westinghouse Electric Corporation in 1973 and served in the Marketing
2 Department of the Steam Turbine Division as an Application Engineer. During this period, I
3 was involved with all aspects of the initial design and proposal preparation for large steam
4 turbine generator sets. I also was the technical license contact for two foreign
5 manufacturers of Westinghouse turbine generators.

6 In 1976, I joined PP&L as a construction engineer for the Susquehanna Steam Electric
7 Station. In this position I was responsible for long-term storage and maintenance for all
8 equipment during construction, and assembly of the Unit 1 and Unit 2 turbine generator
9 sets.

10 In 1978, I was named Energy Management Engineer in PP&L's Energy Conservation
11 Department in the Northern Division. My responsibilities included energy conservation,
12 service coordination, and marketing with PP&L's large industrial and commercial customers
13 in the division.

14 In 1982, I was promoted to Senior Engineer-Research and Technical Services; later
15 the department was renamed I&C Marketing Programs. My responsibilities included
16 residential thermal storage heating systems research, commercial and industrial HVAC and
17 process heating/cooling research and development, and educating PP&L's staff and
18 customers on cogeneration.

19 In 1989, I was promoted to the position of I&C Marketing Manager in PP&L's
20 Lancaster Division. My responsibilities included managing a staff of 17 people who were
21 the direct service and marketing contacts for all industrial and commercial customers in that
22 Division.

1 I was promoted to Manager-Pricing and Contract Administration in 1991, the position
2 I now hold.

3
4 Q. Mr. Kasper, what is the purpose of your testimony?

5 A. My testimony addresses four subjects: (1) pro-forma adjustments to historic test year book
6 revenues and future test year budget revenues; (2) the allocation of the proposed increase
7 among customer classes; (3) rate design; and (4) proof of revenues.

8
9 PRO-FORMA ADJUSTMENTS TO HISTORIC AND FUTURE TEST YEAR REVENUES

10 Q. Mr. Kasper, please describe the purpose of Schedules D-3 to PP&L Exhibits Historic 1 and
11 Future 1.

12 A. Schedule D-3 in Exhibit Historic 1 shows pro-forma ratemaking adjustments to book
13 operating revenues for the historic year ended September 30, 1994. Schedule D-3 in Exhibit
14 Future 1 shows similar adjustments to budget revenues for the future year ending
15 September 30, 1995.

16
17 Q. Will you please describe the adjustments shown on Schedule D-3 in Exhibit Historic 1?

18 A. Page 1 of Schedule D-3 in Exhibit Historic 1 contains a summary statement of the various
19 adjustments made to operating revenues for the year ended September 30, 1994, as follows:

20 Column 1 presents revenues per book as supplied by Mr. Bernini. Column 2 is the sum
21 of all adjustments to bring the book revenues to a pro-forma ratemaking level, which is
22 found in Column 3. Line 5, Column 2 reflects adjustments to revenues to reflect the

1 annualization of sales and revenues at September 30, 1994, the roll-in of the energy portion
2 of the ECR, the roll-in of the Atlantic City Electric portion of the SBRCA, and the roll-in of
3 the STAS into base rates. All revenues in Column 3, Line 5 are pro-forma. Total operating
4 revenue adjustments for the year ended September 30, 1994, appear on Line 17, Column 2.

5
6 Q. Will you please describe the adjustments shown on Schedule D-3 of Exhibit Future 1?

7 A. Page 1 of Schedule D-3 in Exhibit Future 1 contains a summary statement of the various
8 adjustments made to operating revenues budgeted for the year ending September 30, 1995,
9 as follows:

10 Column 1 represents the revenues per budget as supplied by Mr. Berish. Column 2 is
11 the adjustments to budget to bring the revenues to a pro-forma ratemaking level, which is
12 found in Column 3. Line 5, Column 2 reflects adjustments to revenues to reflect the
13 annualization of sales and revenues, the roll-in of the energy only portion of the ECR, the
14 roll-in of the Atlantic City Electric portion of the SBRCA, and the roll-in of the expected
15 STAS of -0.49% into base rates for the year ending September 30, 1995.

16 The present and proposed revenues, developed in the manner described above, were
17 used to compute overall percentage effects of the proposed rates, typical bill comparisons,
18 and other data regarding the Company's filing. The summary results, shown on Schedule
19 D-3, Page 5, Exhibit Future 1, are total annual PUC revenues of approximately
20 \$2,462 million and an estimated annual revenue increase of \$261.6 million or 11.7% overall,
21 to the Pennsylvania jurisdictional customers.

22

1 ALLOCATION OF THE REVENUE INCREASE

2 Q. Is there a general pricing philosophy and direction that PP&L has followed in the design of
3 rates for this case?

4 A. With this filing, PP&L has sought to allocate its overall revenue requirement among
5 customer classes and to design rates in a way that moves each class towards cost of service.
6 The degree of movement is constrained by principles of gradualism and the need to
7 acknowledge and respond to competition in some of the Company's markets. For example,
8 several of PP&L's largest industrial customers have production facilities in other states
9 producing the same products. An adverse increase in the price of electricity could cause a
10 shift of production away from Pennsylvania with a corresponding loss of load for PP&L,
11 and reduced employment for Pennsylvania. The lost load would then shift cost
12 responsibility toward the residential and commercial customer classes which could
13 eventually increase prices to these classes. One example of this competition is the
14 Company's service to Amtrak. Three utilities presently supply this customer. If the price of
15 any one utility exceeds the price offered by the other two by a significant level, that utility
16 will experience a significant loss of sales.

17 PP&L has recently taken steps to address this competition through our Price Response
18 Service (PRS) and Competitive Rate Riders (CRR); recently approved by the PUC. The
19 PRS is an experiment in marginal pricing of our product. The CRR gives the Company
20 flexibility in pricing to competition when required.

21 In this rate filing, the Company has attempted to reflect both cost and value of service
22 to establish rates which are in the overall best interest of the Company and its customers.

1 Q. How does PP&L propose to allocate the rate increase in this case?

2 A. Exhibit OGK-3, attached to this testimony, sets forth the Company's proposed allocation of
3 the rate increase and shows the rate of return for each tariff class at present rates and
4 proposed rates. As shown on this exhibit, the Company's allocation moves each major tariff
5 class toward the system average return and therefore properly reflects principles of cost of
6 service and gradualism. Competition is reflected by the better alignment of rates to cost and
7 by providing the Company the flexibility to address individual customer competitive issues.

8

9 RATE DESIGN MODIFICATIONS

10 Q. Please describe the rate design modifications in PP&L's proposed Tariff No. 200,
11 Supplement 50, Exhibit OGK-1.

12 A. The primary purpose of the rate design was to design rate schedules which would produce
13 the requested rate increase when applied to estimated conditions for the 12 months ended
14 September 30, 1995. In addition, as with the allocation of the increase we attempted to
15 reflect cost of service and to respond to competitive conditions in the Company's markets.

16

1 **Residential**

2 Residential customers will have several options available within the proposed tariff, Exhibit
3 OGK-1:

4	<u>Rate Schedule</u>	<u>Description</u>
5	RS	Residential Service
6	RTS	Residential Service - Thermal Storage
7	RTD	Residential Service - Time-of-Day
8	RW1	Residential Service With Off-peak Water Heating

9 Rate Schedule RS - Residential Service:

- 10 1. The customer charge is increased from \$4.80 to \$7.00 per month to more
11 accurately reflect cost of service.
- 12 2. The number of KWH steps within the rate are being increased from two to three
13 to better reflect cost of service. The first KWH step remains at 200 KWH, the
14 second is 400 KWH.

15 The Rate Schedule RTS remains essentially unchanged other than rate levels. As part
16 of PP&L's real-time pricing experiment, PP&L is proposing to install direct load control on
17 50 to 100 of these systems and test radio-controlled charging of the systems to better reflect
18 real-time cost.

19 Rate Schedules RTD and RW1 remain unchanged except for rate levels.

1 **General Service**

2 Commercial and industrial customers will have several rate schedules and rate options
3 available:

4	<u>Rate Schedule</u>	<u>Description</u>
5	GS-1	Small General Service at Secondary Voltage or Higher
6	GS-3	Large General Service at Secondary Voltage or Higher
7	LP-4	Large General Service at 12,470 Volts or Higher
8	L4I	LP-4 Optional Interruptible Power
9	LP-5	Large General Service at 69,000 Volts or Higher
10	L5I	LP-5 Optional Interruptible Power
11	LP-6	Large General Service at High Load Factor

12 The GS-1 rate schedule and available options remain essentially unchanged except for
13 rate levels.

14 For Rate Schedules GS-3, LP-4, and LP-5 the demand charges and KWH steps within
15 the schedules have been modified and simplified reducing the KWH steps from 4 to 3 or
16 4 to 2.

17
18 Q. Why is PP&L offering a new rate -- Large Power Service at Transmission Voltage Rate
19 Schedule LP-6 -- in this filing?

20 A. PP&L has compared its existing Large Power Service Rate Schedule LP-5 with other
21 neighboring utilities as well as nationwide. While PP&L's rates have generally been at or
22 near the middle of the range of utilities compared, those applicable to the very large users

1 were found to be higher than other comparable utility rates. The new rate LP-6 was
2 designed to correct the pricing to a more appropriate, comparable level.

3
4 Q. Are these large customers very sensitive to electric prices?

5 A. Yes, they are. Many of these customers are energy intensive users with multi-plant
6 locations. They can expand and contract their operations in order to improve their cost
7 profiles and profitability. PP&L is painfully aware of the consequences of losing large
8 electric industrial customers and the related jobs on the economy of its service area. The
9 LP-6 rate is PP&L's responsive attempt to prevent such a loss and hardship to the
10 communities it serves.

11
12 **Interruptible Service**

13 Q. Please describe the PP&L's current interruptible rate options?

14 A. PP&L has made available to its customers a number of interruptible service options.
15 PP&L's interruptible service options appear in its tariff as Rate Schedules IS-1, LP-4 and
16 LP-5, and Interruptible Service by Agreement. Rate Schedule IS-1 is the interruptible
17 option for greenhouse lighting. Under this option, customers who operate commercial
18 greenhouses with a minimum of 300 KW of interruptible lighting agree to turn off the
19 lighting in the greenhouses at PP&L's request. Rate Schedules LP-4 and LP-5 include an
20 optional interruptible provision that is available to customers with a minimum of 1,000 KW
21 of year-round interruptible load. Under this option, customers agree to interrupt load at
22 PP&L's request for economic load control, for local and system emergencies, and for tests

1 of their ability to interrupt. Interruptible Service by Agreement (ISA) provides for
2 interruptible service and rates by individual contract to large customers who take service at
3 66,000 volts or higher. The contract includes the obligations of the customer to interrupt
4 load when requested by PP&L.

5 PP&L's interruptible service provisions are an extension of PP&L's effort to encourage
6 economic development in its service territory and simultaneously develop a resource of
7 interruptible load. PP&L's large industrial customers had expressed an interest in
8 alternatives to reduce their operating costs and improve their competitive position. The
9 optional interruptible service provisions provide a market choice that customers with
10 interruptible load can exercise. Interruptible service provisions also provide a capacity
11 equivalent resource that can be used to meet the Company's installed capacity obligation to
12 PJM or to permit the Company to sell installed capacity credits to other PJM members.

13
14 Q. What problems have evolved with PP&L's current interruptible service offerings?

15 A. When originally proposed, these rate provisions were intended, in part, to address the
16 economic and competitive concerns of PP&L customers, some of who were at risk of
17 closure, substantial business contractions, or relocations. Interruptible service under rates
18 LP-4 and LP-5 were partially successful in retaining some businesses and the jobs they
19 represent for the Company's service territory. However, to achieve this economic
20 development benefit, it was necessary to implement a pricing structure that offered
21 discounts from firm service rates somewhat greater than would have been indicated by
22 quantifiable measures of the difference in costs between firm and interruptible load.

1 Nonetheless, PP&L concluded that such discounted pricing would be justified based on the
2 economic development benefits to be produced which, in addition to retaining jobs, would
3 retain industrial load for PP&L.

4 Since the LP-4 and LP-5 interruptible service options were introduced, several factors
5 have changed. First, as stated in Mr. Sipics' testimony, the value of interruptible load has
6 declined materially. This effect has greatly magnified the difference between the discounts
7 for interruptible service offered by the Company and the discounts from firm service rates
8 that would be justified by current cost levels. Second, because of the discounts available for
9 electing interruptible service, otherwise non-qualifying customers have been encouraged to
10 use on-site generation as a means of capturing marginal net benefits from lower electric
11 rates. This trend has had the effect of materially increasing the pool of customers that could
12 elect the interruptible service options. The revenue erosion that would result for the
13 Company from this increased number of interruptible customers would reduce the industrial
14 class contribution to fixed costs and, thereby, shift revenue responsibility to firm service
15 industrial and non-industrial core customers with no corresponding benefit to the regional
16 economy by way of business expansion or job growth. Moreover, because of the
17 uneconomic cost-shifting that on-site generation makes possible, core customers who face a
18 variety of competitive pressures but cannot use on-site generation to qualify for interruptible
19 discounts would eventually see higher rates and resulting erosion of their competitive
20 positions.

21
22 Q. How did PP&L respond to the interruptible rate problems?

1 A. On May 13, 1994, PP&L filed Supplement No. 40 to its Tariff which established revisions
2 to the Interruptible Service by Agreement Rider, Rate Schedule IS-1 and the Optional
3 Interruptible Power provisions of rate schedules LP-4 and LP-5.

4 These revisions would limit the availability of interruptible service to only those
5 customers who were receiving interruptible service at the date of the filing and other
6 customers who had entered into binding service agreements with PP&L as of a designated
7 cut off date.

8 After hearings, Administrative Law Judge Michael C. Schnierle concluded that
9 Supplement 40 is just, reasonable, non-discriminatory, and should be permitted to take
10 effect. He also concluded that PP&L should be directed to file, with its next base rate case,
11 interruptible service rates based upon cost of service and the value to PP&L of interruptible
12 load, and a cost of service study which supports the proposed rates.

13
14 Q. Please summarize the rate treatment now given to PP&L's interruptible customers.

15 A. Under PP&L's current rate structure the customers whose loads are interruptible pay greatly
16 reduced demand and energy charges compared to customers whose loads are firm. As an
17 example, consider an LP-5 customer with a 10,000 KW total load and monthly energy
18 consumption of 6,000,000 KWH. Under the historic LP-5 rate, the customer would pay
19 monthly demand charges of \$43,900 ($\$4.39 \times 10,000 \text{ KW}$) and monthly energy charges of
20 \$220,530 ($4.88\text{¢} \times 1,200,000 \text{ KWH} + 4.43\text{¢} \times 1,000,000 \text{ KWH} + 3.88\text{¢} \times 1,500,000 \text{ KWH}$
21 $+ 3.21\text{¢} \times 2,300,000 \text{ KWH}$), for a monthly total of \$264,530 (plus the applicable energy
22 cost rate). Now assume that the customer selects the historic optional LP-5 interruptible

1 rate, establishes a firm demand of 1,000 KW, and allows 9,000 KW of load to be
2 interruptible. With a 90 percent on-peak load factor, the customer would pay a monthly
3 demand charge of \$18,240 ($\$9.60 \times 1,900 \text{ KW}$) and monthly energy charges of \$136,532
4 ($3.21\text{¢} \times 760,000 \text{ KWH} + 2.14\text{¢} \times 5,240,000 \text{ KWH}$), for monthly total of \$154,772 (plus
5 the same energy cost rate). As a result of allowing 9,000 KW of load to be interruptible,
6 therefore, the customer in this example would save \$109,758 per month. This equates to
7 \$146.34 per KW per year of interruptible load.

8 The exact level of savings enjoyed by any particular customer depends on that
9 customer's classification, size, relative firm and interruptible load, on-peak load factor, and
10 total hours use of demand. Given the current rate levels and designs, the LP-4 and LP-5
11 customers save roughly \$140 per KW per year of interruptible load compared to what they
12 would pay on the firm rate.

13
14 Q. Are rate reductions of the magnitude you have just described justified by cost of service or
15 value of service principles?

16 A. No. Load that is interruptible for relatively few hours a year, at most, enables the supplying
17 utility to avoid the need for generation capacity designed to meet short duration peak loads
18 such as a combustion turbine. As explained in more detail by Mr. Sipics, the current
19 installed cost of a combustion turbine is about \$300/KW.

20
21 Q. Do PP&L's proposed interruptible rates provide discounts that are more in line with the
22 capacity value of interruptibility to PP&L and its customers?

1 A. Yes. The current interruptible service options will be replaced with an interruptible load
2 credit. The interruptible load credit will be deducted from the bill amount the customer
3 would pay on the appropriate firm service rate. The interruptible load credit will be
4 available for customers with at least 1,000 KW of interruptible load on firm rate schedules
5 LP-4, LP-5, and the new LP-6. The monthly credit will equal:

6 • $(\text{Billing KW} - \text{Firm KW}) \times (\text{On-peak Load Factor}) \times (\$6/\text{KW})$

7 A customer with an on-peak load factor of 100%, would receive an annual credit of \$72 per
8 KW of interruptible load.

9 This annual credit of \$72 per KW represents about a 50% reduction to the current
10 average annual discount between firm and interruptible service of about \$140 per KW.

11 For customers on LP-6 with at least 10,000 KW of interruptible load and who can
12 reach firm power levels within 1/2 hour will receive an additional monthly credit of \$2 per
13 KW to reflect the added operating benefits of quick start capacity. PJM is currently
14 developing plans to move toward a more market based system for energy purchases.
15 Security services, such as quick start capacity, will likely become unbundled products in this
16 market based system. Although the market price for quick start capacity has not yet been
17 established, we are using \$2 per KW per month to recognize a future market value. If the
18 actual market value is significantly different, we will propose a revision to the credit.

19
20 Q. Have you changed the demand penalty for interruptible customers that do not achieve their
21 firm power level during emergency or emergency test interruptions?

1 A. Yes. The demand penalty has been increased from \$15.30 per KW to \$25 per KW. As
2 explained in Mr. Sipics testimony, the value of interruptible capacity, based on the annual
3 levelized carrying charges of a combustion turbine, is about \$50 per KW per year. This
4 value is based on:

- 5 • combustion turbine installed cost of \$300 per KW,
- 6 • levelized carrying charges of about 15%, and
- 7 • PJM reserve margin of about 20%.

8 We have assumed an average of two emergency interruptions per year, based on past
9 experience, to determine the \$25 per KW penalty that will compensate PP&L for the lost
10 capacity value if customers fail to interrupt.

11

12 Q. Are there any other major changes being proposed for the interruptible service tariffs?

13 A. Yes. PP&L is proposing a cap of 500 MW of non-coincident interruptible load. This is a
14 12 month rolling average of the sum of the individual customers' average monthly maximum
15 demands minus the sum of the individual contracted firm demands. On a diversified basis,
16 this should result in a monthly peak demand reduction capability of about 300 to 350 MW.

17 PP&L is also proposing to change the requirements of an annual test if an actual
18 emergency has not occurred in the calendar year. New customers on the interruptible
19 provision will still be tested to confirm willingness and ability to perform.

20

21 ECONOMIC DEVELOPMENT INITIATIVES (EDI/IDI) AND DEMAND FREE DAYS

22 Q. Please describe the current EDI/IDI credits.

1 A. The Economic Development Initiative (EDI) credits were first made available in 1987 to
2 PP&L's GS-3, LP-4, and LP-5 customers with loads over 500 KW. The EDI credits for
3 existing customers are 1¢/KWH and \$2/KW for KWH and KW taken in excess of base
4 period (generally 1986) amounts. To receive these credits, customers must have signed
5 contracts agreeing to expand production or expand physical facilities. For new customers,
6 the EDI credit is 1¢/KWH for energy taken in excess of 400 hours use of demand. The EDI
7 credit program was closed out at the end of 1989. However, the credits received by eligible
8 customers run through 1997 and are reduced to 70% of the full level in 1998, are reduced
9 further to 35% of the full level in 1999, and are eliminated as of January 1, 2000. According
10 to PP&L's EDI monitoring reports filed with the PUC, as of June 30, 1994, there were 451
11 customers on the EDI rider and those customers saved \$23.7 million a year.

12 The Industrial Development Initiative (IDI) credits were introduced in 1992. The terms
13 are essentially identical to the EDI credit terms except that IDI credits are available only to
14 industrial customers, the normal base period for calculation purposes is 1991, and the IDI
15 rider is open to eligible customers through 1997. As of June 30, 1994, PP&L reported that
16 there were 279 customers on the IDI rider and that their annual savings were \$2.0 million as
17 a result.

18

19 Q. Does PP&L propose to continue the EDI/IDI credits in their present form?

20 A. Yes. PP&L plans to continue the rate reductions of the EDI/IDI riders through
21 December 31, 1997. Beginning January 1, 1998, the billing adjustments calculated under
22 these riders will be 70% of full credit and beginning January 1, 1999, the adjustments will be

1 35% of full credit. All provisions of EDI/IDI will terminate as scheduled on
2 January 1, 2000.

3
4 Q. Why do you plan to continue offering EDI/IDI credits?

5 A. PP&L made a commitment to its customers to offer EDI/IDI credits until the year 2000.
6 This program is not only beneficial for participating customers but also for non-participating
7 customers and the local economy. In addition, numerous customers made extensive capital
8 investments to avail themselves of the benefits of these riders and, therefore, it is appropriate
9 that the riders continue through their intended period so that these customers may realize
10 the economic benefits of their investments.

11
12 Q. How would eliminating the EDI/IDI riders before their scheduled termination date affect
13 participating customers?

14 A. Customers based their investment decisions on the existence of the EDI/IDI programs
15 through the scheduled period. Eliminating EDI/IDI credits before the designated phase-out
16 would adversely affect the economic viability of numerous customer operations. For
17 example, a manufacturer of glass base plates for television picture tubes has added electric
18 glass melting to two of its three furnaces, one in 1989 and the other in 1994. Electric glass
19 melting is scheduled to be added to the third furnace in 1996. Each addition increases the
20 energy consumption by 20,000,000 KWH and requires two additional production lines. The
21 customer could not have justified the electric glass melting or the new production lines
22 (which added manufacturing jobs) without the EDI credits continuing through 1999.

1 Q. Does the continuation of EDI/IDI imply that non-participating customers will have to pay
2 higher rates?

3 A. No. The purpose of the EDI/IDI program is to induce expanded output and greater
4 electricity use than would otherwise have occurred. To the extent that the programs have
5 been successful in accomplishing its purpose, customers on the EDI/IDI rate riders can
6 enjoy substantial benefits while, at the same time, other customers are better off than they
7 would have been without the EDI/IDI credit programs.

8

9 Q. Please explain how non-participating customers are better off than they would be without
10 the EDI/IDI programs.

11 A. While customers receiving EDI/IDI rider discounts are better off than they would have been
12 under a standard rate structure, non-participating customers also benefit from these rates.
13 EDI/IDI rates cover the marginal costs of providing the service and contribute to fixed
14 costs. The capital costs of the existing base load nuclear and coal generating units are fixed,
15 and regardless of the demand for electricity, each additional unit of energy sold from these
16 base load units reduces the average fixed costs per unit. The additional load on the system
17 that results from economic development rates spreads the utility's fixed costs over a broader
18 base, thus keeping individual customer rates lower than would otherwise be the case.

19

20 Q. Have you performed any analysis that illustrates how all customer classes benefit from the
21 EDI/IDI programs?

1 A. Yes. Exhibit OGK-4, attached to this testimony, summarizes an analysis that illustrates the
2 effects of the EDI/IDI programs on non-participating classes. The analysis centered on a
3 sample of 7 LP-4 customers and 13 LP-5 customers who would have either relocated out of
4 the PP&L service territory or would have gone out of business had we not offered EDI/IDI
5 credits. The cost of service was then determined for the historic test year with the
6 associated sales, demands, and revenues of the selected EDI customers removed from the
7 rate class totals.

8 The results of the analysis show a significant decrease in rates of return for each rate
9 class. Eliminating the sample of EDI customers caused the most substantial decrease in
10 rates of return for the LP-5 and LP-4 rate classes, because their class demand allocation
11 decreased. However, the rates of return for all other rate classes also declined. I would
12 note that my analysis only considers the sample of customers described above who would
13 have either relocated or gone out of business but for the EDI/IDI programs. It does not
14 consider the substantial number of customers who would have opted for self-generation but
15 for the EDI/IDI programs. As explained in Mr. Farber's testimony, the EDI/IDI programs
16 prevented the loss of at least 300 million KWH of sales.

17 The reduced rates of return that occurred when the selected EDI customers were
18 eliminated confirms that non-participants benefit from the EDI/IDI programs. The increase
19 in total usage that results from the EDI/IDI programs helped to defer this rate case, and now
20 also helps to minimize the increase needed for all customer classes when filing this rate case.

21

1 Q. Now, turning our attention to another economic development initiative offered by PP&L--
2 Demand Free Days. Please explain this billing option.

3 A. In January 1986, as a means of further encouraging economic development in our service
4 territory, PP&L implemented a Demand Free Days billing option for customers having a
5 monthly maximum demand of 10,000 KW or greater. Eligible customers could pre-select
6 two weekdays per week, from Tuesday to Friday, as Demand Free. The demand created by
7 the customers on the pre-selected days would not be used for billing purposes.

8 This option was expanded in July 1992 to include three Demand Free Days and also
9 extended to customers having a monthly maximum demand of 5,000 KW or greater.
10 Currently, there are 23 customers served under this option whose annual savings as a result
11 of Demand Free Days total \$2.2 million.

12

13 Q. Do you plan to continue the Demand Free Days billing option?

14 A. Under the Company's current tariff the Demand Free Days billing option is an experimental
15 tariff provision. The Company proposes to retain this provision until January 1, 1998.

16

17 Q. Have customers taken advantage of the Demand Free Days billing option?

18 A. Yes. Of the 23 customers under Demand Free Days billing, seven customers are realizing
19 significant energy savings. This program enables those customers to run full operations
20 from the end of on-peak hours on Tuesday to the beginning of on-peak hours on Monday
21 without creating a billing demand. Demand Free Days have enabled these seven customers

1 to increase their productivity and accept business orders which otherwise may have been
2 lost. The remaining 16 have not utilized the option extensively.

3 Due to the relatively small number of customers utilizing this provision and other newer
4 available rate options, the Company is proposing to terminate this provision. However,
5 under the specific circumstances we believe it is appropriate to maintain this provision for a
6 limited additional period to permit customers to adequately plan for and move to other rate
7 options in an orderly fashion.

8
9 Q. In the Company's last rate case, the Commission directed the Company to file a
10 Susquehanna Economic Growth and Development Rate in its next base rate case. Has the
11 Company complied with this directive?

12 A. Yes. The EDI/IDI and Demand Free Days option are designed to encourage incremental
13 sales at a price to the customer which is above the Company's average marginal cost, but
14 significantly below rates produced by application of the standard rate schedules to expanded
15 usage of the customers. In addition, the Price Response Rate allows customers to make
16 energy decisions based on the real-time costs of PP&L to produce the energy required by
17 the customer. Taken together, these provisions fully address the issues raised in the
18 Company's last rate case.

19
20 TARIFF RULE CHANGES

21 Q. What other significant tariff changes are proposed by PP&L in this proceeding?

1 A. Several changes are being proposed for various tariff rules:

- 2 • Rule 2-D was changed to indicate that interest at the rate of 11% per annum on
3 residential accounts and 6% per annum on non-residential accounts is paid
4 annually on all deposits made to secure the payment of bills for service.
- 5 • Rule 5-E was changed to provide the Company additional discretion to waive
6 usage (KWH) and/or demand (KW) charges for abnormal demands.
- 7 • Rule 9-F was changed to indicate that the Company will charge the customer
8 \$7.00 for processing a returned check plus any charges assessed by a bank or
9 other financial institution on the Company.
- 10 • Rule 9-G was added on small credit balances on inactive accounts. The Company
11 will transfer any customer credit balance less than \$1.00 from a customer's
12 inactive account to the Company's Operation HELP program instead of refunding
13 the credit amount to the customer.
- 14 • Rule 10-B was changed to permit the Company to terminate the supply of electric
15 service if the customer does not pay a bill from the Company for unmetered
16 energy, or fails to remove taps or bypasses, or refuses to reimburse the Company
17 for costs associated with detecting, investigating, and correcting current
18 diversion.

19
20 **PROOF OF REVENUE/BILL FREQUENCY ANALYSIS**

21 Q. Mr. Kasper, please explain the methods used to calculate the annual revenue effects of the
22 proposed rates.

1 A. Bill distributions and other summaries of billing quantities for all rates were assembled for
2 the 12 months ended September 30, 1994. Partial monthly billing was corrected to full
3 monthly billing. Both present and proposed rates were applied to the corrected billing
4 quantities. The results of these calculations were then used to obtain adjusted rate class
5 revenue for the period ended September 30, 1994, and to the budgeted rate class revenue
6 for the period ending September 30, 1995, to derive the total annual revenue effect and the
7 effect by rate classes. Increases were also assigned to the late payment charge, to the
8 annualized revenue adjustment and to interdepartmental revenues.

9
10 Q. Would you please explain the proof of revenue or bill frequency analysis?

11 A. Regulation IV-C contains a bill frequency analysis which details, by rate class, the billing
12 units for each type of charge in PP&L's existing and proposed tariff. In Column 2, there is a
13 summary of the annual billing units for that class. This would include total customers, total
14 KW, or total KWHs in the specific block. Column 3 contains the price per unit at current
15 rates. Column 4 shows the total revenue for that block. The percentage increase of the
16 proposed rates over current rates is at the bottom of each page. It is this percentage that is
17 used to calculate the dollar revenue increase for all classes. This filing response basically
18 "proves the revenue" and is often referred to as a "bill frequency analysis."

19

20 Q. Have you compared customer bills before and after the proposed increase?

1 A. Yes. Bill comparisons for selected rate schedules can be found in PP&L's response to
2 Regulation IV-D. Various bill comparisons were completed utilizing average usage and a
3 selected range of residential and general service usage.

4
5 Q. Would you briefly describe the contents of Exhibit OGK-2?

6 A. This exhibit, which is entitled 'Digest of Proposed Changes Requested in Supplement No.
7 50 to Tariff Electric-PA PUC No. 200,' contains a summary of the Company's filed
8 proposed rules and rate changes. A copy of this digest has been provided to all PP&L
9 employees who have responsibility for administration of the electric tariff.

10

11 Q. Does that complete your testimony?

12 A. Yes, it does.

PENNSYLVANIA POWER & LIGHT COMPANY

EXHIBIT OGK-2

**DIGEST OF PROPOSED CHANGES REQUESTED IN
SUPPLEMENT NO. 50 TO ELECTRIC TARIFF NO. 200**



PENNSYLVANIA POWER & LIGHT COMPANY

**DIGEST
OF PROPOSED CHANGES REQUESTED
IN SUPPLEMENT NO. 50
TO ELECTRIC TARIFF NO. 200**

December 30, 1994

TABLE OF CONTENTS

<u>SUBJECT</u>	<u>PAGE NO.</u>
I. GENERAL	2
II. SUPPLEMENT NO. 50 TO ELECTRIC TARIFF NO. 200	
Residential	
Rate Schedule RS	4
Rate Schedule RTS	5
Rate Schedule RTD	6
Small General Service	
Rate Schedule GS-1	6
Rate Schedule TS(R)	7
Large General Service	
Rate Schedule GS-3	8
Rate Schedule LP-4	9
Rate Schedule LP-5	11
Rate Schedule LP-6	12
Rate Schedule LPEP	13
Rate Schedule IS-1	14
Rate Schedule BL	
Space Heating	
Rate Schedule GH-1(R)	15
Rate Schedule GH-2(R)	16
Street & Area Lighting	
Rate Schedule SM	18
Rate Schedule SA	19
Rate Schedule SHS	20
Rate Schedule SE	21
Rate Schedule SI-1(R)	22
III. TABULATION OF REVENUE EFFECTS	

I. GENERAL

Supplement No. 50 to Electric Tariff No. 200 issued December 30, 1994, and proposed to become effective February 28, 1995, results in an overall average increase of 11.7% and is expected to produce \$261 million of additional annual revenue under future test year conditions. The effect of these increases by rate schedule is shown on the Tabulation of Revenue Effects located near the end of this digest. An explanation of the changes proposed in each rate schedule is included in Part II of this digest.

The individual percentage increase for each rate as shown throughout this digest is based on future test year conditions and includes the effect of the forecasted energy cost rate adjustment.

All customers will be notified of the rate increase by a news release issued the day of the filing, by postings in Company offices where payments are accepted, and by a bill insert to be mailed to all customers during the month after the filing. PP&L will provide a toll-free telephone number for customers (1-800-DIAL PPL); calls about the rate increase request will be accepted at that number. Information, including a brochure, will be provided to customers on request.

II. SUPPLEMENT NO. 50 TO ELECTRIC TARIFF NO. 200

This supplement, issued December 30, 1994 and proposed to become effective February 28, 1995, will result in increases to all classes of customers. The estimated amount of the proposed increase based on future test year conditions is \$261 million per year.

A. Major Rule Changes

- Rule 2-D was changed to indicate that interest at the rate of 11% per annum on residential accounts and 6% per annum on non-residential accounts is paid annually on all deposits made to secure the payment of bills for service.
- Rule 5-E was changed to permit the Company to waive usage (KWH), as well as demand (KW). Also, the Company may waive usage and demand for other than the initial build-up of new load additions, where appropriate.
- Rule 9-F was changed to indicate that the Company will charge the customer \$7 for processing a returned check, plus any charges assessed by a bank or other financial institution to the Company.

- Rule 9-G was added for small credit balances on inactive accounts. The Company may transfer any customer credit balance less than \$1 from a customer's inactive account to the Company's Operation HELP program instead of refunding the credit amount to the customer.
- Rule 10-B was changed to permit the Company to terminate the supply of electric service for unauthorized use of the utility service delivered on or about the affected dwelling or other service location.

B. Energy Cost Rate (ECR)

The Company is proposing to increase the base energy cost from 7.454 mills per KWH to 17.813 mills per KWH to reflect a roll-in to base rates of the current level of energy costs. A new term was added to the ECR formula to include the Pennsylvania jurisdiction portion of the non-energy revenue requirements associated with bulk power capacity and energy agreements which have terminated, in whole or in part, and have not been replaced with new agreements and/or otherwise reflected in the calculation of the Company's base rate charges.

C. State Tax Adjustment Surcharge (STAS)

The Surcharge percentage is increased from -0.20% to 0.00% to reflect the net effect of decreasing the STAS percentage from -0.20% to -0.49% and the roll-in of the STAS into base rates.

D. Special Base Rate Credit Adjustment (SBRCA)

The SBRCA percentage is decreased from 2.30% to 1.66% to reflect the roll-in to base rates of the Atlantic City Electric Coal Agreement Credit component.

E. Interruptible Service by Agreement

The Company will limit the amount of interruptible power to a total of 500 MW from all customers served under Rate Schedules LP-4, LP-5, LP-6, IS-1, and Interruptible Service by Agreement. For the purpose of determining this amount, interruptible power is the twelve month average of each customer's monthly Maximum On-peak Demand less the customer's contract Firm Power level.

F. Rate Schedule Summaries

A comparison of the short expressions of the present and proposed rate schedules follows. The monthly rates labeled "Present" and "Proposed" are base rates only.

Rate Schedule RS

The proposed increases under this rate schedule, applicable to the general residential service throughout the Company's territory, will result in higher charges for all customers served hereunder. The total revenue effect of the proposed rate is an estimated increase of \$135,568,845 per year or 15.29% of the \$886,748,156 total forecasted revenue under the present rate.

The following comparison shows the short expressions of the present and proposed monthly rates.

<u>Present</u>	<u>Proposed</u>
\$4.80 per month plus	\$ 7.20 per month plus
8.30¢ per KWH first 200 KWH	10.90¢ per KWH first 200 KWH
6.36¢ per KWH for additional KWH	8.70¢ per KWH for next 600 KWH
	7.60¢ per KWH for additional KWH

Highlights of the major proposed changes are as follows:

- a. The minimum monthly charge is increased to \$7.20.
- b. For Separate Water Heating Service customers (two meter), the Company limited the Separate Water Heating provision to all locations served under the provision as of September 26, 1984 and continuously thereafter. The water heating rate is increased from \$4.50 per month plus 3.23¢ per KWH to \$7.80 per month plus 4.20¢ per KWH for all KWH use. Water heater operation remains any consecutive 12 hours as selected by the customer, starting and ending on the hour, within the 14-hour period from 7 PM to 9 AM local time and all day Saturday, Sunday, and holidays.
- c. For Off-peak Water Heating customers:
 - A 400 KWH block of load at 5.60¢ per KWH after the first 200 KWH is billed under Rate Schedule RS. If customer elects the off-peak water heating provision, the minimum monthly charge under the rate is \$15.00 per month instead of \$7.20.

Rate Schedule RS (Continued)

- For Multiple Dwelling Unit Applications, when the regular blocks of the RS rate schedule are increased by the multiple dwelling unit application, the added \$7.80 per month charge is applied only once, and the 400 KWH water heating block is applied only once after multiple application of the 200 KWH block in the RS rate.
 - Water heater operation remains any consecutive 14 hours as selected by the customer starting and ending on the hour, within the 16-hour period from 5 PM to 9 AM local time and all day Saturday, Sunday, and holidays.
- d. This rate schedule does not apply to service which includes common use in excess of 5,500 watts of connected load for halls, basement, or other portions of an apartment building.
- e. This rate schedule does not apply to residential service locations connected on or after February 28, 1995, which include more than 2,000 watts of general farm use.

Rate Schedule RTS

Rate Schedule RTS is a time-of-day residential service rate with load management capability. The rate has been designed to offer financial incentives to those customers choosing to install time-of-day metering, and install electric thermal storage space conditioning equipment.

<u>Present</u>	<u>Proposed</u>
\$10.95 per month plus	\$15.00 per month plus
\$ 5.80 per KW on-peak Billing KW in excess of 2 KW	\$ 6.50 per KW on-peak Billing KW in excess of 2 KW
2.84¢ per KWH all KWH use	4.50¢ per KWH all KWH use

The proposed new rate will result in increases to all customers supplied under this rate schedule. The total revenue effect of the proposed rate is an estimated increase of \$3,438,666 per year or 17.39% of the \$19,773,844 total forecasted revenue under the present rate schedule.

Rate Schedule RTD

This rate schedule is for single phase residential service metered and billed to recognize time-of-day use.

Present

\$10.95 per month plus
12.70¢ per KWH on-peak
4.21¢ per KWH off-peak

Proposed

\$15.00 per month plus
16.50¢ per KWH on-peak
5.56¢ per KWH off-peak

Highlight of the major proposed change is as follows:

- This rate schedule does not apply to service which includes common use in excess of 5,500 watts of connected load for halls, basement, or the portions of an apartment building.

The proposed new rate will result in increases to all customers supplied under this rate schedule. The total revenue effect of the proposed rate is an estimated increase of \$52,375 per year or 14.39% of the \$363,891 total forecasted revenue under the present rate schedule.

Small General Service

Rate Schedule GS-1

This rate schedule is for small general service at secondary voltage or at a higher voltage at the option of the customer. The billing demand is limited to 5 KW for accounts served under discontinued Rate Schedule FC as of June 28, 1980. The following comparison shows the short expression of the present and proposed rate schedules:

Present

\$6.56 per month (includes 4 KW plus
\$1.76 per KW all additional KW
9.61¢ per KWH first 150
KWH/KW
7.00¢ per KWH all additional
KWH

Proposed

\$ 8.30 per month
(includes 5 KW) plus
\$ 2.00 per KW all additional KW
10.80¢ per KWH first 150
KWH/KW
8.20¢ per KWH all additional
KWH

Highlights of major proposed changes are as follows:

- a. The Minimum Billing Demand is increased from 4 KW to 5 KW. The Net Monthly Rate Minimum is increased from \$6.56 to \$8.30.
- b. The additional charge for Time-of-Day metering and billing is increased from \$12.00 per month to \$15.00 per month.
- c. For Off-peak Space Conditioning and Water Heating customers, the rate is increased from \$12.00 per month plus 2.84¢ per KWH to \$15.00 per month plus 3.00¢ per KWH. The monthly minimum charge is increased from \$12.00 to \$15.00. For any Billing KW resulting from usage during other than the off-peak hours, the rate billed is increased from \$17.75 per KW to \$18.00 per KW.
- d. For Service to Volunteer Fire Companies and Non-Profit Senior Citizen Centers:

Present

\$4.80 per month plus
8.30¢ per KWH first 200 KWH
6.36¢ per KWH for additional KWH

Proposed

\$ 7.20 per month plus
10.90¢ per KWH first 200 KWH
8.70¢ per KWH next 600 KWH
7.60¢ per KWH for additional KWH

- e. Budget Billing is available at the option of the customer.

The proposed new GS-1 rate results in a class average increase of 3.87%. The total revenue effect of the proposed rate is an estimated increase of \$6,260,887 per year over the \$161,735,899 revenue under the present rate schedule as forecasted.

Rate Schedule TS(R)

This rate schedule is for traffic signal lighting service to cities, boroughs, and townships. Its application is limited to existing locations being continuously supplied hereunder as of August 26, 1976.

The net monthly rate for service under Rate Schedule TS(R) is proposed to be increased from 7.4272¢ to 9.23¢ per watt of connected load. The total revenue effect of this increase on all customers served under this rate is estimated at \$7,224 per year or 13.19% of the \$54,756 total forecasted revenue under the present rate.

The minimum charge is increased from \$3.71 to \$4.62.

Large General Service

Rate Schedules GS-3, LP-4, LP-5, LP-6, and LPEP

All customers supplied under these large general service rate schedules will receive increases totaling an estimated \$102,452,152 per year. The proposed percentage increases average 6.73% for GS-3 and 10.16% for LP-4. The proposed Rate Schedule LP-5 results in average increase of 15.45% and the proposed Rate Schedule LPEP results in an average increase of 5.51%.

The proposed charges under these rate schedules are increased as shown in the following comparisons of the present and proposed monthly rate schedules.

GS-3 Secondary Voltage Supply - 25 KW Minimum

<u>Present</u>	<u>Proposed</u>
\$7.00 per KW first 125 KW	\$7.00 per KW all billing KW
\$4.65 per KW all additional KW	
5.70c per KWH first 150 KWH/KW	6.70c per KWH first 200 KWH/KW
4.79c per KWH next 100 KWH/KW	6.00c per KWH next 200 KWH/KW
4.41c per KWH next 150 KWH/KWH	5.10c per KWH for all additional KWH
3.90c per KWH for all additional KWH	

Highlights of major proposed changes are as follows:

- a. The Minimum Billing Demand remains 25 KW for service from lines below 69,000 volts and 300 KW from lines of 69,000 volts or higher. The Net Monthly Rate Minimum remains \$175.00 for service from lines below 69,000 volts and is increased from \$938.75 to \$2,100.00 from lines of 69,000 volts or higher.
- b. The additional charge for Time-of-Day metering and billing is increased from \$12.00 per month to \$15.00 per month.

- c. For Off-peak Space Conditioning and Water Heating customers, the rate is increased from \$12.00 per month plus 2.84¢ per KWH to \$15.00 per month plus 3.00¢ per KWH. The monthly minimum charge is increased from \$12.00 to \$15.00. For any Billing KW resulting from usage during other than the off-peak hours, the rate billed is increased from \$17.75 per KW to \$18.00 per KW.
- d. For Service to Volunteer Fire Companies and Non-Profit Senior Citizen Centers:

Present

Proposed

\$4.80 per month plus	\$ 7.20 per month plus
8.30¢ per KWH first 200 KWH	10.90¢ per KWH first 200 KWH
6.36¢ per KWH for additional KWH	8.70¢ per KWH next 600 KWH
	7.60¢ per KWH for additional KWH

- e. Budget Billing is available at the option of the customer.

LP-4 12 KV or Higher Supply

Present

Proposed

\$6.55 per KW first 200 KW	\$6.55 per KW all billing KW
\$4.45 per KW all additional KW	
5.41¢ per KWH first 150 KWH/KW	6.30¢ per KWH first 200 KWH/KW
4.49¢ per KWH next 100 KWH/KW	5.60¢ per KWH next 200 KWH/KW
4.10¢ per KWH next 150 KWH/KW	4.70¢ per KWH all additional KWH
3.80¢ per KWH all additional KWH	

Highlights of major proposed changes are as follows:

- a. The Minimum Billing Demand remains 25 KW. The Net Monthly Rate Minimum remains \$163.75.

b. The additional charge for Time-of-Day metering and billing is increased from \$12.00 per month to \$15.00 per month.

c. For Optional Interruptible Power customers:

<u>Present</u>	<u>Proposed</u>
\$9.80 per KW for all KW of the billing KW	Billing KW Credit =
3.68¢ per KWH first 400 hours use of billing KW	[Interruptible Power x
	Average On-peak Load Factor]
2.24¢ per KWH for additional KWH	x \$6.00 per KW

Minimum Billing Demand is 25 KW.

Net Monthly Rate Minimum is \$245.00.

- The Company will limit the amount of interruptible power to a total of 500 MW from all customers served under Rate Schedules LP-4, LP-5, LP-6, IS-1, and Interruptible Service by Agreement. For the purpose of determining this amount, interruptible power is the twelve month average of each customer's monthly Maximum On-peak Demand less the customer's contract Firm Power level.
 - Reference to interruptions being no less than once per year is eliminated.
 - The additional charge for not interrupting load (KW) when called during an emergency or an emergency test interruption period is increased from \$15.30 per KW to \$25.00 per KW. Reference to including the Company's estimated PJM Interconnection billing rate is eliminated.
- d. For Off-peak Space Conditioning and Water Heating customers, the rate is increased from \$12.00 per month plus 2.80¢ per KWH to \$15.00 per month plus 2.90¢ per KWH. Any billing KW resulting from usage during other than the off-peak hours is billed at Rate Schedule charges.

LP-5 69 KV or Higher Supply

Present

\$4.39 per KW all billing KW
4.86c per KWH first 150
KWH/KW (maximum
1,200,000 KWH)

4.43c per KWH next 100
KWH/KW

3.68c per KWH next 150
KWH/KW

3.21c per KWH all additional
KWH

Proposed

\$6.00 per KW all billing KW
5.60c per KWH first 400
KWH/KW

4.10c per KWH all additional
KWH

Highlights of major proposed changes are as follows:

- a. The Minimum Billing Demand remains 300 KW. The Net Monthly Rate Minimum is increased from \$1,317.00 to \$1,800.00.
- b. The \$0.85 per KW credit for service at 230,000 volts remains unchanged.
- c. Reference to 1 phase, 25 Hertz service is eliminated. Facility charge for 25 Hertz service also is eliminated.
- d. The additional charge for Time-of-Day metering and billing is increased from \$12.00 per month to \$15.00 per month.
- e. For Optional Interruptible Power customers:

Present

\$9.60 per KW for all KW of
the billing KW
3.21c per KWH first 400 hours
use of billing KW
2.14c per KWH for additional
KWH

Minimum Billing Demand is 300
KW.

Net Monthly Rate Minimum is
\$2,880.00.

Proposed

Billing KW Credit =
[Interruptible Power x
Average On-Peak Load Factor]
x \$6.00 per KW

- The Company will limit the amount of interruptible power to a total of 500 MW from all customers served under Rate Schedules LP-4, LP-5, LP-6, IS-1, and Interruptible Service by Agreement. For the purpose of determining this amount, interruptible power is the twelve month average of each customer's monthly Maximum On-peak Demand less the customer's contract Firm Power level.
 - Reference to interruptions being no less than once per year is eliminated.
 - The additional charge for not interrupting load (KW) when called during an emergency or an emergency test interruption period is increased from \$15.30 per KW to \$25.00 per KW. Reference to including the Company's estimated PJM Interconnection billing rate is eliminated.
- f. The Demand Free Day provision will terminate on January 1, 1998.

LP-6 69 KV or Higher Supply

This new rate schedule is proposed for large general service at 69,000 volts or higher with a Minimum Billing Demand of 10,000 KW.

<u>Present</u>	<u>Proposed</u>
None.	\$6.00 per KW for all KW 5.50c per KWH first 400 KWH/KW 3.20c per KWH next 200 KWH/KW 2.60c per KWH all additional KWH

Highlights of the new LP-6 rate:

- a. The Minimum Billing Demand is 10,000 KW. The Minimum Billing Usage is 400 KWH per kilowatt of the Billing KW. The Net Monthly Rate Minimum is \$280,000.00.

- b. An Optional Interruptible Power provision is available to customers served under this rate schedule with at least 1,000 KW of year-round Interruptible Power who can accept interruptible service for at least one year.
- c. The Company will limit the amount of interruptible power to a total of 500 MW from all customers served under Rate Schedules LP-4, LP-5, LP-6, IS-1, and Interruptible Service by Agreement. For the purpose of determining this amount, interruptible power is the twelve month average of each customer's monthly Maximum On-peak Demand less contract Firm Power.
- d. Billing KW Credit = [Interruptible Power x Average On-peak Load Factor] x \$6.00 per KW.
- e. In addition to the above credit, a Billing KW Credit of \$2.00 per KW is applicable to customers with 10,000 KW of Interruptible Power who reduce their load to the Firm Power level within 30 minutes from the time the Company initially calls the customer for an interruption.
- f. The Demand Free Day provision will be available. However, this provision will terminate January 1, 1998.

Rate Schedule LPEP

This rate schedule is available for electric propulsion service from the Company's high voltage line of 69,000 volts or higher, when the customer furnishes and maintains all equipment necessary to transform the energy from line voltage.

<u>Present</u>	<u>Proposed</u>
\$4.39 per KW all billing KW	\$6.00 per KW for all billing KW
4.86c per KWH for 150 KWH/KW first 150 KWH	5.60c per KWH first 1,200,000 KWH
4.43c per KWH next 100 KWH/KW	5.30c per KWH next 250 KWH/KW
3.68c per KWH next 150 KWH/KW	3.60c per KWH all additional KWH
3.21c per KWH all additional KWH	

Highlights of major proposed changes are as follows:

- a. The Minimum Billing Demand remains 20,000 KW. The Net Monthly Rate Minimum is increased from \$87,800.00 to \$120,000.00.
- b. The Facility Charge is decreased from \$3,457.00 to \$3,418.00.
- c. The additional charge for Time-of-Day metering and billing is increased from \$12.00 per month to \$15.00 per month.
- d. The Demand Free Day provision will terminate on January 1, 1998.
- e. The \$0.85 per KW credit for not using the 69,000 volt or 138,000 volt system remains unchanged.

Rate Schedule IS-1

This rate schedule is for general service at secondary voltage to greenhouses or other environmentally-controlled growing facilities which use a minimum of 300 KW of interruptible lighting load as a daylight supplement.

<u>Present</u>	<u>Proposed</u>
\$293.00 per month plus \$8.90 per billing KW	\$360.00 per month plus \$10.90 per billing KW
3.91c per KWH first 730 KWH/KW	5.50c per KWH first 730 KWH/KW
2.91c per KWH all additional KWH	3.60c per KWH all additional KWH/KW

The Net Monthly Rate Minimum is increased from \$293.00 to \$360.00.

The proposed IS-1 rate results in an increase to all customers supplied under this rate schedule. The total revenue effect of this proposed rate is an estimated increase of \$3,437 per year or 1.85% of the \$186,035 total forecasted revenue under the present rate schedule.

Rate Schedule BL

This rate schedule is for borderline service to public utility companies for resale in adjacent territory. The charges under the rate schedule are increased as shown on the following comparison of present and proposed rates:

<u>Present</u>	<u>Proposed</u>
7.81¢ per KWH plus 1% of facility investment	9.60¢ per KWH plus 1% of facility investment

Rate Schedule GH-1(R)

This rate schedule is in the process of elimination and is available only to service locations supplied hereunder continuously on or after August 21, 1972.

This rate schedule is for all-electric commercial service supplied through one meter when electricity is the sole source of all energy requirements including space heating. It is limited in its application to service locations currently served under the rate schedule. The proposed charges under the rate schedule are increased as shown in the following comparison of present and proposed rate schedules:

<u>Present</u>	<u>Proposed</u>
\$15.00 per month plus \$1.10 per KW all KW	\$17.50 per month plus \$1.30 per KW all KW
8.02¢ per KWH first 150 KWH/KW (Max 2,500 KWH)	9.80¢ per KWH first 150 KWH/KW (Max 4,500 KWH)
6.43¢ per KWH next 250 KWH/KW	8.60¢ per KWH all additional KWH/KW
6.33¢ per KWH all additional KWH	

Highlights of major proposed changes are as follows:

- a. The Net Monthly Rate Minimum is increased from \$15.00 to \$17.50.

- b. The additional charge for Time-of-Day metering and billing is increased from \$12.00 per month to \$15.00 per month.
- c. Budget Billing is available at the option of the customer.

The proposed rate will result in increases to all customers supplied under this rate schedule. The total revenue effect of this proposed rate is an estimated increase of \$5,823,541 per year or 16.13% of the \$36,095,375 total forecasted revenue under the present rate schedule.

Rate Schedule GH-2(R)

This rate schedule is in the process of elimination and is available only to service locations supplied continuously on or after August 21, 1972 and to locations served under discontinued rate GH-4 as of September 26, 1984.

<u>Present</u>	<u>Proposed</u>
\$15.17 including 200 KWH 6.84¢ per KWH all additional KWH	\$17.50 including 200 KWH 9.20¢ per KWH all additional KWH

Highlights of major proposed changes are as follows:

- a. The Net Monthly Rate Minimum is increased from \$15.17 to \$17.50.
- b. Budget Billing is available at the option of the customer.

The proposed rate will result in increases to all customers supplied under this rate schedule. The total revenue effect of this proposed rate is an estimated increase of \$1,218,083 per year or 16.17% of the \$7,533,184 total forecasted revenue under the present rate schedule.

Street and Area Lighting

The average increase to all street lighting rates is approximately 14.53% under this proposed rate increase. The proposed increase for area lighting is approximately 13.39%.

This percentage increase for the street and area lighting rate class is higher than the overall percentage increase. The proposed increase recognizes the relationship of the class rate of return for street and area lighting to the Company's overall jurisdictional rate of return. The street and area lighting rate class produces a rate of return substantially below this overall rate of return. Although a larger percentage increase could have been proposed for the street and area lighting rate class, the above proposed increase represents a reasonable move toward rate of return parity.

Because incandescent street lighting is more labor intensive and a less efficient light source than either mercury vapor or high pressure sodium street lighting, the proposed percentage increase for the incandescent street lighting Rate Schedule SI-1(R) is larger than proposed percentage increases for the mercury vapor Rate Schedule SM or the high pressure sodium Rate Schedule SHS.

The proposed percentage increase to Rate Schedule SI-1(R) provides a clear price signal to the five customers served under Rate Schedule SI-1(R) that they should consider a change from incandescent service to high pressure sodium service.

Rate Schedule SM

This rate schedule is for mercury vapor street lighting service from overhead or underground facilities. The Net Monthly Rates for all types of service are proposed to be increased as shown in the following comparison of the present and proposed rates.

Present Net Monthly Rates

<u>LAMP DESCRIPTION</u>			<u>OVERHEAD SUPPLY</u>		<u>UNDERGROUND SUPPLY</u>			<u>MULTIPLE UNITS</u>
<u>Type</u>	<u>Nominal Lumens</u>	<u>Wattage</u>	<u>Wood Pole</u>	<u>Metal Pole</u>	<u>Wood Pole</u>	<u>Low Mounting</u>	<u>High Mounting</u>	<u>Additional Luminaire/Pole</u>
Mercury Vapor	3,350	100	\$ 9.02	----	\$14.90	\$16.34	----	----
Mercury Vapor	6,650	175	11.02	\$17.50	17.24	18.65	\$20.90	\$ 9.07
Mercury Vapor	10,500	250	14.10	20.50	----	----	23.66	11.83
Mercury Vapor	20,000	400	17.70	24.30	----	----	27.68	15.59
Mercury Vapor	34,000	700	29.02	35.70	----	----	40.11	27.08
Mercury Vapor	51,000	1,000	36.60	43.63	----	----	48.02	34.61
Fluorescent	21,800	----	17.84	24.46	----	----	27.76	----

Proposed Net Monthly Rates

<u>LAMP DESCRIPTION</u>			<u>OVERHEAD SUPPLY</u>		<u>UNDERGROUND SUPPLY</u>			<u>MULTIPLE UNITS</u>
<u>Type</u>	<u>Nominal Lumens</u>	<u>Wattage</u>	<u>Wood Pole</u>	<u>Metal Pole</u>	<u>Wood Pole</u>	<u>Low Mounting</u>	<u>High Mounting</u>	<u>Additional Luminaire/Pole</u>
Mercury Vapor	3,350	100	\$10.73	----	\$17.32	\$18.94	----	----
Mercury Vapor	6,650	175	13.31	\$20.58	20.29	21.87	\$24.40	\$11.12
Mercury Vapor	10,500	250	17.14	24.32	----	----	27.87	14.59
Mercury Vapor	20,000	400	21.95	29.36	----	----	33.15	19.58
Mercury Vapor	34,000	700	36.13	43.62	----	----	48.57	33.95
Mercury Vapor	51,000	1,000	45.99	53.88	----	----	58.81	43.76

Present Customer-Owned Equipment Rates

<u>Lamp Size</u>		<u>Customer Owns and Company Operates & Maintains</u>
<u>Wattage</u>	<u>Minimum Initial Lumens</u>	
100	3,350	\$ 4.92
175	6,650	6.98
250	10,500	9.33
400	20,000	13.23

Proposed Customer-Owned Equipment Rates

<u>Lamp Size</u>		<u>Customer Owns and Company Operates & Maintains</u>
<u>Wattage</u>	<u>Minimum Initial Lumens</u>	
100	3,350	\$ 6.37
175	6,650	9.12
250	10,500	12.26
400	20,000	17.61

The total revenue effect of this proposed rate increase on all customers served hereunder is an estimated increase of \$221,375 per year or approximately 13.68% of the \$1,618,482 total forecasted revenue under the present rate.

In addition to the rate changes, reference to fluorescent lamps is eliminated. Also, "steel" pole overhead service is changed to "metal" pole overhead service. Under Wood Pole Underground Service, "or fiberglass" is added. Under Wood Pole Underground Service, Low Mounting Underground Service, and High Mounting Underground Service, "horizontal" feet is changed to "circuit" feet. Reference to relocation of fluorescent lamps is eliminated.

Rate Schedule SA

This rate schedule is for the lighting of yards, private roadways, alleys, and other areas supplied from existing overhead secondary distribution.

The net monthly rate for service is proposed to be increased as shown in the following comparison of present and proposed rates:

<u>Present</u>	<u>Proposed</u>
\$10.89 per lamp	\$13.15 per lamp

The total revenue effect of this proposed rate increase for lamps billed hereunder is estimated to be \$574,728 or 13.39% of the \$4,292,175 total forecasted revenue under the present rate schedule.

Rate Schedule SHS

This rate schedule is for high pressure sodium street lighting service to municipalities or other governmental agencies.

The Net Monthly Rates for all types of service are proposed to be changed as shown in the following comparison of present and proposed rates.

Present Net Monthly Rates

<u>LAMP DESCRIPTION</u>			<u>OVERHEAD SUPPLY</u>		<u>UNDERGROUND SUPPLY</u>			<u>MULTIPLE UNITS</u>
<u>Type</u>	<u>Nominal Lumens</u>	<u>Wattage</u>	<u>Wood Pole</u>	<u>Metal Pole</u>	<u>Wood Pole</u>	<u>Low Mounting</u>	<u>High Mounting</u>	<u>Additional Luminaire/Pole</u>
Sodium	5,800	70	\$ 9.02	\$12.82	\$14.86	\$14.85	----	\$ 8.02
Sodium	9,500	100	10.01	13.57	16.00	16.00	\$19.40	8.97
Sodium	16,000	150	11.15	14.52	----	----	20.41	9.25
Sodium	25,500	250	15.41	18.35	----	----	28.06	12.48
Sodium	50,000	400	20.00	22.55	----	----	32.32	15.00

Proposed Net Monthly Rates

<u>LAMP DESCRIPTION</u>			<u>OVERHEAD SUPPLY</u>		<u>UNDERGROUND SUPPLY</u>			<u>MULTIPLE UNITS</u>
<u>Type</u>	<u>Nominal Lumens</u>	<u>Wattage</u>	<u>Wood Pole</u>	<u>Metal Pole</u>	<u>Wood Pole</u>	<u>Low Mounting</u>	<u>High Mounting</u>	<u>Additional Luminaire/Pole</u>
H.P. Sodium	5,800	70	\$10.49	\$14.75	\$17.32	\$17.71	----	\$ 9.37
H.P. Sodium	9,500	100	11.76	15.75	18.89	19.21	\$23.18	10.59
H.P. Sodium	16,000	150	13.28	17.07	----	----	24.61	11.15
H.P. Sodium	25,500	250	18.69	21.98	----	----	34.18	15.40
H.P. Sodium	50,000	400	24.63	27.49	----	----	39.98	19.02

The total revenue effect of the proposed increase to all customers served under this rate schedule, is estimated to be \$2,136,723 per year or 14.46% of the \$14,778,848 total forecasted revenue under the present rates.

In addition to the rate changes, under Net Monthly Rate, "H.P." is added in the first column to modify the word "Sodium" to indicate the type of sodium lighting offered under the rate. Under Standard Installation and Service, Wood Pole Underground Service, "or fiberglass" is added.

Rate Schedule SE

This rate schedule is available only to municipalities or governmental agencies for the operation of mercury vapor, high pressure sodium or metal halide street lighting systems on public areas with the Company only providing energy.

The Net Monthly Rates for all types of service are proposed to be changed as shown in the following comparison of present and proposed rates:

<u>Street Lighting Equipment On</u>	<u>Present Rate</u>	<u>Proposed Rate</u>
1. Company pole	6.9361¢/KWH	9.50¢/KWH
2. Customer pole or support	2.5258¢/KWH	4.30¢/KWH

The total revenue effect of the proposed increase to all customers served under this rate schedule, is estimated to be \$71,054, per year or 20.49% of the \$346,823 total forecasted revenue under the present rates.

Rate Schedule SI-1(R)

These rate schedules are for incandescent street lighting service to municipalities. The Net Monthly Rates for all types of service are increased as shown in the following comparison of present and proposed rates:

Present Net Monthly Rate

<u>LAMP DESCRIPTION</u>		<u>OVERHEAD SUPPLY</u>		<u>UNDERGROUND SUPPLY-METAL POLE</u>	
<u>Type</u>	<u>Lumens</u>	<u>Wood Pole</u>	<u>Metal Pole</u>	<u>Low Mounting</u>	<u>High Mounting</u>
Incandescent	600	\$5.02	-----	-----	-----
Incandescent	1,000	6.12	-----	-----	-----
Incandescent	2,500	10.21	\$15.74	\$15.57	\$19.05
Incandescent	4,000	13.79	17.74	18.19	21.30
Incandescent	6,000	16.99	19.65	20.05	23.40

Proposed Net Monthly Rate

<u>LAMP DESCRIPTION</u>		<u>OVERHEAD SUPPLY</u>	<u>UNDERGROUND SUPPLY</u>
<u>Type</u>	<u>Lumens</u>	<u>Wood Pole</u>	<u>Low Mounting</u>
Incandescent	600	\$6.23	-----
Incandescent	1,000	7.74	-----
Incandescent	2,500	-----	\$19.41
Incandescent	4,000	-----	23.10
Incandescent	6,000	-----	25.88

The total revenue effect of the proposed increase to all customers served under this rate schedule, is estimated to be \$69,788 per year or 19.84% of the \$13,849 total forecasted revenue under the present rates.

In addition to rate changes, reference to lamps previously served under Rate Schedules SI-2(R), SI-4(R), SI-5(R), and SI-6(R) is eliminated. No new incandescent street lighting will be installed by the Company.

Under Net Monthly Rate, Overhead Supply Wood Pole, rates for 2,500, 4,000, and 6,000 lumen lamps are eliminated. Rates for Metal Pole are eliminated. Also, heading "Underground Supply Metal Pole" is changed to "Underground Supply." Rates for High Mounting are eliminated.

Under Standard Installation and Service, Wood Pole Overhead Service, reference to bridge facilities, customer's existing underground cable, mounting for lamps, and spacing between lamps is eliminated. Also, paragraphs on Metal Pole Overhead Service and High Mounting Underground Service are eliminated. Under Low Mounting Underground Service, "metal" is removed from "metal street lighting poles."

PENNSYLVANIA POWER & LIGHT COMPANY
12 MONTH PERIOD ENDED SEPTEMBER 30, 1995 PRO-FORMA

LINE NO.	(1) RATE SCHEDULE	(2) NUMBER OF CUSTOMERS	(3) SALES (KWH)	(4) PRESENT RATE REVENUE	(5) ECONOMIC DEVELOPMENT INITIATIVE CREDIT	(6) INDUSTRIAL DEVELOPMENT INITIATIVE CREDIT	(7) SPECIAL BASE RATE CREDIT ADJ. -2.30%	(8) STATE TAX ADJUSTMENT SURCHARGE -0.49%	(9) ENERGY COST RATE	(10) TOTAL REVENUE	
1	RS	1,066,365	10,894,124,000	\$ 799,738,000	\$ 0	\$ 0	\$ (18,393,974)	\$ (3,828,586)	\$ 111,032,912	\$ 888,548,352	
2	RTS	14,544	385,160,000	\$ 16,369,000	\$ 0	\$ 0	\$ (376,487)	\$ (78,363)	\$ 3,925,551	\$ 19,839,700	
3	RTD	323	4,877,000	\$ 324,000	\$ 0	\$ 0	\$ (7,452)	\$ (1,551)	\$ 49,706	\$ 364,703	
4	GS-1	121,387	1,498,385,000	\$ 150,958,000	\$ 0	\$ 0	\$ (3,472,034)	\$ (722,681)	\$ 15,212,250	\$ 161,975,535	
5	GS-3	18,944	6,709,042,000	\$ 455,826,000	\$ (1,964,000)	\$ (1,315,000)	\$ (10,483,998)	\$ (2,166,109)	\$ 68,204,121	\$ 508,101,014	
6	LP-4	843	4,521,059,000	\$ 248,672,000	\$ (12,081,000)	\$ (1,258,000)	\$ (5,719,456)	\$ (1,125,204)	\$ 45,612,964	\$ 274,121,304	
7	LP-5	119	5,587,275,000	\$ 223,703,000	\$ (12,333,000)	\$ (821,000)	\$ (5,145,169)	\$ (1,006,479)	\$ 56,129,765	\$ 260,527,117	
8	LPEP	1	148,928,000	\$ 7,131,000	\$ 0	\$ 0	\$ (184,013)	\$ (34,138)	\$ 1,496,131	\$ 8,428,879	
9	ISA	1	540,441,000	\$ 16,433,000	\$ (872,000)	\$ 0	\$ (377,958)	\$ (74,397)	\$ 5,429,270	\$ 20,537,914	
10	IS-1	4	3,828,000	\$ 152,000	\$ 0	\$ 0	\$ (3,496)	\$ (728)	\$ 38,915	\$ 186,692	
11	BL	24	5,508,000	\$ 438,000	\$ 0	\$ 0	\$ (10,074)	\$ (2,097)	\$ 55,994	\$ 481,823	
12	SA	0	29,113,000	\$ 4,115,000	\$ 0	\$ 0	\$ (94,645)	\$ (19,700)	\$ 295,963	\$ 4,298,618	
13	SM	121	9,875,000	\$ 1,563,000	\$ 0	\$ 0	\$ (35,949)	\$ (7,483)	\$ 100,389	\$ 1,619,958	
14	SHS	809	58,745,000	\$ 14,895,000	\$ 0	\$ 0	\$ (335,685)	\$ (69,871)	\$ 597,202	\$ 14,786,646	
15	SE	58	9,120,000	\$ 283,000	\$ 0	\$ 0	\$ (6,049)	\$ (1,259)	\$ 92,714	\$ 348,406	
16	TS(R)	17	517,000	\$ 51,000	\$ 0	\$ 0	\$ (1,173)	\$ (244)	\$ 5,256	\$ 54,839	
17	SI-1(R)	5	367,000	\$ 68,000	\$ 0	\$ 0	\$ (1,564)	\$ (326)	\$ 3,731	\$ 69,841	
18	GH-1(R)	1,570	462,090,000	\$ 32,374,000	\$ 0	\$ 0	\$ (744,602)	\$ (154,984)	\$ 4,697,607	\$ 36,172,021	
19	GH-2(R)	2,903	97,756,000	\$ 8,743,000	\$ 0	\$ 0	\$ (155,089)	\$ (32,281)	\$ 993,787	\$ 7,549,418	
20	STANDBY	9	11,600,000	\$ 1,063,000	\$ 0	\$ 0	\$ (24,449)	\$ (5,089)	\$ 116,534	\$ 1,149,996	
21											
22	TOTAL PUC	1,228,047	30,975,810,000	\$1,980,579,000	\$ (27,230,000)	\$ (3,394,000)	\$ (45,553,317)	\$ (9,331,568)	\$ 314,090,762	\$2,209,160,877	
23											
24	OTHER ELECTRIC REVENUES										
25	Late Payment			\$ 7,074,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,074,000	
26	Misc. Revenue			\$ 203,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 203,000	
27	Rent			\$ 12,692,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,692,000	
28	Other			\$ 33,510,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 33,510,000	
29											
30	TOTAL OTHER			\$ 53,479,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 53,479,000	
31											
32	Ann. Adj.		430,277,067	\$ 21,943,744	\$ 0	\$ 0	\$ (504,706)	\$ (105,051)	\$ 4,353,270	\$ 25,687,257	
33											
34	FERC SALES FOR RESALE										
35	Muni.	19	1,392,478,000	\$ 66,753,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ (434,000)	\$ 66,319,000	
36	Pwr Contr	9	7,211,800,000	\$ 309,955,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 309,955,000	
37	PJM Intch	1	4,601,300,000	\$ 107,642,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 107,642,000	
38											
39	TOTAL	29	13,205,578,000	\$ 484,350,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ (434,000)	\$ 483,916,000	
40											
41	TOTAL OPERATING REVENUE										
42		1,228,076	44,611,665,067	\$2,540,351,744	\$ (27,230,000)	\$ (3,394,000)	\$ (46,058,023)	\$ (9,436,620)	\$ 318,010,032	\$2,772,243,133	
43											

* ECR: RS,RTD,RTS = 1.0192c/kwh
Gen Svc = 1.0166c/kwh
LP-4 = 1.0089c/kwh
LP-5,LPEP,ISA,Standby = 1.0046c/kwh

III. TABULATION OF REVENUE EFFECTS, Page 1 of 4

PENNSYLVANIA POWER & LIGHT COMPANY
12 MONTH PERIOD ENDED SEPTEMBER 30, 1995 SBRCA-ACE, STAS, ECR ROLL-IN

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
LINE NO.	RATE SCHEDULE	NUMBER OF CUSTOMERS	SALES (KWH)	PRESENT RATE REVENUE	ECONOMIC DEVELOPMENT INITIATIVE CREDIT	INDUSTRIAL DEVELOPMENT INITIATIVE CREDIT	SBRCA ACE CREDIT col 4 x -0.64%	STAS ROLL-IN col 8 pgs 1 -0.49%	ECR ROLL-IN col 3 x 1.0836c/kwh	TOTAL REVENUE
1	RS	1,066,365	10,894,124,000	\$ 799,738,000	\$ 0	\$ 0	\$ (5,118,323)	\$ (3,828,586)	\$ 118,048,728	\$ 908,839,819
2	RTS	14,544	385,160,000	\$ 16,389,000	\$ 0	\$ 0	\$ (104,762)	\$ (78,363)	\$ 4,173,594	\$ 20,359,469
3	RTD	323	4,877,000	\$ 324,000	\$ 0	\$ 0	\$ (2,074)	\$ (1,551)	\$ 52,847	\$ 373,222
4	GS-1	121,387	1,496,385,000	\$ 150,958,000	\$ 0	\$ 0	\$ (966,131)	\$ (722,681)	\$ 16,214,828	\$ 165,484,015
5	GS-3	18,944	6,709,042,000	\$ 455,826,000	\$ 0	\$ 0	\$ (2,917,286)	\$ (2,166,109)	\$ 72,699,179	\$ 523,441,784
6	LP-4	843	4,521,059,000	\$ 248,872,000	\$ 0	\$ 0	\$ (1,691,501)	\$ (1,125,204)	\$ 48,990,195	\$ 294,945,490
7	LP-5	119	5,587,275,000	\$ 223,703,000	\$ 0	\$ 0	\$ (1,431,699)	\$ (1,006,479)	\$ 60,543,712	\$ 281,808,534
8	LPEP	1	148,928,000	\$ 7,131,000	\$ 0	\$ 0	\$ (45,638)	\$ (34,138)	\$ 1,613,784	\$ 8,665,007
9	ISA	1	540,441,000	\$ 16,433,000	\$ 0	\$ 0	\$ (105,171)	\$ (74,397)	\$ 5,856,219	\$ 22,109,651
10	IS-1	4	3,828,000	\$ 152,000	\$ 0	\$ 0	\$ (973)	\$ (728)	\$ 41,480	\$ 191,780
11	BL	24	5,808,000	\$ 438,000	\$ 0	\$ 0	\$ (2,803)	\$ (2,097)	\$ 59,685	\$ 492,785
12	SA	0	29,113,000	\$ 4,115,000	\$ 0	\$ 0	\$ (26,336)	\$ (19,700)	\$ 315,468	\$ 4,384,433
13	SN	121	9,875,000	\$ 1,963,000	\$ 0	\$ 0	\$ (10,003)	\$ (7,483)	\$ 107,006	\$ 1,852,520
14	SNS	809	58,745,000	\$ 14,595,000	\$ 0	\$ 0	\$ (93,408)	\$ (69,871)	\$ 636,561	\$ 15,068,282
15	SE	58	9,120,000	\$ 263,000	\$ 0	\$ 0	\$ (1,683)	\$ (1,259)	\$ 98,824	\$ 358,882
16	TS(R)	17	517,000	\$ 51,000	\$ 0	\$ 0	\$ (328)	\$ (244)	\$ 5,602	\$ 56,032
17	SI-1(R)	5	367,000	\$ 68,000	\$ 0	\$ 0	\$ (435)	\$ (326)	\$ 3,977	\$ 71,216
18	GH-1(R)	1,570	462,090,000	\$ 32,374,000	\$ 0	\$ 0	\$ (207,194)	\$ (154,984)	\$ 5,007,207	\$ 37,019,030
19	GH-2(R)	2,903	97,756,000	\$ 6,743,000	\$ 0	\$ 0	\$ (43,155)	\$ (32,281)	\$ 1,059,284	\$ 7,726,848
20	STANDBY	9	11,600,000	\$ 1,063,000	\$ 0	\$ 0	\$ (6,803)	\$ (5,089)	\$ 125,698	\$ 1,176,806
21										
22	TOTAL PU	1,228,047	30,975,810,000	\$ 1,980,579,000	\$ 0	\$ 0	\$ (12,675,706)	\$ (9,331,568)	\$ 335,653,877	\$ 2,294,225,603
23										
24	OTHER ELECTRIC REVENUES									
25	Late Payment			\$ 7,074,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,074,000
26	Misc. Revenue			\$ 203,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 203,000
27	Rent			\$ 12,692,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,692,000
28	Other			\$ 33,510,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 33,510,000
29										
30	TOTAL OTHER			\$ 53,479,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 53,479,000
31										
32	Ann. Adj.		430,277,067	\$ 21,943,744	\$ 0	\$ 0	\$ (140,440)	\$ (105,051)	\$ 4,662,482	\$ 26,360,735
33										
34	FERC SALES FOR RESALE									
35	Munl.	19	1,392,478,000	\$ 66,753,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 66,753,000
36	Pwr Cont	9	7,211,800,000	\$ 309,955,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 309,955,000
37	PJM Intc	1	4,801,300,000	\$ 107,642,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 107,642,000
38										
39	TOTAL	29	13,205,578,000	\$ 484,350,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 484,350,000
40										
41	TOTAL OPERATING REVENUE									
42		1,228,076	44,611,665,067	\$ 2,540,351,744	\$ 0	\$ 0	\$ (12,816,146)	\$ (9,436,620)	\$ 340,316,359	\$ 2,858,415,338
43										

Note: ECR Roll-in = 1.0359c/kwh x 1.046025(GRT) = 1.0836c/kwh

PENNSYLVANIA POWER & LIGHT COMPANY
12 MONTH PERIOD ENDED SEPTEMBER 30, 1995 PROFORMA WITH ROLL-IN

LINE NO.	(1) RATE SCHEDULE	(2) PRESENT RATE REVENUE ROLLED-IN	(3) ECONOMIC DEVELOPMENT INITIATIVE CREDIT	(4) INDUSTRIAL DEVELOPMENT INITIATIVE CREDIT	(5) SPECIAL BASE RATE CREDIT ADJ. -1.66%	(6) STAS 0.0%	(7) ENERGY COST RATE *	(8) TOTAL REVENUE
1	RS	\$ 908,839,819	\$ 0	\$ 0	\$ (15,086,741)	\$ 0	\$ (7,004,922)	\$ 886,748,156
2	RTS	\$ 20,359,469	\$ 0	\$ 0	\$ (337,967)	\$ 0	\$ (247,658)	\$ 19,773,844
3	RTD	\$ 373,222	\$ 0	\$ 0	\$ (8,195)	\$ 0	\$ (3,136)	\$ 363,891
4	GS-1	\$ 165,484,015	\$ 0	\$ 0	\$ (2,747,035)	\$ 0	\$ (1,001,082)	\$ 161,735,899
5	GS-3	\$ 523,441,784	\$ (1,984,000)	\$ (1,315,000)	\$ (8,689,134)	\$ 0	\$ (4,488,349)	\$ 506,985,301
6	LP-4	\$ 294,945,490	\$ (12,061,000)	\$ (1,258,000)	\$ (4,898,095)	\$ 0	\$ (3,377,231)	\$ 273,353,164
7	LP-5	\$ 281,808,534	\$ (12,333,000)	\$ (821,000)	\$ (4,678,022)	\$ 0	\$ (4,363,862)	\$ 259,812,850
8	LPEP	\$ 8,665,007	\$ 0	\$ 0	\$ (143,839)	\$ 0	\$ (116,313)	\$ 8,404,855
9	ISA	\$ 22,109,851	\$ (872,000)	\$ 0	\$ (367,020)	\$ 0	\$ (422,084)	\$ 20,448,546
10	IS-1	\$ 191,780	\$ 0	\$ 0	\$ (3,184)	\$ 0	\$ (2,561)	\$ 186,035
11	BL	\$ 492,785	\$ 0	\$ 0	\$ (8,180)	\$ 0	\$ (3,685)	\$ 480,920
12	SA	\$ 4,384,433	\$ 0	\$ 0	\$ (72,782)	\$ 0	\$ (19,477)	\$ 4,292,175
13	SW	\$ 1,652,520	\$ 0	\$ 0	\$ (27,432)	\$ 0	\$ (8,606)	\$ 1,618,482
14	SHS	\$ 15,068,282	\$ 0	\$ 0	\$ (250,133)	\$ 0	\$ (39,300)	\$ 14,778,848
15	SE	\$ 358,882	\$ 0	\$ 0	\$ (5,957)	\$ 0	\$ (8,101)	\$ 346,823
16	TS(R)	\$ 56,032	\$ 0	\$ 0	\$ (930)	\$ 0	\$ (346)	\$ 54,756
17	SI-1(R)	\$ 71,216	\$ 0	\$ 0	\$ (1,182)	\$ 0	\$ (246)	\$ 69,788
18	GH-1(R)	\$ 37,019,030	\$ 0	\$ 0	\$ (614,516)	\$ 0	\$ (309,138)	\$ 36,095,375
19	GH-2(R)	\$ 7,726,848	\$ 0	\$ 0	\$ (128,266)	\$ 0	\$ (65,399)	\$ 7,533,184
20	STANDBY	\$ 1,176,806	\$ 0	\$ 0	\$ (19,535)	\$ 0	\$ (9,060)	\$ 1,148,211
21								
22	TOTAL PUC	\$2,294,225,603	\$ (27,230,000)	\$ (3,394,000)	\$ (38,084,145)	\$ 0	\$ (21,486,355)	\$2,204,031,104
23								
24	OTHER ELECTRIC REVENUES							
25	Late Paymt	\$ 7,074,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,074,000
26	Misc. Rev.	\$ 203,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 203,000
27	Rent	\$ 12,692,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,692,000
28	Other	\$ 33,510,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 33,510,000
29								
30	TOTAL OTHER	\$ 53,479,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 53,479,000
31								
32	Ann. Adj.	\$ 26,360,735	\$ 0	\$ 0	\$ (437,588)	\$ 0	\$ (307,648)	\$ 25,615,499
33								
34	FERC SALES FOR RESALE							
35	Munl.	\$ 66,753,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ (434,000)	\$ 66,319,000
36	Pwr Contr	\$ 309,955,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 309,955,000
37	PJM Intchg	\$ 107,642,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 107,642,000
38								
39	TOTAL	\$ 484,350,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ (434,000)	\$ 483,916,000
40								
41	TOTAL OPERATING REVENUE							
42		\$2,858,415,338	\$ (27,230,000)	\$ (3,394,000)	\$ (38,521,733)	\$ 0	\$ (22,228,003)	\$2,787,041,602
43								

* ECR: RS,RTD,RTS =-0.0643c/kwh
Gen Svc =-0.0669c/kwh
LP-4 =-0.0747/kwh
LP-5,LPEP,ISA,Standby =-0.0781c/kwh

PENNSYLVANIA POWER & LIGHT COMPANY
12 MONTH PERIOD ENDED SEPTEMBER 30, 1995

LINE NO.	(1) RATE SCHEDULE	(2) PROPOSED RATE REVENUE Incl ROLL-IN	(3) ECONOMIC DEVELOPMENT INITIATIVE CREDIT	(4) INDUSTRIAL DEVELOPMENT INITIATIVE CREDIT	(5) SPECIAL BASE RATE CREDIT ADJ. -1.86%	(6) STAS 0.0%	(7) ENERGY COST RATE *	(8) TOTAL REVENUE	(9) TOTAL REVENUE CHANGE		(10) BASE REVENUE CHANGE	
									(9) (\$) cols(8)-(8)p.4	(10) (%) %	(11) (\$) cols(2)-(4)p.2	(12) (%) %
1	RS	\$1,046,697,094	\$ 0	\$ 0	\$ (17,375,172)	\$ 0	\$ (7,004,927)	\$1,022,317,001	\$135,568,845	15.29	\$246,959,094	30.88
2	RTS	\$ 23,856,181	\$ 0	\$ 0	\$ (396,013)	\$ 0	\$ (247,658)	\$ 23,212,510	\$ 3,438,666	17.39	\$ 7,487,181	45.74
3	RTD	\$ 426,481	\$ 0	\$ 0	\$ (7,080)	\$ 0	\$ (3,136)	\$ 416,266	\$ 52,375	14.39	\$ 102,481	31.63
4	GS-1	\$ 171,850,587	\$ 0	\$ 0	\$ (2,852,720)	\$ 0	\$ (1,001,082)	\$ 167,996,786	\$ 6,260,887	3.87	\$ 20,892,587	13.84
5	GS-3	\$ 558,113,354	\$ (1,964,000)	\$ (1,315,000)	\$ (9,264,682)	\$ 0	\$ (4,488,349)	\$ 541,081,324	\$ 34,096,022	6.73	\$102,287,354	22.44
6	LP-4	\$ 324,168,819	\$ (13,015,227)	\$ (1,258,000)	\$ (5,381,202)	\$ 0	\$ (3,377,231)	\$ 301,137,159	\$ 27,783,995	10.18	\$ 75,496,819	30.36
7	LP-5	\$ 322,736,318	\$ (12,471,954)	\$ (821,000)	\$ (5,357,423)	\$ 0	\$ (4,363,662)	\$ 299,722,279	\$ 40,109,429	15.45	\$ 99,033,318	44.27
8	LPEP	\$ 9,135,524	\$ 0	\$ 0	\$ (151,650)	\$ 0	\$ (116,313)	\$ 8,867,562	\$ 462,706	5.51	\$ 2,004,524	28.11
9	ISA	\$ 22,141,824	\$ (872,000)	\$ 0	\$ (367,554)	\$ 0	\$ (422,084)	\$ 20,480,185	\$ 31,640	0.15	\$ 5,708,824	34.74
10	IS-1	\$ 196,274	\$ 0	\$ 0	\$ (3,242)	\$ 0	\$ (2,561)	\$ 189,472	\$ 3,437	1.85	\$ 43,274	28.47
11	BL	\$ 536,944	\$ 0	\$ 0	\$ (8,913)	\$ 0	\$ (3,685)	\$ 524,346	\$ 43,427	9.03	\$ 98,944	22.59
12	SA	\$ 4,968,883	\$ 0	\$ 0	\$ (82,483)	\$ 0	\$ (19,477)	\$ 4,866,903	\$ 574,728	13.39	\$ 853,862	20.15
13	SM	\$ 1,877,632	\$ 0	\$ 0	\$ (31,189)	\$ 0	\$ (6,806)	\$ 1,839,857	\$ 221,375	13.68	\$ 314,632	20.73
14	SHS	\$ 17,241,074	\$ 0	\$ 0	\$ (286,202)	\$ 0	\$ (39,300)	\$ 16,915,571	\$ 2,136,723	14.48	\$ 2,646,074	18.13
15	SE	\$ 431,136	\$ 0	\$ 0	\$ (7,157)	\$ 0	\$ (6,101)	\$ 417,878	\$ 71,054	20.49	\$ 168,136	63.93
16	TS(R)	\$ 63,378	\$ 0	\$ 0	\$ (1,052)	\$ 0	\$ (346)	\$ 61,980	\$ 7,224	13.19	\$ 12,378	24.27
17	SI-1(R)	\$ 85,299	\$ 0	\$ 0	\$ (1,418)	\$ 0	\$ (246)	\$ 83,638	\$ 13,849	19.84	\$ 17,299	25.44
18	GH-1(R)	\$ 42,940,874	\$ 0	\$ 0	\$ (712,819)	\$ 0	\$ (309,138)	\$ 41,918,917	\$ 5,823,541	16.13	\$ 10,566,874	32.64
19	GH-2(R)	\$ 8,965,493	\$ 0	\$ 0	\$ (148,827)	\$ 0	\$ (65,399)	\$ 8,751,267	\$ 1,218,083	16.17	\$ 2,222,493	32.96
20	STANDBY	\$ 1,184,820	\$ 0	\$ 0	\$ (19,688)	\$ 0	\$ (9,060)	\$ 1,156,092	\$ 7,881	0.69	\$ 121,820	11.46
21												
22	TOTAL PUC	\$2,557,616,969	\$ (28,323,181)	\$ (3,394,000)	\$ (42,456,442)	\$ 0	\$ (21,486,355)	\$2,461,956,992	\$257,925,888	11.70	\$577,037,969	29.13
23												
24	OTHER ELECTRIC REVENUES											
25	Late Paymt	\$ 7,869,118	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,869,118	\$ 795,118	11.24		
26	Misc. Rev.	\$ 203,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 203,000	\$ 0	0.00		
27	Rent	\$ 12,692,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,692,000	\$ 0	0.00		
28	Other	\$ 33,510,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 33,510,000	\$ 0	0.00		
29												
30	TOTAL OTHER	\$ 54,274,118	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 54,274,118	\$ 795,118	1.49		
31												
32	Ann. Adj.	\$ 29,323,682	\$ 0	\$ 0	\$ (488,773)	\$ 0	\$ (307,648)	\$ 28,529,260	\$ 2,913,762	11.05		
33												
34	FERC SALES FOR RESALE											
35	Muni.	\$ 66,753,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ (434,000)	\$ 66,319,000	\$ 0	0.00		
36	Pwr Contr	\$ 309,955,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 309,955,000	\$ 0	0.00		
37	PJM Intchg	\$ 107,642,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 107,642,000	\$ 0	0.00		
38												
39	TOTAL	\$ 484,350,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ (434,000)	\$ 483,916,000	\$ 0	0.00		
40												
41	TOTAL OPERATING REVENUE											
42		\$3,125,584,768	\$ (28,323,181)	\$ (3,394,000)	\$ (42,943,215)	\$ 0	\$ (22,228,003)	\$3,028,676,370	\$261,634,767	9.15		
43												

* ECR: RS,RTD,RTS =-0.0643c/kwh
Gen Svc =-0.0689c/kwh
LP-4 =-0.0747/kwh
LP-5,LPEP,ISA,Standby =-0.0781c/kwh

1 the reason PP&L was able to defer filing a rate case?
 2 A. It was part of the reason, yes.
 3 Q. Now, in PP&L's last rate case, rates were set to
 4 cover PP&L's costs including its fixed costs, were they not?
 5 A. Yes.
 6 Q. And the EDMDI sales were made in addition to
 7 the test year level of sales in that rate case; correct?
 8 A. Yes.
 9 Q. So these additional sales were not needed to
 10 cover PP&L's fixed costs; is that correct?
 11 A. In the interim between rate cases?
 12 Q. Yes.
 13 A. I would say no, that the fixed costs of the
 14 company have increased over time as well as our variable
 15 costs, and the additional sales helped defer a rate case.
 16 Q. Now, on page 20 of your testimony you discuss
 17 Demand Free Days, and as I understand it, the customer is
 18 able to select free weekdays in which the demand is not
 19 counted for billing purposes; correct?
 20 A. That's correct.
 21 Q. Does the company's monthly peak demands always
 22 occur on a weekday?
 23 A. Subject to check, yes, I believe they do.
 24 Q. Have customers taking advantage of this
 25 operation increased their demand?

1 A. We have 23 customers on it, and of that seven
 2 are taking advantage of it, and yes, they have, of those
 3 seven, increased demand.
 4 Q. Has the peak demand of these customers on Demand
 5 Free Days ever contributed to the company's monthly peak
 6 demand?
 7 A. I do not know at this time.
 8 MS. McCLOSKEY: Thank you, Your Honor. I have no
 9 further questions of Mr. Kasper.
 10 JUDGE CHRISTIANSON: We could break soon. Do you
 11 want to start off?
 12 MS. BRANDEIS: It's up to you, Your Honor.
 13 JUDGE CHRISTIANSON: Let's take a break for a few
 14 minutes. We've been running about an hour-and-a-quarter.
 15 Let's take about ten minutes.
 16 (Recess.)
 17 JUDGE CHRISTIANSON: We can start again with
 18 Bethlehem, I guess. We'll try to run tonight and get done
 19 with the witness if we can, possibly.
 20 CROSS-EXAMINATION
 21 BY MS. BRANDEIS:
 22 Q. Good afternoon, Mr. Kasper. I'm Joan Brandeis
 23 for Bethlehem Steel Corporation.
 24 A. Good afternoon.
 25 Q. On page 5 of your testimony you say that the

1 degree of movement of rates toward the cost of service is
 2 constrained by the need to acknowledge and respond to
 3 competition in some of the company's markets, including the
 4 ability of some large customers to shift production
 5 facilities.
 6 A. That's correct.
 7 Q. Am I correct that an example of this is
 8 Bethlehem Steel's facilities in Maryland and Indiana?
 9 A. That I cannot answer. I'm not sure, simply
 10 because I do not know the products that you're actually
 11 manufacturing in Burns Harper and Sparrows Point.
 12 Q. On page 10, at lines 8, 9 and 10, you refer to
 13 optional interruptible power is a market choice that
 14 customers with interruptible load can exercise.
 15 A. That's correct.
 16 Q. Would you agree that the pricing provisions that
 17 currently exist for optional interruptible power under rate
 18 schedule LP-5 are structured to reflect the lesser value of
 19 a non-firm service?
 20 A. They were structured in our original filing to
 21 provide EDI credits and provide interruptible resource for
 22 PP&L. In that case they were reflected to provide both of
 23 those, so it is reflecting some interruptible plus some
 24 economic development.
 25 Q. On page 11 also you state, and I'm going to

1 quote, "as stated in Mr. Sipics' testimony, the value of
 2 interruptible load has declined materially." Can you point
 3 out to me the place in Mr. Sipics' testimony where he states
 4 this?
 5 A. You're looking at line 5, page 11?
 6 Q. I'm looking at line 5, "First, as stated in Mr.
 7 Sipics' testimony, the value of interruptible load has
 8 declined materially."
 9 A. Specifically I can't point that out right now.
 10 If I have a copy of his testimony, I might be able to locate
 11 it.
 12 Q. I can give you a copy of Mr. Sipics' testimony.
 13 MS. BRANDEIS: If that's all right, Your Honor.
 14 JUDGE CHRISTIANSON: Yes. Go ahead. See if you can
 15 find it to help refresh his memory. You're suggesting it
 16 might not be there?
 17 MS. BRANDEIS: That's what I'm suggesting.
 18 JUDGE CHRISTIANSON: Then it might take him a little
 19 longer to find it.
 20 MS. BRANDEIS: Impossible thing, we done in a
 21 second.
 22 (Document handed to witness.)
 23 JUDGE CHRISTIANSON: I guess we
 24 somewhat what we mean by value. I guess value in the sense
 25 of capacity needs.

EXHIBIT

D

1 (Pause.)
 2 MR. MACGREGOR: Do you mind if I show him the
 3 reference, or do you want him to find it himself?
 4 MS. BRANDEIS: Not at all.
 5 THE WITNESS: It's on page 15 of Mr. Sipics'
 6 testimony, lines 7, 8, 9 and 10. "Recently market
 7 transactions have indicated the installed capacity credits
 8 have been purchased and sold as low as 15 to 20 percent of
 9 the PJM value," which was \$73.00 per KW for your --
 10 JUDGE CHRISTIANSON: So you're talking about the
 11 price of capacity.
 12 BY MS. BRANDEIS:
 13 Q. And you equate that to the statement that he's
 14 testifying that the value of interruptible load has declined
 15 materially when he's talking about the price the capacity
 16 credits are being purchased for?
 17 A. That's correct.
 18 Q. A factual question. On page 12 you show the
 19 computation on lines 19, 20 and 21. I wonder, is there any
 20 reason that the numbers that you're using on line 20 differ
 21 from the explanation of the tariff contained in OGK-2 at
 22 page 11? Specifically, you're using 4.88 times 1,200,000
 23 kilowatt-hours, and on page 11 you reference 4.86.
 24 Similarly, you're using 3.88 times 1,500,000 kilowatt-hours
 25 and on page 11 it's 3.68. Am I not understanding your

1 numbers? Is there a reason for the difference?
 2 A. Let me review it a second.
 3 (Witness perusing documents.)
 4 A. Could you review that question again, please?
 5 Q. On line 20 in your testimony you're giving us
 6 some calculations to show how things were arrived at, and on
 7 arriving at \$220,530 you give the calculation 4.88 times
 8 1,200,000 kilowatts.
 9 A. Right.
 10 Q. If you look at your Exhibit OGK-2, at page 11,
 11 which is a comparison of the present and proposed rates for
 12 LP-5 --
 13 A. Right.
 14 Q. I mean I can't -- shouldn't these two figures be
 15 the same? If they should not, can you explain why not?
 16 JUDGE CHRISTIANSON: You mean the 4.86 and 4.88?
 17 MS. BRANDEIS: Right. And 3.68 and 3.88.
 18 BY MS. BRANDEIS:
 19 Q. You're talking about the historic LP rate and
 20 you're showing us what it would look like.
 21 A. Yes. There seems to be a typographical error on
 22 the first block. The 4.88 cents per kilowatt-hour in my
 23 testimony, versus the 4.86 that's showing up, that's what
 24 you're discussing?
 25 Q. Yes.

1 A. I believe that's just an error.
 2 Q. If that's what it is, that's fine. Which is
 3 correct?
 4 A. The 4.86.
 5 Q. So on page 12 it should be 4.86?
 6 A. Right.
 7 Q. And also, I assume it should be 3.68 not 3.88?
 8 A. That's correct.
 9 Q. Would that make any difference in the outcome of
 10 the calculations? And if it does, would you advise us? You
 11 don't have to do it now.
 12 A. Okay. Will do.
 13 Q. Let me ask you this, Mr. Kasper. When PP&L
 14 requests a customer to reduce its interruptible load, what
 15 does PP&L do with the capacity which that interruptible
 16 customer is not using?
 17 A. At that time it's used to meet the capacity
 18 requirements of the other customers on our system.
 19 Q. In other words, it's being sold to other
 20 customers who need it, supplied to other customers who need
 21 it?
 22 A. (Witness nodding affirmatively.)
 23 Q. Would you agree that when you sell capacity to a
 24 hospital or a residential customer when they need it, that
 25 its value is equal to any other capacity on the PP&L system

1 which you would sell to a customer?
 2 A. Under our rate schedules that would be true.
 3 Q. Now, on page 13, at line 16, you suggest that
 4 interruptible load is only available for interruption for
 5 relatively few hours a year. Am I correct that an LP-5
 6 customer can be interrupted for up to 200 hours a year?
 7 A. That's correct.
 8 Q. On page 15, at lines 13 through 16, where you
 9 discuss the proposal to institute a cap of 500 megawatts of
 10 non-coincident interruptible load, can you tell us, how did
 11 you arrive at 500 megawatts as a cap?
 12 A. This goes back to the closing of the
 13 interruptible rate and the amount of interruptible capacity
 14 that we were starting to experience on our system, and we
 15 were starting to develop what was called a double peaking
 16 situation. When we actually reduced the peak utilizing the
 17 interruptible customers, we actually developed a peak
 18 outside a ten-hour period which is higher. Therefore, when
 19 we started looking at it, it seemed reasonable that the 300
 20 to 350 megawatt range of coincident peak load reduction is
 21 what we needed.
 22 Now, when you take a look at the diversified or non-
 23 diversified billing of these customers, that's the
 24 difference between their max billing demand or max peak
 25 demand on a monthly basis minus their firm in the contract.

1 when we take a look at that, about 500 megawatts is going to
2 give us our 300 to 350 megawatt range of interruptible load
3 that we desire on the hour system peak.

4 Q. I guess my question then is why 350? How did
5 you arrive at that as what you need?

6 A. Any peak reduction further than that becomes
7 unnecessary for us. It has little value beyond that point
8 because we're actually reducing the peak further than we
9 need to to maintain a level load. Actually, what you would
10 see is a peak occurring outside the ten-hour window as these
11 customers would start to come back on.

12 Q. Again, I'm sorry to be slow, but the basis for
13 the 350 in particular? Am I missing something? Where did
14 you derive 350? One more time.

15 A. Well, when we take a look --

16 JUDGE CHRISTIANSON: That's the size of the peak you
17 want to shave off.

18 THE WITNESS: It's the size of the peak we want to
19 shave. On a peak day, if we started and looked at a ten-
20 hour window centered around the peak that was going to occur
21 and reduced it by 350 megawatts, what we would start to see
22 if we reduced further than that, let's say 450 megawatts, is
23 that we would incur another peak outside of that window, at
24 the beginning or end of it. So now what's happened to us is
25 we've reduced below those peak levels.

1 BY MS. BRANDEIS:

2 Q. And another peak would occur because -- why
3 would another peak occur outside of a ten-hour window?

4 A. The contracts state that the customers stay off
5 for ten hours. Once they leave that ten-hour window, it is
6 their choice to come back up to full load.

7 Q. And it's your experience that they do that?
8 It's not like a hotel room, you know, a lost night is a lost
9 night?

10 A. It's our experience that they do that. With the
11 interruptible customers we had prior to the LP-5 rate, that
12 was their normal mode of operation. Once they interrupted,
13 they would come back after their allotted time period, back
14 to full load.

15 Q. Turning to --

16 MS. BRANDEIS: Excuse me one second, Your Honor.

17 JUDGE CHRISTIANSON: Sure.

18 (Pause.)

19 BY MS. BRANDEIS:

20 Q. Turning to your Exhibit OGG-1, and in particular
21 to the proposed rate schedule for residential service
22 thermal storage. Am I correct that the RTS rate is designed
23 to reward residential ratepayers who are willing to postpone
24 certain usage to PP&L's off-peak hours, or to encourage
25 them, or to force them?

1 A. It was to encourage them to move to time periods
2 other than the normal residential peak periods. This is a
3 load management rate, not necessarily an off-peak rate.

4 Q. If you know, when was the rate put into effect?

5 A. I believe it was -- I'm not sure. Maybe 1991.

6 Q. And under that rate --

7 A. Nineteen eighty-one; sorry.

8 Q. I'm sorry; go ahead.

9 A. I think it was 1981.

10 Q. Under the rate a customer can choose one of
11 three optional on-peak periods?

12 A. That's correct.

13 Q. And the three periods are?

14 A. Seven a.m. to 5:00 p.m., 8:00 a.m. to 6:00 p.m.,
15 or 9:00 a.m. to 7:00 p.m.

16 Q. Would you agree that the RTS class imposes a
17 higher demand per customer than a residential customer with
18 substantially equivalent energy usage but who does not have
19 the thermal storage capacity?

20 A. Yes, they do.

21 Q. Under rate schedules LP-4 and LP-5, what are the
22 on-peak billing periods for billing purposes which customers
23 served under those rates can choose?

24 A. Those are 7:00 a.m. to 3:00 p.m., 8:00 a.m. to
25 4:00 p.m., and 9:00 a.m. to 5:00 p.m.

1 Q. Under the rate design of on-peak and off-peak
2 periods, am I correct that the demand that is used during
3 the off-peak periods does not get included in the
4 calculation of the customer's bill?

5 A. That's correct.

6 Q. So you would agree that industrial customers are
7 likely to attempt to control energy usage during the on-peak
8 periods and to shift production to the off-peak?

9 A. That's correct. That was the original intent of
10 those on-peak/off-peak periods, was to encourage economic
11 development.

12 Q. Can you tell us what percentage of PP&L's
13 industrial load has elected an on-peak billing demand period
14 before 4:00 p.m.?

15 A. No, not at this time. We would have to do that
16 in a data request for you.

17 MS. BRANDEIS: Could you give us that information,
18 Mr. MacGregor?

19 MR. MACGREGOR: Could you repeat it, please?

20 MS. BRANDEIS: I want to know what percentage of
21 PP&L's industrial load has elected an on-peak billing demand
22 period before 4:00 p.m.

23 BY MS. BRANDEIS:

24 Q. Mr. Kasper, to your knowledge over the past ten
25 years have PP&L's actual monthly system peaks been gradually

1 moving toward late afternoon and early evening?
 2 A. Yes, they have.
 3 Q. Am I correct that if industrials impose a
 4 greater demand on the system in late afternoon, that while
 5 for billing purposes the demand is not counted, for the
 6 purpose of allocating demand it would be?
 7 A. That's correct.
 8 Q. So to the extent industrial customers have
 9 shifted demand in response to your rate design, the cost of
 10 service process will tend to allocate higher demand costs to
 11 that class?
 12 A. That could happen.
 13 Q. Can you tell us, in fact, have there been
 14 significant change in customer class allocations between the
 15 1983 cost of service study and the cost of service study
 16 performed in this case?
 17 A. No, I can't give you that information at this
 18 time.
 19 Q. Let me ask the question another way. Do you
 20 know whether the demand allocation to industrial customers
 21 is higher in this case than it was in '83?
 22 A. I do not know.
 23 Q. Would you agree that the residential thermal
 24 storage rate has contributed to a shift in the actual peak?
 25 A. No, I will not agree with that. The shift in

1 the actual peak is more related to the change in the
 2 residential RS customers that are moving towards an evening
 3 peak. Yes, because of that move, RS is now contributing to
 4 a system peak, but it is neither the cause nor the reason
 5 why it shifted in that direction.
 6 MR. MacGREGOR: Just so the record is clear, I think
 7 you said RS there. You meant RTS?
 8 THE WITNESS: The RS class.
 9 MR. MacGREGOR: You meant RTS?
 10 THE WITNESS: No. The RS class, the residential
 11 class in general, is moving towards an evening peak. The
 12 RTS customers are already there, and the other classes have
 13 moved.
 14 JUDGE CHRISTIANSON: I could ask you to speculate as
 15 to why, but that would be speculation.
 16 THE WITNESS: Yes.
 17 MS. BRANDEIS: Your Honor, I would like to have
 18 marked Bethlehem Steel Corporation Cross-Examination Exhibit
 19 No. 1 and distribute it to counsel.
 20 JUDGE CHRISTIANSON: We'll call it your No. 1.
 21 W(Whereupon, the document was marked
 22 as Bethlehem Steel Cross-Examination
 23 Exhibit No. 1 for identification.)
 24 MR. MacGREGOR: Your Honor, to the extent it matters,
 25 this is already in the record from this morning. If it

1 makes any difference to you.
 2 MS. BRANDEIS: I understand that. We have, at the
 3 back of the exhibit, we have our own extrapolation.
 4 Everyone has extrapolated from that exhibit.
 5 MR. MacGREGOR: It's in graph version this time.
 6 MR. HAYNES: I'll note for the record it's not in
 7 color though.
 8 JUDGE CHRISTIANSON: We have a large duplication but
 9 not total duplication. This is your Cross-Examination
 10 Exhibit No. 1.
 11 BY MS. BRANDEIS:
 12 Q. This is, in fact, Mr. Kasper, the Pennsylvania
 13 Power & Light response to PPLICA Interrogatory Set I,
 14 Question 32, and at the end we have in fact extrapolated
 15 some data from the PP&L response.
 16 Again, subject to check obviously -- it's lawyer
 17 mathematics -- would you agree that Attachment 1 to
 18 PPLICA-32 in fact shows the monthly peaks for PP&L for the
 19 years '85 to '94?
 20 A. That's correct.
 21 Q. And it's marked year, month, day and hour, and
 22 the hour is in what I'll call military time, right?
 23 A. That's correct.
 24 Q. Now, the graph is an extrapolation of some of
 25 the data set forth and shows in graph form the time of day

1 in which the peak demand occurred on PP&L's system during
 2 each of the 12 months of the years 1985, '86 and '93 and
 3 '94. Would you agree subject to check that the number of
 4 months in which PP&L's peak demand occurred after 3:00 p.m.
 5 increased from two in 1984 to seven in 1994?
 6 A. You said 1984?
 7 Q. I'm sorry; did I say '84? I meant 1985.
 8 A. Subject to check, yes.
 9 Q. I apologize if I'm skipping around a little,
 10 because I incorporated some questions that I had for Mr.
 11 Kleha into your testimony. Let me ask you this -- and I'm
 12 finished with the exhibit. Am I correct that under rate
 13 schedule LP-5 the maximum on-peak demand is the average
 14 number of kilowatts supplied during a specified period of
 15 maximum use during the on-peak hours?
 16 A. That's correct. It's a 15-minute period.
 17 Q. And you would agree or you have agreed that an
 18 industrial customer taking service under rate schedule LP-5
 19 would try to schedule its maximum energy usage, if possible,
 20 to the off-peak hours?
 21 A. Yes, if it's beneficial for the customer.
 22 Q. So again, I am correct that if industrial
 23 customers are shifting their demands to later in the day, it
 24 is likely that they are being allocated a greater portion of
 25 demand under this cost of service study than would be the

1 case if PP&L's rate schedule on-peak hours for billing
2 purposes were the same as the actual on-peak hours?

3 A. Not necessarily. You would have to take a look
4 at the allocation of all the classes to see what is
5 happening there. It's speculation as to whether they would
6 be receiving a higher portion of the demand component or
7 not.

8 Q. So you're saying, if I understand you, that
9 notwithstanding the fact that the actual on-peak and the
10 billing on-peak are different such that industrial customers
11 are actually, because of the rate design, switching their
12 load into what could be now the on-peak hours, that isn't
13 necessarily resulting in them getting a higher percentage of
14 the demand allocation?

15 A. They may.

16 Q. In pricing of the various rate schedules, it is
17 true that off-peak rates recognize that power use in off
18 peak does not place the same demand on PP&L's system as
19 power use during the on peak?

20 A. Power used in the off peak tends to levelize our
21 load profile, giving us a much better load factor.
22 Therefore, usually what happens is the peak may not move but
23 our load factor would improve, such as a customer adding a
24 new line at an off-peak period; thereby we're able to spread
25 our costs over more kilowatt-hours.

1 Q. Can you explain why it is not appropriate to
2 price interruptible power on the same basis; that is, with
3 respect to the amount of demand which it places on the
4 system at peak?

5 A. The interruptible power at best for PP&L is that
6 of a gas turbine. It takes a while to get a hold of it, and
7 normally we are not interrupting at the hour of every system
8 peak throughout the year, only at times of emergencies. So
9 for most of the times throughout the year, PP&L still has to
10 supply that peak load at the hour of system peak.

11 Q. You say it does supply the load, but it doesn't
12 have to, right? It could interrupt.

13 A. Only in the case of an emergency, as specified
14 in our tariff.

15 Q. There are other bases for interruption, are
16 there not?

17 A. We have a basis for a local interruption on
18 transmission, and we also have a basis for an economic
19 interruption.

20 MS. BRANDEIS: Thank you, Mr. Kasper. I have no
21 other questions.

22 JUDGE CHRISTIANSON: Fine. Then Mr. Delaney.

23 MR. DELANEY: Yes.

CROSS-EXAMINATION

2 BY MR. DELANEY:

3 Q. Good afternoon, Mr. Kasper. My name is Dan
4 Delaney. I represent the University/College Coalition,
5 which is a group of colleges that receive electrical service
6 under the GS and LP-4 rate schedules. I would like to ask
7 you some questions concerning the revenue allocation that is
8 proposed in your testimony.

9 Mr. Kasper, could I ask you to turn to page 6 of your
10 testimony, and specifically looking at the answer that
11 begins on line 4. Am I correct that you state there that
12 the proposed allocation of PP&L's overall revenue
13 requirement and rate design in this case moves each major
14 rate class closer to its cost of service as compared to
15 present rates?

16 A. That's correct.

17 Q. And I would assume that by cost of service you
18 mean the cost as determined by PP&L's 12 CP cost of service
19 study?

20 A. That's correct.

21 Q. Would you agree subject to check that the major
22 rate classes on PP&L's system are RS, GS-1, GS-3, LP-4 and
23 LP-5?

24 A. That's correct.

25 Q. Would you also agree subject to check that these

1 five classes currently account for 94.8 percent of the total
2 jurisdictional revenues of the company?

3 A. Subject to check, that's correct.

4 Q. I would like to ask you some questions
5 concerning the allocation of revenues to these rate classes,
6 and I think that the summary that I would like to review
7 with you is on pages 113 and 114 of the cost of service
8 study, the Exhibit JMK-2. Do you have a copy of that, Mr.
9 Kasper, by any chance?

10 (Document handed to witness.)

11 JUDGE CHRISTIANSON: Is it page 113?

12 MR. DELANEY: One-thirteen and 114 of Exhibit JMK-2.

13 BY MR. DELANEY:

14 Q. Do you have that, Mr. Kasper?

15 A. Yes.

16 Q. Just so I understand, would it be correct that
17 line 2 shows the present rate revenue for each cost of
18 service study class?

19 A. That's correct.

20 Q. And would it also be correct that line 7 shows
21 the rate revenue that would be required in order for each
22 class to have a rate of return equal to the present
23 jurisdictional rate of return, which is 7.31 percent?

24 A. That's correct.

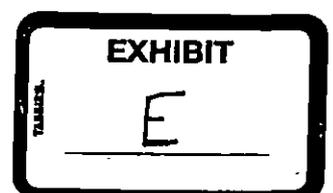
25 Q. Now, so that the record is clear, for purposes

PENNSYLVANIA POWER & LIGHT COMPANY

Statement 9

Direct Testimony of John F. Sipics

Docket No. R-00943271



Q. **Please state your name and business address.**

A. John F. Sipics, Two North Ninth Street, Allentown, Pennsylvania, 18101.

Q. **By whom are you employed and in what capacity?**

A. I am employed by Pennsylvania Power & Light Company (PP&L or the Company) in its Power Systems Support Department as General Manager-Power Systems Support.

Q. **What are your responsibilities as General Manager-Power Systems Support?**

A. I am responsible for power supply planning, day-to-day operations, and the contract sales of electricity. I also have responsibility for the Company's Environmental Management and Document Management functions.

Q. **What is your educational background?**

A. I was graduated from Lehigh University in 1970, with a Bachelor of Science Degree in electrical engineering. I received a Master of Science Degree in electrical engineering from Lehigh University in 1977. From 1976 through 1981, I was an adjunct lecturer in the Electrical Engineering Department at Lehigh University. I am a registered professional engineer in the Commonwealth of Pennsylvania.

Q. **How long have you been employed by PP&L and in what capacities?**

A. I was employed by PP&L in 1970 as an Engineer in the System Planning Department. I progressed to Project Engineer before transferring to the System Operating Department in 1974. After a promotion to Operations Coordinator in 1976, I returned to System Planning as a Senior Project Engineer and served in various sections of System Planning until my appointment as Manager-Resource Planning in May, 1989. In September of 1993, I was promoted to the position of Manager-System Operation. In November of 1994, I was promoted to my present position of General Manager-Power Systems Support.

Q. **Have you previously testified in regulatory proceedings on behalf of PP&L?**

A. Yes, I testified in the following regulatory proceedings on behalf of PP&L:

1994 Electric Energy Emergency Investigation - Docket No. I-00940031

2
3 **Q. Mr. Sipics, would you please provide a summary of your testimony?**

4 **A. My testimony will include:**

- 5 1) A brief description of PP&L's electrical system and the Company's responses
6 to Regulations I-B-1, I-B-2 and I-B-3,
7 2) A discussion of PP&L's Reserve Margin and Capacity Plan, and
8 3) A discussion of interruptible rates and their relationship to the cost of peaking
9 capacity.

10 **Q. Mr. Sipics, are you familiar with the PP&L electrical system?**

11 **A. Yes, I am.**

12 **Q. Do you have before you the Company's response to Regulation I?**

13 **A. Yes, I do.**

14 **Q. Mr. Sipics, were the responses to Regulation I-B-1, I-B-2; and I-B-3**
15 **prepared by you or under your supervision and direction?**

16 **A. Yes, these responses were prepared under my direction.**

17 **Q. Please briefly describe the corporate history and service territory as**
18 **discussed in Regulation I-B-1.**

19 **A. PP&L is an investor-owned electric utility headquartered in Allentown, Pa. It was**
20 **founded in 1920 through the consolidation of eight electric companies. The**
21 **Company provides electric service to approximately 1.2 million homes and**
22 **businesses throughout a 10,000-square mile area in 29 counties of Central**
23 **Eastern Pennsylvania. Principal cities in the PP&L service area are Allentown,**
24 **Bethlehem, Harrisburg, Hazleton, Lancaster, Wilkes-Barre and Williamsport.**

25 **Q. Please explain and describe PP&L's electric resources discussed in**
26 **Regulation I-B-2.**

27 **A. The Company's total owned and leased generation resources at September 30,**
28 **1994 were 8543 MW (winter ratings). These resources include a diversified mix**
29 **of plants. About 49% of the resources are coal-fired, 23% nuclear-fueled, 19%**
30 **oil-fired steam, 6% combustion turbine and diesels, and 3% hydroelectric.**

1 Additionally, PP&L purchases output from 504 MW of non-utility generation.

2 Attachment I-B-2 provides details about these resources.

3 In addition, PP&L has an integrated transmission network with more than 1100
4 miles of transmission lines operating at 230 kV or above, and more than 50,000
5 miles of lines operating at less than 230 kV.

6 PP&L is a member of the Pennsylvania-New Jersey-Maryland Interconnection
7 Association (PJM) and also shares in the jointly owned PJM-Extra High Voltage
8 (EHV) system.

9 **Q. Are PP&L's jointly owned units included in the resource figures shown in
10 Attachment I-B-2?**

11 A. Yes. These figures reflect PP&L's ownership of about 12% of the Keystone
12 coal-fired plant and about 11% of the Conemaugh coal-fired plant, both located
13 in western Pennsylvania. In addition, PP&L owns 1/3 of the Safe Harbor Hydro
14 Station. The Susquehanna Steam Electric Station (SSES) nuclear units are
15 jointly owned by PP&L (90%) and the Allegheny Electric Cooperative, Inc. (AEC)
16 (10%).

17 **Q. Does Attachment I-B-2 reflect resources used solely to supply PP&L's
18 Pennsylvania Public Utility Commission (PPUC) jurisdictional customers?**

19 A. No. PP&L supplies certain demand and energy needs for the Electric Utility
20 Division of UGI (LU), Citizens Electric Company (CE), AEC, and 16 municipal
21 customers. Additionally, PP&L has agreements to sell firm capacity and energy
22 to Atlantic Electric (Atlantic), Baltimore Gas & Electric (BG&E), and Jersey
23 Central Power & Light (JCP&L). These transactions are noted in Attachment I-
24 B-2d and Exhibit JFS-1. As discussed in greater detail below, PP&L also makes
25 capacity credit transactions which typically represent short term commitments to
26 optimize the use of PP&L's resources.

27 **Q. Could you describe each of the firm capacity and energy transactions in
28 greater detail?**

29 A. Yes, these transactions can be described as follows:

- 1) PP&L and LU entered into a power supply agreement that was effective March 1, 1993. The agreement is for a 15 year period, with an option to extend for an additional five years upon agreement by the parties. PP&L has committed to supply 100% of LU's needs above its resources throughout the term of the agreement.
- 2) PP&L provides 16 municipal customers and CE with all their demand and energy needs. For AEC, PP&L provides the energy needs of the Sullivan County Rural Electric Cooperative Inc. in excess of other supply sources.
- 3) Atlantic is purchasing approximately 125 MW (129 MW based on winter ratings) of PP&L's wholly-owned coal-fired capacity from October 1991 to September 2000.
- 4) The BG&E agreement involves a sale of 5.94% of the installed capacity and related energy from SSES (127 MW of capacity at current summer ratings, when both units are in-service) from October 1991 to May 2001.
- 5) Under the terms of a sales agreement with JCP&L, a GPU subsidiary, PP&L provides JCP&L with 945 MW (winter rating) of its electrical generating capacity and related energy through the end of 1995. This sale involves an equal percentage entitlement to capacity and associated energy from all generating units in which PP&L has an ownership or lease interest excluding Safe Harbor ("slice of system" sale). After 1995, the sale decreases uniformly by 189 MW annually until the expiration of the contract at the end of 1999.

Q. Please explain PP&L's installed capacity credit transactions.

A. Under this type of transaction, an installed capacity-deficient PJM member utility can purchase the right to claim a portion of the installed capacity of a PJM member utility that has sufficient capacity reserves in order to meet its capacity obligation under the PJM Agreement. No sale of energy is involved. According to the terms of these transactions, the selling utility retains full use of all of the units involved (except for PJM installed capacity accounting purposes) and the associated energy.

Q. Please explain and describe the response to Regulation I-B-2a.

A. Pages 1 through 4 of Attachment I-B-2a provide unit installed capacities, net generation, and related capacity factors for the historic test year, the two consecutive 12-month periods preceding the historic test year, and the future test year. The attachment also shows station fuel consumption and production expense by fuel and other operating and maintenance expense for these periods.

Q. Please explain and describe the response to Regulation I-B-2b.

A. Pages 1 through 31 of Attachment I-B-2b provide the scheduled and unscheduled outages in excess of 48 hours in duration by unit for the historic test year and for the preceding 12-month period. Projected data are provided for the future test year.

Q. Please explain and describe the response to Regulation I-B-2c.

A. Regulation I-B-2c requested a schedule of units retired during the historic test year and the future test year. PP&L did not retire any units in the historic test year and has no plans to retire any units in the future test year.

Q. Please explain the information set forth in Exhibit JFS-1.

A. Exhibit JFS-1 compares PP&L's peak load to the resources available to PP&L to meet its peak load requirement and to satisfy its installed capacity obligations to PJM for a prospective 10-year period. The comparison begins with the forecasted peak load for the winter of 1994-1995. The forecasted peak loads include the demand of PP&L's full requirement resale customers, i.e., municipal customers and CE, and its partial requirement customers, LU and AEC.

The column captioned "Net Resources At The Time Of The Peak", represents the winter rating of all generation that is owned or leased by PP&L, as adjusted for anticipated deratings and upratings, less the capacity PP&L has sold to Atlantic, BG&E and JCP&L pursuant to the capacity sale agreements I explained earlier.

The next column, captioned "Reserves At The Time Of The Peak", shows PP&L's reserves in megawatts and as a percentage of peak load reflecting the

generating resources owned or leased by PP&L with the adjustments I
2 previously described. As shown, PP&L's reserve margins are 11.1 percent, 9.1
3 percent and 10.8 percent above forecasted peak loads for the winters of 1994-
4 1995, 1995-1996 and 1996-1997, respectively. Reserve margins increase
5 gradually to a high of 14.9 percent above the forecasted 2000-2001 peak load
6 as a result of reductions in the amount of capacity sold to JCP&L under the
7 terms of its capacity purchase agreement with PP&L. However, beyond 2000-
8 2001, reserve margins decline, reaching only 10.4 percent above the forecasted
9 peak load for 2003-2004.

10 The next two columns show: (1) the capacity equivalence of the
11 interruptible load anticipated to be available for PJM installed capacity purposes;
12 and (2) PP&L's reserve margins reflecting the capacity equivalence of such
13 interruptible load. The capacity equivalence of interruptible load recognizes the
14 amount of capacity, including a reserve margin, that would be required to supply
15 the interruptible load on a firm basis. For example, at a 20 percent reserve
16 margin, 100 megawatts of available interruptible load has a capacity equivalence
17 of 120 megawatts.

18 As shown, assuming that all indicated interruptible load were shed at the
19 time of the peak, PP&L's reserve margins would increase by approximately five
20 percentage points for the periods 1994-1995 through 1997-1998 and by a range
21 of 4.8 (1998-1999) to 4.5 (2003-2004) percentage points during the remainder of
22 the 10-year planning period. At the time of the forecasted winter peaks for 1994-
23 1995, 1995-1996, 1996-1997, PP&L's reserve margins reflecting interruptible
24 load are 16.4 percent, 14.2 percent and 15.9 percent, respectively. Reserve
25 margins increase to a high of 19.6 percent above the forecasted 2000-2001
26 peak load, then decline to 14.9 percent above the forecasted peak load for
27 2003-2004.

28 The next two columns show: (1) the generation expected to be available
29 from non-utility generators at the time of each forecasted peak; and (2) PP&L's
0 reserve margins reflecting such generation as a resource available to meet peak

1 demand. As shown, assuming that the anticipated non-utility generation were
2 available at the times of the peaks, PP&L's reserve margins increase by a range
3 of 7.6 (1994-1995) to 6.1 (2003-2004) percentage points over the reserve
4 margins that reflect interruptible load as a capacity equivalent resource. At the
5 times of the forecasted winter peaks for 1994-1995, 1995-1996, 1996-1997,
6 PP&L's reserve margins are 24.0 percent, 21.2 percent and 22.9 percent,
7 respectively. Reserve margins increase to a high of 26.0 percent above the
8 forecasted 2000-2001 peak load, then decline to 21.0 percent for 2003-2004.

9 The last two columns show: (1) capacity credit sales PP&L is obligated to
10 make during 1994, 1995 and 1996; and (2) PP&L's reserve margins reflecting
11 such capacity credit sale obligations as a reduction in available resources. If
12 interruptible load, non-utility generation and capacity credit sale obligations are
13 fully reflected, as shown, PP&L's reserve margins above 1994-1995 and 1995-
14 1996 forecasted peak loads are 15.1 percent and 18.5 percent, respectively.

15 **Q. Mr. Sipics, please explain the significance of reserve margins in relation to**
16 **PP&L's obligation to provide reliable electric service to its customers.**

17 **A.** In order to assure reliable, reasonably continuous service to customers, an
18 electric utility must have resources equal to its anticipated peak demands plus a
19 reasonable reserve margin. A reserve margin must be maintained for a variety
20 of reasons including, principally, the unavailability of generating capacity due to
21 planned and unplanned outages and the potential that customer demands could
22 exceed forecasted peaks. It should be noted that peak load forecasts are based
23 on "normalized" weather and temperature conditions. Consequently, summer
24 temperatures that are hotter than "normal" can drive peak demand above
25 forecasted levels for summer peaking companies and colder than "normal"
26 winter temperatures can do the same for winter-peaking companies, such as
27 PP&L.

28 **Q. How can an appropriate reserve margin be determined?**

29 **A.** It is not correct to think of an appropriate reserve margin as a single figure.
30 Given the factors and contingencies that must be balanced in assessing reserve

margins, such a degree of precision is not possible and should not be attempted. Rather, an appropriate reserve margin exists within a range that is defined on the basis of accepted measures of reliability; the practicalities of adding generating resources (i.e., in units of sufficient size to capture reasonable economies of scale); load shape and duration; the need for fuel diversity; the level of control the utility has over its planned resources; and the inherent limitations of available forecasting techniques.

2
3
4
5
6
7
8 **Q. What level of reserves marks the lower end of the appropriate reserve margin range for PP&L?**

9
10 A. The lower end of the range should not be less than the reserve margin PP&L must maintain to satisfy its minimum reserve requirement as a member of PJM. As I will explain in more detail later, that reserve requirement, expressed on the basis of PP&L's winter peak, is approximately 12 percent.

11
12
13
14 **Q. What is PJM?**

15 A. PJM is an integrated power pool consisting of PP&L and other electric utility systems in Pennsylvania, New Jersey, Maryland, Delaware, Virginia, and the District of Columbia. PJM is responsible for the day-to-day economic dispatch of its members' generating units and for coordinating the long-term capacity planning of the pool. PJM is part of the Mid-Atlantic Area Council ("MAAC"), which is one of nine regional electric reliability councils that make up the North American Electric Reliability Council (NERC). NERC was established after the Northeast power failure of 1965 to set policies for ensuring that its participants maintain reliable service individually and on a regional basis.

16
17
18
19
20
21
22
23
24 **Q. What does PJM do?**

25 A. PJM coordinates the use of all members' generating resources to meet demands on an economic dispatch basis. In this way, the generation with the lowest variable cost (primarily fuel) is used to supply load. To the extent that a member company's demand is met with another company's generation, pool accounting procedures assign costs and revenues. PJM has procedures in place to encourage each company to maintain sufficient capacity, relative to its demands,

and not merely depend on the capacity of the pool to meet its native load requirement. This entails assigning an installed capacity obligation to each member and requiring a member to make an installed capacity deficiency payment when its available capacity falls below its obligation. To avoid such a payment, a member can also purchase installed capacity credits from other member companies who have available capacity above their installed capacity obligation.

PJM also establishes reserve requirements necessary to meet the reliability standard for the pool. These reserve requirements are the basis for, but from time to time have differed from, the installed capacity obligation used for pool accounting purposes.

Q. What is the basis for the PJM reserve requirement?

A. PJM measures reliability by the one-day-in-ten-years loss of load probability standard. As its name suggests, this standard defines the requisite level of reserves needed to assure that, on a probabilistic basis, demand will exceed available capacity on average only one day out of every ten years. The one-day-in-ten-years standard is a well-accepted measure of minimum system reliability and is the standard adopted by MAAC.

Q. What reserve requirement is needed by PJM overall to meet the one-day-in-ten-years standard?

A. Giving consideration to such factors as PJM's load characteristics, unit forced outage rates, unit maintenance requirements and transmission ties with neighboring power systems, a minimum reserve requirement of 22 percent is currently necessary for PJM to meet its stated reliability standard. This figure will decrease to 21.5% in June 1995 and 21.0% in June 1996.

Q. How does PJM determine each member's responsibility for providing resources necessary to meet the pool's 22 percent reserve margin requirement?

A. Responsibility for maintaining the 22 percent minimum reserve requirement is allocated to PJM's members based on their adjusted peaks over a defined

2 planning period, which reflects, among other things, the timing of each member's
3 peak relative to the pool's peak. Other factors affecting the allocation include
4 members' load shapes, maintenance requirements and forced outage rates.
5 Based on this allocation, PP&L is currently obligated to have resources that,
6 expressed in terms of PP&L's winter peak, provide an approximately 12 percent
7 reserve margin.

8 The principal reason that PP&L's obligation is below the 22 percent
9 minimum reserve margin for PJM overall is PP&L's peak load diversity relative to
10 the pool. PP&L is a winter-peaking utility, while PJM experiences its overall
11 peak in the summer. If PP&L were not a member of PJM, its minimum reserve
12 requirement, on a stand-alone basis, would be substantially above 22 percent.

13 **Q. Mr. Sipics, if 12 percent establishes the low end of the appropriate reserve**
14 **margin range, what factors should be considered in assessing the upper**
15 **end of the range?**

16 **A.** In assessing the upper limits of the range, consideration must be given to the
17 practical aspects of capacity planning. Capacity cannot be added (or
18 subtracted) megawatt by megawatt to match the changing demands of
19 customers. This "lumpiness" of capacity will cause reserve margins to increase
20 when capacity is added and then shrink over time as customer demand grows.

21 Additionally, practicality dictates that a utility recognize the limitations
22 inherent in the projections that go into predicting future reserve margins. Peak
23 demand is the most obvious example of a variable that could differ materially
24 from forecasted levels. Also, the level of control the utility has over its planned
25 resources affects the appropriate reserve level. In PP&L's case, interruptible
26 service contracts are renewable annually. Changes in customers' cost
27 structures or industrial processes, to cite only two examples, could cause
28 existing interruptible service customers to seek the higher reliability of firm
29 service. In the same vein, non-utility generators may not renew their
30 agreements to sell output to PP&L when those agreements expire. Additionally,

2 non-utility generators pose the risk of non-performance during the term of their
3 existing contracts due to financial failure or other conditions of default.

4 Other, less obvious variables could also have a significant impact, such
5 as projections of the performance of generating equipment. This was
6 dramatically illustrated by events of January 1994 when several power
7 disruptions affected PJM despite earlier forecasts of an ample reserve margin for
8 the winter of 1993-1994. As events transpired, although planned maintenance
9 levels were typical, there was unusually high unit unavailability due to a variety
10 of ice and cold weather problems, such as impaired fuel delivery and fuel
11 handling and plant component failures. As shown on Exhibit JFS-2, the
12 occurrence of 16,100 megawatts of forced outages for PJM, as compared to a
13 forecasted level of 6,200 megawatts, was a major contributor to the lack of
14 adequate reserves.

15 The events of January 1994 underscored one of the disadvantages for
16 PP&L of being a winter-peaking company. Unpredictable changes in weather
17 patterns can drive peak demands up at the same time weather-related problems
18 are forcing the unavailability of generating equipment. The effect of adverse
19 weather on fuel handling and delivery is particularly acute for a utility such as
20 PP&L that has over 4,000 megawatts of coal-fired generating capacity.

21 **Q. Returning to Exhibit JFS-1, in light of your discussion of reserve margins,
22 please identify the data that are most appropriate for assessing PP&L's
23 reserve margins in the context of a rate proceeding.**

24 **A.** The most appropriate data for assessing PP&L's reserve margins in the context
25 of this rate proceeding are those reflected in the column captioned "Reserves At
26 The Time Of The Peak [With Interruptible Load]." As I earlier explained, these
27 reserve margins are based on PP&L's owned and leased generation and the
28 load likely to be available for interruption at the time of PP&L's peak. In contrast
29 to the addition of non-utility generation, PP&L exercised control, in the case of
30 owned and leased generation, or partial control, in the case of interruptible load,
over the acquisition of these resources. PP&L exercised partial control over the

1 acquisition of interruptible load because, while the decision to offer interruptible
2 service was made by PP&L, the extent of interruptible load that was added was a
3 function of customer response, which generally exceeded PP&L's prior
4 projections.

5 **Q. Please explain why PP&L was not able to exercise control over the addition
6 of non-utility generation.**

7 A. In an effort to encourage the development of co-generators and small power
8 producers, federal law requires electric utilities such as PP&L to purchase power
9 from non-utility generators that satisfy the conditions necessary to become
10 "qualifying facilities" under Section 210 of the Public Utility Regulatory Policies
11 Act of 1978 ("PURPA"). Accordingly, PP&L was required to enter into
12 agreements to purchase power from these non-utility generators without regard
13 to its existing or projected peak loads or reserve margins. Virtually all of the
14 agreements with non-utility generators were executed after PP&L's last capacity
15 addition was substantially completed.

16 **Q. Why is non-utility generation shown as a resource on Exhibit JFS-1?**

17 A. Earlier, in discussing the operation of PJM, I explained that PJM imposes an
18 installed capacity obligation on each member as part of its accounting
19 procedures. As part of these procedures, PJM allows member companies to
20 meet their installed capacity obligation based on non-utility generation that has
21 exhibited a reasonably consistent level of operation over an historical period.

22 **Q. Are the reductions in PP&L's resources resulting from installed capacity
23 credit sales also a function of PJM accounting procedures?**

24 A. Yes, PP&L's capacity credit sales represent a reduction in the seller's resources
25 and an increase in the purchaser's resources for installed capacity accounting
26 purposes only. No physical capacity exchange occurs.

27 **Q. Please summarize your conclusions regarding PP&L's reserve margins.**

28 A. An appropriate reserve margin lies within a range, and is not a single figure. For
29 PP&L, the lower end of the reserve margin range is its allocated portion of PJM's
30 overall reserve requirement, which is determined over a defined planning period

and, expressed as a function of winter peak load, is approximately 12 percent. In assessing the upper end of the range, which is more difficult to quantify, consideration must be given to various factors including the impracticality of adding generating capacity in small, discrete units; the inherent limitations of forecasted data; the level of control over non-utility resources; and the added concern about unit performance in winter months for a winter-peaking utility. In addition, in PP&L's last base rate case the Commission accepted the Trial Staff's analysis which found that a reserve margin of slightly over 22% was reasonable. For purposes of this rate proceeding, PP&L's reserve margins are most appropriately assessed on the basis of its owned and leased generation and available interruptible load, which reflect reserve margins ranging from a low of 14.2 percent (1995-1996) to a high of 19.6 percent (2000-2001). These reserve margins are clearly within a range of reasonable reserve margins for PP&L in view of the factors I described earlier.

5 **Q. You previously explained that interruptible load provides a capacity**
16 **equivalent resource. To what kind of generating resource is interruptible**
17 **load most comparable?**

18 **A.** Viewed as a capacity equivalent resource, interruptible load is most comparable
19 to peaking capacity because it can be targeted, within practical limitations, to
20 periods when peak demands are likely to occur. However, its peak reduction
21 capability is available for only a limited number of occurrences of limited
22 duration. The frequency and duration limitations are a function of the tariff and
23 contract provisions necessary to create reasonable incentives for customers to
24 accept non-firm service. Price reduction alone would be unlikely to encourage
25 industrial customers to accept non-firm service if they were subject to an
26 unlimited number of interruptions of unlimited duration.

27 While interruptible load is, in general, comparable to peaking capacity, it
28 can be less desirable than peaking-type generating units, such as quick-start
29 combustion turbines, because it is not directly controlled by the utility (the
30 customer may not interrupt when asked to do so) and requires more lead time to

initiate (interruptible customers typically require advance notice of an
2 interruption – one to two hours under current interruptible service agreements –
3 to stop or modify their industrial processes).

4 **Q. In view of the factors you outlined above, what is the appropriate basis for**
5 **determining the value to PP&L or, alternatively, the effect on PP&L's cost**
6 **structure, of having interruptible load?**

7 A. The value to PP&L of having interruptible load, as well as the effect of such
8 interruptible load on PP&L's cost structure, which I regard as one in the same,
9 are properly determined by reference to the annual carrying cost of a
10 combustion turbine peaking unit. A recent analysis prepared by PP&L indicates
11 that developments in the production and marketing of combustion turbines have
12 been such that capacity of that type can be installed at a cost of about \$300 per
13 kilowatt (kW), with a resulting carrying cost of about \$45/kW-year.

14 **Q. Earlier you explained that PJM requires each member to meet an installed**
15 **capacity obligation and requires installed capacity deficiency payments if**
16 **that obligation is not met. Does interruptible load count as installed**
17 **capacity for PJM accounting purposes?**

18 A. Yes, it does. The available interruptible load of PJM members, calculated in the
19 manner I earlier described, is used to meet their installed capacity obligations to
20 PJM.

21 **Q. How would the value and/or effect on PP&L's cost structure of interruptible**
22 **load differ if measured by reference to its value in meeting the installed**
23 **capacity obligation on PJM?**

24 A. Currently, the PJM payment rate, if a member experiences an installed capacity
25 deficiency, is \$73/kW-year. However, that figure is based on the annual carrying
26 cost of a combustion turbine as calculated by PJM approximately one year ago
27 using historical data. As more recent data are incorporated in that calculation,
28 the deficiency payment rate will decline. Nonetheless, the PJM deficiency
29 payment rate is not the proper measure of the value of installed capacity credits,

because those credits are actively traded based on current market prices that are well below the PJM payment rate.

As I explained before, a PJM member would not incur a PJM deficiency payment if it could purchase installed capacity credits at a lower price from another member that has capacity credits available for sale. Recent market transactions indicate that installed capacity credits have been purchased and sold for as low as 15% to 20% of the PJM deficiency payment rate. These discounts will likely decline over time as loads and capacity on PJM become more closely aligned, and the value of installed capacity will move closer to the PJM installed capacity deficiency rate.

Q. What is shown by Attachment I-B-3?

A. Attachment I-B-3 contains a map of the PP&L electric system. The map is a detailed electric system diagram. It shows the arrangement of all PP&L generating and transmission facilities, 69 kV and above. It is representative of the system at December 31, 1993.

Q. Does this conclude your direct testimony?

A. Yes.

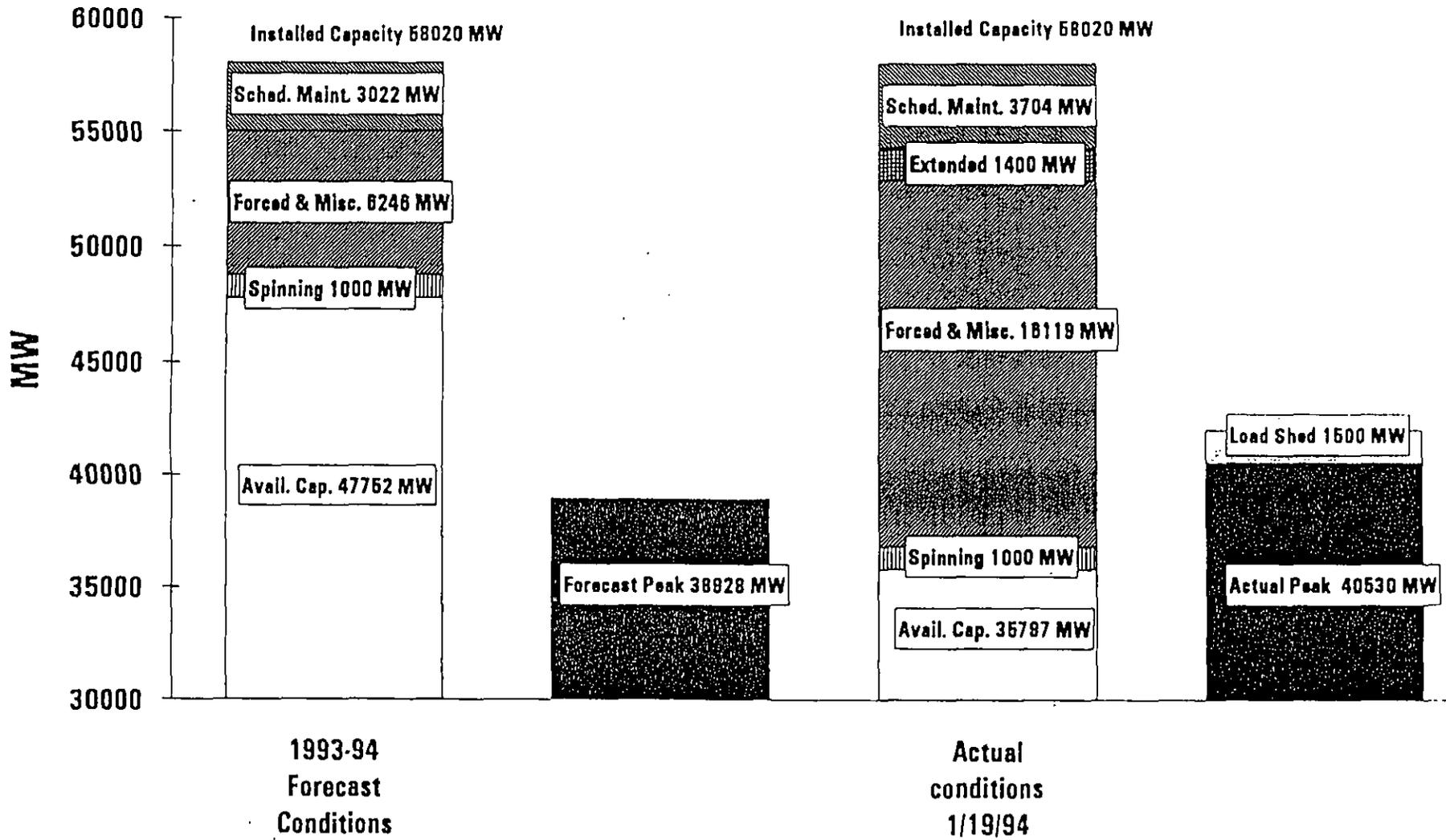
PENNSYLVANIA POWER & LIGHT COMPANY
LOAD AND CAPACITY FORECAST 1994-2003
Winter Capacity & Loads

Winter Peak Load Period	Winter Peak Load (MW)	PP&L Owned or Leased Capacity (MW) (1)	Capacity Additions and Reductions				Firm Capacity Sales to Other Utilities (MW)			Net Resources At Time Of Peak (MW)	Reserves At The Time Of The Peak		Interruptible Load Adjustment (MW) (7)	Reserves At The Time Of The Peak w/ IL		NUG (MW)	Reserves At The Time Of The Peak w/ IL & NUG			Capacity Credit Sales to Other PJM Utilities (MW)			Reserves At The Time Of The Peak w/ IL, NUG, & CC Sales	
			Location (MW)	Inservice Date	A/E (MW) (4)	BG&E (MW) (5)	JCP&L (MW) (6)	w/o NUG, IL, & CC Sales (MW)	(MW)		%	w/ IL (MW)		%	(MW)		(MW)	%	GPU (MW) (8)	BG&E (MW) (9)	PEP (MW) (10)	(MW)	%	
																								(MW)
94/95	8605	8543			-129	-129	-845	7340	735	11.1%	345	1080	18.4%	504	1654	24.0%	-300	-50	-147	997	16.1%			
95/96	8725	8540	Dorats MC 3 & 4 (-13 & -36 MW) (a)	1/1/96	-129	-132	-845	7334	608	8.1%	345	954	14.2%	474	1428	21.2%		-183		1246	18.8%			
96/97	8790	8540			-129	-132	-768	7623	733	10.8%	345	1078	18.8%	474	1652	22.8%				1652	22.8%			
97/98	8915	8555	Uprate MC 3 & 4 (13 & 36 MW) (a)	6/97	-129	-132	-567	7760	848	12.2%	345	1190	17.2%	474	1664	24.1%				1664	24.1%			
98/99	7050	8558			-129	-132	-378	7949	899	12.8%	345	1244	17.8%	474	1718	24.4%				1718	24.4%			
99/00	7180	8570	Montour 1 Scrubber (-18 MW) (c)	8/1/99	-129	-132	-189	8120	935	13.0%	345	1280	17.8%	474	1764	24.4%				1764	24.4%			
00/01	7330	8552	Montour 2 Scrubber (-18 MW) (c)	8/1/00		-132		8420	1090	14.8%	345	1435	18.8%	474	1909	26.0%				1909	26.0%			
01/02	7485	8552					8552	1067	14.8%	345	1432	18.2%	474	1906	26.8%				1906	26.8%				
02/03	7600	8552					8552	952	12.8%	345	1297	17.1%	474	1771	23.3%				1771	23.3%				
03/04	7745	8552					8552	807	10.4%	345	1152	14.9%	474	1626	21.0%				1626	21.0%				

Notes:

- (1) Winter capacity of PP&L's wholly owned, and share of joint owned units as of December 1st of the Winter Period.
- (2) Includes only PP&L's 80% share of the 50 MW uprate in Susquehanna SES Unit 1. Allegheny Electric Cooperative owns the remaining 10% (5 MW of the uprate).
- (3) Capacity decreases resulting from the addition of scrubbers to meet the requirements of the 1990 Clean Air Act.
- (4) Reflects agreements for Atlantic Electric Co. (A/E) to purchase 129MW (Summer Capacity) of PP&L's wholly owned coal fired capacity and energy from 10/1/91 to 8/30/00.
- (5) Reflects agreements for Baltimore Gas & Electric Co. (BG&E) to purchase 8.6% of PP&L's share of Susquehanna capacity and energy from 10/1/91 to 8/31/01.
- (6) Reflects agreements for Jersey Central Power & Light Co. (JCP&L) to purchase 848 MW (Winter Capacity) of PP&L's average system capacity and energy. This purchase is proportionately reduced beginning in 1/1/96 and terminated in 1/1/00.
- (7) The value of PP&L's Interruptible Load is based on PP&L's estimate of the average availability of the interruptible load at the time of each of PP&L's 13 summer weekly peaks. The value is currently estimated to be 290 MW. This value is converted into an equivalent capacity value based on the procedure outlined in the PJM Active Load Management Report. The values shown above are PP&L's estimate of the capacity value of this interruptible load.
- (8) Derats of Martins Creek 3 & 4 by 13 and 36 MW respectively for damaged turbine blades. Repairs are expected to be completed in the Spring of 1997.

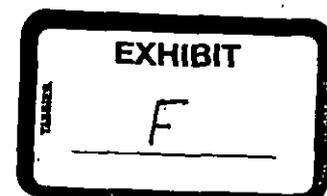
1993-94 Winter Forecast Conditions vs. Actual Conditions



Pennsylvania Power & Light Company
Response to Interrogatories of
the Office of Trial Staff
Dated January 13, 1995
Docket No. R-00943271

Q. OTS-RS-14D. Refer to Exhibit OJK 1-4, page 19B.

- a) Provide a schedule that depicts the number of interruptions, the total time interrupted, and the total load interrupted that the Company initiated for each month of the Historic Test Year and the previous three years. Also, provide the reason for each interruption.
- b) Provide a detailed discussion explaining why the Company sets a limit on the number of interruptions that could occur during the year. If Interruptible Service is truly interruptible, then why set a maximum number of interruptions?
- c) Provide a detailed discussion explaining why the Company sets a limit to the duration and aggregate duration of interruptions. If Interruptible Service is truly interruptible, then why set a limit to the duration of the interruption?
- d) Is the penalty for failure to interrupt load negotiable? Provide a detailed discussion explaining the Company's procedure concerning the Service Agreements and the penalty determination.
- e) Is the additional charge for continued use of interruptible load negotiable. Please explain.
- f) Is the Interruptible Service available to new customers? Please explain. Is the Service Agreement between the Company and the customer renegotiated at set intervals?
- g) Provide a detailed schedule depicting the calculations and supporting work papers for the Net Monthly Service Charges. Explain what costs the Company attempts to recover through these rates.



- A. OTS-RS-14D.
- a. Attachment 1 provides the requested information.
 - b. PP&L's interruptible service customers have made decisions to select interruptible service based on the contractual requirements for interruptions such as the number and duration of interruptions. These contractual requirements are not being changed in the proposed interruptible service options.

PP&L's contractual requirements for interruptible load conservatively exceed the requirements in PJM capacity accounting. For example:

<u>Requirement</u>	<u>PJM Requirement</u>	<u>PP&L Requirement</u>
Duration	at least 6 hours	10 hours
Annual # Interruptions	at least 10	20

PP&L has developed contracts with customers that include these requirements. Removing these limitations could result in a loss of a portion of this important peaking capacity resource.

- c. See item b.
- d. The penalty for failing to comply with interruption requests is not negotiable. PP&L monitors customer performance during requested interruptions. Customers that do not fully comply with contractual requirements are assessed the appropriate penalties.
- e. In addition to a demand penalty, PP&L also charges customers for excess KWH used during interruptions at the PJM billing rate. This charge is not negotiable.
- f. The proposed interruptible service option limits the total amount of interruptible power to 500 MW.

The interruptible service option will be available to new customers if the additional interruptible load does not cause the Company's total amount of interruptible load to exceed the 500 MW limit.

Contracts are negotiated as required, not at set intervals.

- g. PP&L's proposed interruptible service option does not include a net monthly service charge.

CURTAILMENT SUMMARY

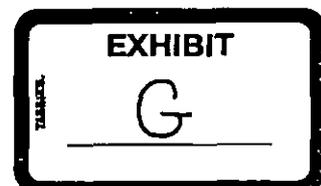
<u>Date</u>	<u>Period of Curtailment</u>	<u>Amount of Curtailment (MW)</u>	<u>Reason for Curtailment</u>	<u>Number of Customers</u>
1/21/94	24:00 - 11:51	203	Emergency	43
1/20/94	7:40 - 24:00	201	Emergency	43
1/19/94	5:06 - 22:30	185	Emergency	43
12/31/93	8:02 - 10:02	7	Emergency Test	1
12/29/93	15:51 - 17:51	6	Emergency Test	1
12/27/93	12:02 - 14:02	61	Emergency Test	1
12/27/93	7:00 - 9:00	3	Emergency Test	1
12/23/93	14:00 - 16:00	12	Emergency Test	1
12/22/93	13:45 - 15:45	5	Emergency Test	1
12/21/93	12:00 - 14:00	3	Emergency Test	1
8/27/93	10:30 - 14:00	145	Emergency Test	30
7/14/92	15:10 - 16:31	126	Emergency	6
9/16/91	14:34 - 20:09	133	Emergency	5

Pennsylvania Power & Light Company
Response to Interrogatories of
the Office of Consumer Advocate, Set V
Dated February 6, 1995
Docket No. R-00943271

- Q. 13. On Exhibit JFS-1, PP&L assumes no increase over time in interruptible load (i.e., capacity value of 345 MW). Please explain why PP&L believes that no increase is the most realistic or appropriate assumption.
- A. 13. PP&L's current amount of interruptible load is estimated to have an equivalent capacity value of about 345 MW for PJM installed capacity accounting purposes. For capacity planning purposes, PP&L has conservatively assumed that this amount of interruptible load remains at current levels.

This assumption for the future amount of interruptible load is consistent with PP&L's filing of Supplement No. 40 to its Tariff - Electric Pennsylvania Public Utility Commission 200 at Docket No. R-00943081. This filing proposed to limit the availability of interruptible load to current interruptible customers.

The amount of future interruptible load also is consistent with PP&L's proposed interruptible service rate option which will provide a smaller discount between firm and interruptible service than the current interruptible rate structure. This smaller discount would reduce the likelihood of adding significant amounts of new interruptible load.



Pennsylvania Power & Light Company
Response to Interrogatories
of the Office of Trial Staff
Dated January 13, 1995

Docket No. R-00943271

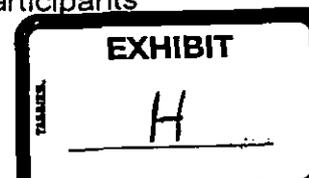
Q.OTS-RE-46D. Reference Direct Testimony of Oliver G. Kasper.

- a) Page 5, Lines 8 and 9. Provide the list of names of the several large industrial customers having production facilities in other states.
- b) Page 8, Lines 18 and 19. Provide a list of current, and a list and/or number of prospective customers of the new rate LP-6.
- c) Page 12. Interruptible customers are all interruptible customers required to have a portion of their load as firm, and if so, how is that firm portion calculated?
- d) Page 17. How do the aims of EDI/IDI programs reconcile with the aims of your Demand Side Management program?

A.OTS-RE-46D. (a) (b) The following is a list of customers who may choose to be served under the new Rate Schedule LP-6:

Air Products & Chemicals*	Hercules Cement*
Alumax Mill Products*	Kellogg Co.*
Armstrong World Industries*	Keystone Cement Co.*
AT&T Micro Electronics*	LaFarge Corporation*
Bethlehem Steel Corporation*	Liquid Carbonic, Inc.*
BOC Gases*	Merck and Co.*
Commonwealth of Pennsylvania	Navy Ship Parts*
Essroc Materials, Inc.*	Praxair, Inc.*
	Thomson Consumer*

- * Customers who have production facilities in other states.
- c) Interruptible service customers are not required to have a portion of their load as firm.
- d) The purpose of PP&L's EDI/IDI programs is to encourage economic development in its service area by saving jobs and creating new jobs. Participants in the program receive credits for increasing production or expanding physical plant. Not only do the participants benefit from the programs, non-participants



benefit as well. Additional load on the system that results from economic development activities spreads fixed costs over a broader base, thus keeping individual customer rates lower than would otherwise be the case.

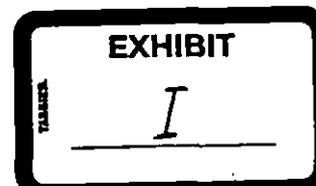
Demand Side Management (DSM) programs are intended to promote the most effective use of electricity. DSM programs are designed to change the usage of electricity on the customer's side of the meter in an attempt to alter load shape and reduce utility costs. DSM programs encourage energy efficiency, provide rate options for load shaping flexibility, and encourage the use of electricity to improve efficiency and productivity. A reduction in the growth of the summer and winter peaks may help to defer the need for the additional generation and helps keep overall rates lower.

Pennsylvania Power & Light Company
Response to Interrogatories of
the Office of Trial Staff
Dated February 1, 1995

Docket No. R-00943271

Q.OTS-RB-50. Refer to Attachment I-B-2d.

- a) Provide the work papers and studies performed to support the Winter Peak Load calculation for each of the ten years listed.
- b) Provide an itemized break-down showing the components of the derivation of the PP&L Owned or Leased Capacity for each of the years listed.
- c) Is PP&L renegotiating or restructuring any of the Firm Capacity Sales to Other Utilities contracts? If yes, provide a detailed narrative explaining the progress, terms, and conditions of the negotiations.
- d) Provide a detailed discussion explaining the relationship between PP&L's capacity obligation under the PJM Agreement and the derivation of the Reserves at the Time of the Peak.
- e) Provide a schedule showing the calculations and supporting work papers used to derive the Interruptible Load adjustment.
- f) Provide a detailed explanation describing why the percentage calculation of Reserves at the Time of the Peak is derived by dividing the Reserves (MW) by the Winter Peak Load (MW). For example, the 1994/95 calculation of Reserve percentage without IL and NUG is 735 (MW) divided by 6605 (MW). Why didn't the Company divide the 735 (MW) by the Net Resources of 7340 (MW)?



A.OTS-RB-50. a) PP&L uses two different regression models to forecast winter peaks. The first regression model describes rate class contributions to peak as a function of rate class annual sales and a weather variable that captures the difference between actual and normal weather on each peak day. Because winter peaks historically have occurred during the 8-9 a.m., 10-11 a.m., and the 6-8 p.m. periods, analysis is performed for all these periods. These regression equations are applied to the forecast of annual sales by rate class to determine contributions to peak. The sum of the rate class contributions is an estimate of the Company's winter peaks. The results from each of these time periods are weighted by the percentage of times that seasonal peaks have occurred in these periods for the final forecast by this method. Attachment 1, pages 1-33, shows the regression equations that were used. Attachment 1, page 35, shows the resulting winter peak forecast, titled 'Method 1 Peak'.

The second model is a regression of the annual winter weather-normalized Company peaks (excluding UGI supply) against annual weather-normalized Company sales. Attachment 1, page 34, shows the equation for this second model. This regression equation is applied to the forecast of annual Company sales to determine a second estimate of Company winter peaks. Attachment 1, page 35, shows the resulting winter peak forecast, titled 'Method 2 Peak'.

The results of these two methods are close, but not exactly the same. The two estimates are averaged to determine a final forecast of Company's winter peaks. To this is added an estimate of PP&L's supply to UGI that is based on UGI's expected peak and the amount that they are expected to be able to supply from their own generation. The sum of the Company's peak and the supply to UGI is PP&L's system winter peak. These calculations are shown on Attachment 1, page 36.

- b) Attachment 2 provides an itemized breakdown showing the components of the derivation of the PP&L owned or leased capacity for the PJM planning periods from 1994/95 through 2003/04.
- c) PP&L is not renegotiating or restructuring any of its existing Firm capacity sales to Other Utilities contracts at this time.

- d) PP&L's installed capacity obligation to PJM is the amount of capacity PP&L must provide to meet its allocated share of the PJM installed capacity requirement needed to meet the established reliability standard. This annual obligation is typically expressed as a percentage and megawatt reserve above the peak load. Reserves at the time of the peak are simply a calculation of the difference between forecast peak load and the various capacity resource totals.
- e) PP&L's average seasonal interruptible demand is determined by first subtracting the firm service level of each interruptible customer from their actual load at the hour of PP&L's daily system peaks for each weekday of the summer. This equals the amount of load available for interruption for each customer. These daily values for each customer are averaged for the summer season and then summed to obtain the average load available for interruption for the Company. Attachment 3, pages 1-2, shows for each customer and total Company this average load available for interruption.

The average available interruptible load is then converted into a capacity equivalent value. This capacity equivalent value represents the amount of capacity PP&L does not have to install because the load can be interrupted. The calculation of the capacity equivalent value is determined by multiplying the average value of available interruptible load by the company's Active Load Management (ALM) factor. The ALM factor reflects the reliability value of ALM to PJM. The ALM factor for PP&L is currently 1.19. Applying this factor to PP&L's 290 MW of interruptible load results in a capacity equivalent value of 345 MW.

- f) The value calculated on Attachment I-B-2d of Exhibit Regs. §53.53, Part II, Primary Statements of Rate Base and Operating Income is referred to as the reserve margin. Because the PJM reserve requirement is stated by PJM as a reserve margin, PP&L and other PJM member companies represent their margins on the same basis. Dividing the reserves by the capacity, referred to as the "capacity margin", is another basis of expressing reserves but is not used as frequently in PJM.

Hilliard, Janet M.

From: Hilliard, Janet M.
To: RUSSELL, PAUL E. / 220-4254; Dussinger, William A. Jr. / 220-5494; Sipics, John F. / 220-4502; Getz, Michael M. / 340-5238
Cc: Kasper, Oliver G. / 220-4462; Farber, Gerald S. / 220-5274
Subject: Caradon Mideast Aluminum Interruptible Rate
Date: Thursday, February 15, 1996 1:41PM

John Laputka, Caradon, Tom Dunn and Joe ?, Commercial Utility Consultants (rate consultants), Ollie Kasper and Janet Hilliard, PP&L, met earlier today to discuss the interruptible rate.

According to the customer, Caradon expressed verbal interest in the interruptible rate with their PP&L representative back in August of 1994. They were informed that the rate was not available at that time. Their rate consultant (CUC) indicated that a customer had gotten on to the interruptible rate after the August deadline and that a waiting list for new customers had been established by PP&L. On September 19, 1995, Caradon made a written request expressing their interest in becoming an interruptible customer. Customers were placed on the waiting list according to the date of their written request. Caradon is currently sixth on the waiting list. They believe their position on the waiting list should reflect their verbal interest which would place them first or second on the list.

Caradon questioned the 500 MW cap for interruptible load. Their main question was whether PP&L is above or below this cap. Ollie indicated that at this time, we are below the 500 MW cap but that this was only a measure of the capacity on the hour of system peak. This translates to a capacity at the hour of system peak of greater than 350 MW. According to our base rate filing and our filing for the closing of the interruptible rate, PP&L only requires 300-350 MW on the hour of system peak. Any additional interruptible capacity beyond this has no value for PP&L. Even though we are below our level of 500 MW, this is still creating a peak reduction capability of 363 MW. Ollie explained to the customer that it does not make good business sense to continue signing up new interruptible capacity that has no value to PP&L.

The customer also inquired about activity on the rate since the rate closing. Ollie informed him that no new accounts had been added to the interruptible capacity, and two customers have left the rate.

The customer's concerns were addressed. Although it was not verbally indicated by the customer or the consultant, Ollie and I concur in our belief that he is not satisfied with the outcome and will pursue this with the PUC.



Hilliard, Janet M.

From: Kasper, Oliver G.
To: Hilliard, Janet M.
Cc: RUSSELL, PAUL E.; Krall, Douglas A.; Dussinger, William A. Jr.; Abel, James E.
Subject: Mideast Aluminum Response
Date: Tuesday, March 19, 1996 10:44AM

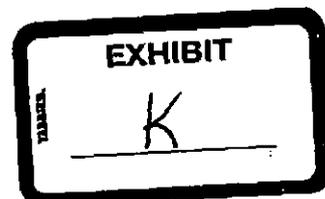
In a response to Mideast several points should be referenced:

1) I state that yes in recent months we have dropped below the 500 MW cap, but PP&L need to review the available resource and that the resource availability that we needed was between 300 and 350 MW as referenced in the filing to close the interruptible rate in 1995 and again in the rate case. I indicated that interruptible capacity above this level has no value to PP&L and does not make good business sense for PP&L to continue to sign on new interruptible capacity.

2) When questioned about the tariff, I said the tariff does not state that we must sign contracts when below 500 MW and this gives me the ability to make business decisions for PP&L. When questioned about this interpretation by the consultant, I believe that I must be reviewing the resource value for the shareholders of PP&L, and this tariff language gives us the flexibility to do that. He then asked if the PUC concurred with my interpretation and I responded that the PUC has not reviewed this interpretation.

3) We indicated in the meeting that we would review their request for updates on where PP&L's interruptible capacity is on a monthly basis, we did not agree to do this as yet. The time frame of this review is a problem - should it be monthly or annual? Annual makes more logical sense. All customer loads vary monthly, and the capacity could drop below the cap in one month and be well above the next month.

Before responding to this letter, we should have OGC look over the response.



Hilliard, Janet M.

From: Kasper, Oliver G.
To: Abel, James E.
Cc: Hilliard, Janet M.
Subject: FW: Caradon Mideast Aluminum Interruptible Rate
Date: Tuesday, March 19, 1996 10:07AM

This is a summary of the Mideast Aluminum meeting in which the consultant "claims" I told him that Buck would be put on the rate. For more information on this meeting please call Janet.

From: Hilliard, Janet M.
To: RUSSELL, PAUL E.; Dussinger, William A. Jr.; Sipics, John F.; Getz, Michael M.
Cc: Kasper, Oliver G.; Farber, Gerald S.
Subject: Caradon Mideast Aluminum Interruptible Rate
Date: Thursday, February 15, 1996 1:36PM

John Laputka, Caradon, Tom Dunn and Joe ?, Commercial Utility Consultants (rate consultants), Ollie Kasper and Janet Hilliard, PP&L, met earlier today to discuss the interruptible rate.

According to the customer, Caradon expressed verbal interest in the interruptible rate with their PP&L representative back in August of 1994. They were informed that the rate was not available at that time. Their rate consultant (CUC) indicated that a customer had gotten on to the interruptible rate after the August deadline and that a waiting list for new customers had been established by PP&L. On September 19, 1995, Caradon made a written request expressing their interest in becoming an interruptible customer. Customers were placed on the waiting list according to the date of their written request. Caradon is currently sixth on the waiting list. They believe their position on the waiting list should reflect their verbal interest which would place them first or second on the list.

Caradon questioned the 500 MW cap for interruptible load. Their main question was whether PP&L is above or below this cap. Ollie indicated that at this time, we are below the 500 MW cap but that this was only a measure of the capacity on the hour of system peak. This translates to a capacity at the hour of system peak of greater than 350 MW. According to our base rate filing and our filing for the closing of the interruptible rate, PP&L only requires 300-350 MW on the hour of system peak. Any additional interruptible capacity beyond this has no value for PP&L. Even though we are below our level of 500 MW, this is still creating a peak reduction capability of 363 MW. Ollie explained to the customer that it does not make good business sense to continue signing up new interruptible capacity that has no value to PP&L.

The customer also inquired about activity on the rate since the rate closing. Ollie informed him that no new accounts had been added to the interruptible capacity, and two customers have left the rate.

The customer's concerns were addressed. Although it was not verbally indicated by the customer or the consultant, Ollie and I concur in our belief that he is not satisfied with the outcome and will pursue this with the PUC.





March 4, 1996

J. F. Sipics - TW-15
W. A. Dussinger - TW-5
G. S. Farber - A9-4
R. F. Subocki - A9-4
D. A. Krall - TW-5
P. E. Russell - TW-3

STATUS AND POLICY ON THE INTERRUPTIBLE RATES

PP&L currently has a 500 MW cap within the Tariff for customer supplied interruptible capacity. This cap was estimated as the maximum amount of non-diversified interruptible capacity that could be signed up to produce 300 to 350 MW of interruptible load at the time of PP&L's monthly system peaks (coincident interruptible load). The 500 MW cap comparison is measured by taking the highest 15 minute demand of each customer in the 12 months of 1995, subtracting their contract Firm KW, then summing all of these capacity values. Currently, this results in 483 MW for 1995.

Within the past two months, PP&L's interruptible capacity has dropped below the 500 MW level. As stated in the Tariff, PP&L would not enter into any additional interruptible contracts as long as the total interruptible capacity was above 500 MW. With the closure of the basic oxygen furnace at Bethlehem Steel, the capacity has fallen to 483 MW.

From this capacity, our current available interruptible resource average for the 12 months of 1995 at the time of PP&L's system peak is 353 MW. The 353 MW is the sum of the highest 15 minute demand for each customer at the time of each PP&L system monthly peak in the 1995 calendar year, minus the sum of the contract Firm levels of each customer. The results are then averaged for the 12 months to arrive at 353 MW for 1995. Resource Planning and Marketing Planning have been requested to review this available resource and determine if PP&L requires additional resources of interruptible capacity. This review will treat all capacity as having the same value to PP&L, in other words, the current value of capacity in the free wholesale market will not be considered. Until this review is completed, the interruptible rates will remain unavailable.

If Resource Planning and Marketing Planning determines that additional interruptible capacity is needed, customers will be considered for the interruptible rates based on their written request date. If the rates become available, all customers will be treated the same. New customers to the interruptible rates and existing customers on the interruptible rates that want to lower their contract Firm levels will be taken in chronological order until the capacity resource is satisfied.



As in the past, a request for a contract will be required, signed by the consultant, Segment Manager, and the Manager—Pricing & Contract Administration. This request will include:

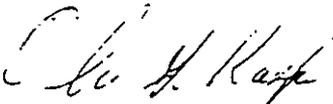
- ⊖ customer name to appear in the contract,
- ⊖ three contact names and phone numbers,
- ⊖ contract initial Load Factor,
- ⊖ contract Firm KW level,
- ⊖ an estimate of revenue lost by adding this interruptible capacity,
- ⊖ the customer's interruption procedure, and
- ⊖ the equipment to be interrupted.

New customers and existing customers that reduce Firm levels must be informed that they will be tested after being placed on the interruptible rate. This is required to confirm the customer's willingness and ability to interrupt. The test will be unannounced.

There will not be any retroactive billing adjustments. The rate application will start with the first meter-read date after the contract is signed. Customers should not be given any indication of their position on our list, or the MWs of interruptible capacity ahead of them. We may still have letters in Division Customer files we are unaware of that could change their current position on the list.

It would be helpful to have the Account Managers review the files of customers that could qualify for either the IS-T or the IS-P Tariffs, looking for any letters that may have been submitted requesting to be placed on these rate options.

Considering the revenue loss potential that exists, please do not actively pursue additional customer interest in the interruptible rates.



O. G. Kasper

ok115.400
OGE/eb

Attachment

- | | | | | |
|----|-----------------|----------------|----------------|---------------------------|
| c: | R. A. Blank | - TW-6 | J. M. Messner | - TW-6 |
| | G. E. Beam | - TW-6 | D. R. Stinner | - TW-6 |
| | E. A. Davis | - TW-6 | K. A. Welch | - TW-6 |
| | D. J. Fiorillo | - TW-6 | S. Kutoloski | - TW-5 |
| | L. A. Henry | - TW-6 | J. M. Kleha | - TW-3 |
| | R. A. Kapo | - TW-6 | E. J. Brignole | - Susq. SC |
| | E. A. Kushma | - TW-6 | J. P. Clifford | - East Mnt. Business Ctr. |
| | W. G. Lieberman | - TW-6 | M. M. Getz | - Susq. SC |
| | W. F. Guerin | - Snowdrift Z5 | J. J. Slivka | - A9-4 |

MARCH 4, 1996
INTERRUPTIBLE RATE POLICY

The measurement for the total available interruptible capacity for opening or closing of the rate will remain the highest 15 minute demand of each customer in the year ending December 31 each year, subtracting the customers Firm KW, then summing all of these capacity values.

By January 31 of each year, Resource Planning and Marketing Planning will review the available year-end interruptible load resource and determine if PP&L requires additional resources of interruptible load. The capacity cap (currently 500 MW) will then be adjusted up or down depending on the results of this review. The capacity cap change, if required, will be filed with the PaPUC. The interruptible rates will remain closed until the then current capacity cap is confirmed or a new capacity cap is set by Resource Planning.

When the existing total available interruptible capacity is less than the capacity cap, new customers will be allowed on the interruptible rates in chronological order per their application for the rates. This will continue until the total interruptible capacity cap is met. This will be determined by Pricing & Contract Administration, based on each customers 12 month history ending December 31 of the previous year.

To apply for the interruptible rates after March 31, 1996, PP&L and the customer must comply with the following:

- ⇒ A request for the interruptible rate will be submitted to Pricing & Contract Administration.
- ⇒ The request will be signed by the Account Representative, Segment Manager, and the Manager-Pricing & Contract Administration.
- ⇒ The request will include:
 - Customer name to appear in a contract.
 - Customer number.
 - Initial contract Load Factor.
 - Contract Firm KW level.
 - Customer's interruption procedure.
 - The equipment to be interrupted.
- ⇒ A confirmation letter will be sent back to the customer by Pricing & Contract Administration.



Pennsylvania Power & Light Company

200 E. Buttonwood St. • Hazleton, PA 18201
1-800/342-5775

April 8, 1996

Mr. John J. Laputka
Caradon Mideast Aluminum
P.O. Box 98
Crestwood Industrial Park
Mountaintop, PA 18707-0098

Dear John:

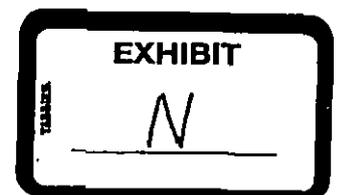
Ollie Kasper and I have reviewed your letter dated March 15, 1996. My understanding is that it is your summary of our February 15, 1996, meeting at which we discussed the status of the interruptible rate.

Mr. Kasper did state that the total maximum potential interruptible load from all of Pennsylvania Power & Light Company's customers for the past few months is below 500 MW. Ollie provided an explanation of how the 500 MW relates to a diversified level of interruptible capacity. That diversified capacity is now above 350 MW, which is more than the PP&L resource requirement. Diversified capacity greater than 350 MW has little or no value to PP&L.

The diversified interruptible capacity number varies monthly with the customers' load fluctuations. We cannot use monthly or even a series of monthly interruptible capacity figures to determine whether additional interruptible capacity from other customers is needed. PP&L will, therefore, review its interruptible capacity level annually after September 28 of each year and review the available year-end interruptible load resource. PP&L will then determine if it requires additional resources of interruptible load.

Since PP&L will review its interruptible load capacity requirements on an annual basis, PP&L cannot agree to provide you with interruptible capacity level versus interruptible cap on a monthly basis. However, I will agree informally to provide you this information on a less frequent basis. I will also inform you of your interruptible status after September 28, 1996.

We acknowledge Caradon Mideast Aluminum's position that the interruptible service for which you have applied is now available and that you have formally applied to be included on the interruptible waiting list since September 19, 1995. PP&L will respect your position on the interruptible waiting list only when and if the rate becomes available to you. Since the rate will remain closed until at least September 28, 1996, a contract will not be forwarded to you at this time.



Mr. John J. Laputka

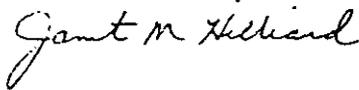
Page 2

April 8, 1996

PP&L will not provide a listing of customers being added to or removed from the interruptible rate. This is confidential customer information; therefore, we are not at liberty to share this information.

John, I hope this has adequately addressed the points and requests of your March 15 letter. Please continue to use me as an information conduit on this issue.

Sincerely,



Janet M. Hilliard
Account Manager

cc: Mr. Glenn Silver - Caradon Mideast Aluminum
Mr. R. Suhocki - A9-4
Mr. O. G. Kasper - TW-6
Mr. M. Getz - Susq. S. C.

1 A. Bill distributions and other summaries of billing quantities for all rates were assembled for
2 the 12 months ended September 30, 1994. Partial monthly billing was corrected to full
3 monthly billing. Both present and proposed rates were applied to the corrected billing
4 quantities. The results of these calculations were then used to obtain adjusted rate class
5 revenue for the period ended September 30, 1994, and to the budgeted rate class revenue
6 for the period ending September 30, 1995, to derive the total annual revenue effect and the
7 effect by rate classes. Increases were also assigned to the late payment charge, to the
8 annualized revenue adjustment and to interdepartmental revenues.

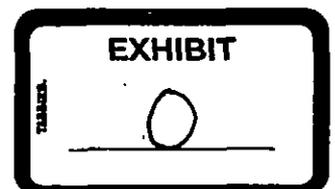
9

10 Q. Would you please explain the proof of revenue or bill frequency analysis?

11 A. Regulation IV-C contains a bill frequency analysis which details, by rate class, the billing
12 units for each type of charge in PP&L's existing and proposed tariff. In Column 2, there is a
13 summary of the annual billing units for that class. This would include total customers, total
14 KW, or total KWHs in the specific block. Column 3 contains the price per unit at current
15 rates. Column 4 shows the total revenue for that block. The percentage increase of the
16 proposed rates over current rates is at the bottom of each page. It is this percentage that is
17 used to calculate the dollar revenue increase for all classes. This filing response basically
18 "proves the revenue" and is often referred to as a "bill frequency analysis."

19

20 Q. Have you compared customer bills before and after the proposed increase?



1 A. Yes. Bill comparisons for selected rate schedules can be found in PP&L's response to
2 Regulation IV-D. Various bill comparisons were completed utilizing average usage and a
3 selected range of residential and general service usage.
4

5 Q. Would you briefly describe the contents of Exhibit OGK-2?

6 A. This exhibit, which is entitled "Digest of Proposed Changes Requested in Supplement No.
7 50 to Tariff Electric-PA PUC No. 200," contains a summary of the Company's filed
8 proposed rules and rate changes. A copy of this digest has been provided to all PP&L
9 employees who have responsibility for administration of the electric tariff
10

11 Q. Does that complete your testimony?

12 A. Yes, it does.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

CARADON MIDEAST ALUMINUM,
A Division of Caradon America, Inc.

v.

PENNSYLVANIA POWER & LIGHT
COMPANY

METAL INDUSTRIES, INC.

v.

PENNSYLVANIA POWER & LIGHT
COMPANY

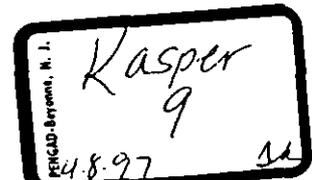
Docket No. C-00968031

Docket No. C-00968275

ANSWER OF
PENNSYLVANIA POWER & LIGHT COMPANY
TO CONSOLIDATED MOTION FOR PARTIAL SUMMARY JUDGMENT
OF CARADON MIDEAST ALUMINUM AND METAL INDUSTRIES, INC.

Respondent Pennsylvania Power & Light Company ("PP&L" or the "Company"), by its attorneys, hereby submits its Answer to the Consolidated Motion for Partial Summary Judgment of Caradon Mideast Aluminum ("Caradon") and Metal Industries, Inc. ("MI"), filed January 8, 1997. In support thereof, PP&L states as follows:

1. On January 8, 1997, Caradon and MI filed a Consolidated Motion for Partial Summary Judgment ("Motion") in the above-referenced matter.
2. In their Consolidated Motion, Caradon and MI request that the Pennsylvania Public Utility Commission ("Commission") issue an Order "directing PP&L to place each on Rate Schedule IS-P Interruptible Larger General Service at 12,470 Volts or Higher retroactive to September 28, 1995." Motion, p. 1.



3. In the alternative, Caradon and MI seek a Commission Order stating that "the interruptible rate was available to all qualified customers as of September 28, 1995 as PP&L was below the 500 MW cap." Motion, p. 1.

4. For the reasons set forth in the attached Memorandum of Law, which PP&L incorporates herein by reference, Caradon and MI's Motion should be denied, because there are genuine issues of material fact which require a full hearing.

Respectfully submitted,



David B. MacGregor
Alan K. Maesaka
Morgan, Lewis & Bockius LLP
2000 One Logan Square
Philadelphia, PA 19103
(215) 963-5448

Paul E. Russell
Pennsylvania Power & Light Company
Two North Ninth Street
Allentown, PA 18101
(610) 774-4254

Counsel for Pennsylvania Power & Light
Company

OF COUNSEL:

MORGAN, LEWIS & BOCKIUS LLP
2000 One Logan Square
Philadelphia, PA 19103
(215) 963-5448

DATED: January 28, 1997

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

CARADON MIDEAST ALUMINUM,
A Division of Caradon America, Inc.

v.

PENNSYLVANIA POWER & LIGHT
COMPANY

METAL INDUSTRIES, INC.

v.

PENNSYLVANIA POWER & LIGHT
COMPANY

Docket No. C-00968031

Docket No. C-00968275

MEMORANDUM OF LAW
IN SUPPORT OF THE ANSWER OF
PENNSYLVANIA POWER & LIGHT COMPANY
TO CONSOLIDATED MOTION FOR PARTIAL SUMMARY JUDGMENT
OF CARADON MIDEAST ALUMINUM AND METAL INDUSTRIES, INC.

I. INTRODUCTION

On January 8, 1997, Complainants Caradon Mideast Aluminum ("Caradon") and Metal Industries, Inc. ("MI") filed a Consolidated Motion for Partial Summary Judgment ("Motion"). In their Motion, Caradon and MI ask that the Pennsylvania Public Utility Commission ("Commission") issue an Order directing PP&L to "place each on Rate Schedule IS-P Interruptible Large General Service at 12,470 Volts or Higher retroactive to September 28, 1995." Motion, p. 1. In the alternative, Caradon and MI request that the Commission issue an

Order finding, as a matter of law, that “the interruptible rate was available to all qualified customers as of September 28, 1995 as PP&L was below the 500 MW cap.” Id.

As explained in detail below, Caradon and MI’s Motion should be denied. A variety of material disputed factual issues exist with regard to the calculation of the 500 MW cap and as to whether Caradon and MI satisfied or could have satisfied all of the requirements necessary to receive interruptible service as of September 28, 1995 and thereafter.

II. STANDARD OF REVIEW

Section 5.102(c) of the Commission’s Rules, 52 Pa. Code §5.102(c), provides that:

The presiding officer will grant or deny a motion for judgment on the pleadings or a motion for summary judgment, as appropriate. The judgment sought will be rendered if the pleadings, depositions, answers to interrogatories and admissions, together with affidavits, if any, show that there is no genuine issue as to a material fact and that the moving participant is entitled to a judgment as a matter of law. (Emphasis added).

It is well established that the moving party bears the burden of showing that there is no genuine issue of material fact and that it is entitled to judgment as a matter of law. Richard Carlock v. United Telephone Co., Docket No. F-00163617, 1993 Pa. PUC LEXIS 199 (Order entered July 14, 1993). Furthermore, the record must be examined in the light most favorable to the non-moving party, in this case, PP&L. Id. Applying this standard, Complainants’ Motion should be denied for the reasons explained below.

III. ARGUMENT

In support of the Motion, Complainants' Memorandum of Law ("Memorandum") contends that partial summary judgment is appropriate because the following two issues are not in dispute: (1) PP&L has been below the 500 MW cap since September 1995; and (2) Caradon and MI applied for and were eligible to receive interruptible service under Rate IS-P on or before September 28, 1995. As explained below, numerous material facts remain in dispute with respect to both issues. Complainants' Motion therefore should be denied.

A. There Are Significant Disputed Factual Issues Regarding The Interpretation And Application Of The 500 MW Cap.

1. Implementation Of The 500 MW Cap

In their "Statement of Factual Background," Complainants provide a brief summary of the implementation of the 500 MW cap. Memorandum, pp. 2-5. This discussion, however, is limited to those changes to PP&L's interruptible rates adopted in the Company's last base rate case at Docket No. R-00943271 (the "Base Rate case"). In order to fully understand the Company's interruptible service tariff provisions and the 500 MW cap, it is necessary to review the purpose and intent of PP&L's interruptible service provisions, the Company's filing to close its interruptible rates (Pa. P.U.C. v. Pennsylvania Power & Light Company, Docket No. R-00943081 (Order entered February 15, 1995), hereinafter the "Interruptible Rate Closure case"), and the serious problems that led to the adoption of the 500 MW cap in the Base Rate case.

PP&L proposed interruptible service with two goals in mind. First, PP&L hoped to encourage economic development in its service territory. In fact, interruptible service was first proposed in the early 1980's, as part of a larger package of economic development programs referred to as "Economic Development Initiatives -- Phase IV." As explained in the Statement of Reasons for the EDI-IV filing (included as Appendix A hereto):

In this filing, Pennsylvania Power & Light Company (PP&L) proposes to continue and expand the Economic Development Initiatives (EDI) program first instituted in 1983. The overall goal of PP&L's ongoing EDI program is to contribute to an economic environment that attracts and retains businesses in PP&L's service territory. (Emphasis added).

Second, interruptible load was viewed as a capacity resource. As PP&L witness Richard Mazzini explained in the Interruptible Rate Closure case, interruptible service "provide[s] a capacity equivalent resource that can be used to meet the Company's installed capacity obligation to PJM or to permit the Company to sell installed capacity credits to other PJM members." Direct Testimony of Richard A. Mazzini, Pa. P.U.C. v. Pennsylvania Power & Light Company, Docket No. R-00943081 (Order entered February 15, 1995)(hereinafter "Mazzini Direct"), p. 7.¹ As PP&L witness John Sipics explained in the Interruptible Rate Closure case, interruptible load is one resource available to the Company to meet customer demand under peak

¹/ A copy of the relevant portions of Mr. Mazzini's Direct Testimony in the Interruptible Rate Closure case is attached as Appendix B hereto.

load conditions (Direct Testimony of John F. Sipics, Pa. P.U.C. v. Pennsylvania Power & Light Company, Docket No. R-00943081 (Order entered February 15, 1995), p. 4):^{2/}

System reliability is maintained by providing sufficient resources to supply anticipated load. Customers that can be counted on to reduce their demand when requested to by the PJM help reduce the amount of other resources that are required. Interruptible load has an effect similar to that of peaking generation. (Emphasis supplied).

Although the introduction of interruptible service generally achieved these two underlying goals, several serious problems subsequently developed. As explained by PP&L witness Oliver Kasper in the Base Rate case:

When originally proposed, these rate provisions were intended, in part, to address the economic and competitive concerns of PP&L customers, some of who [sic] were at risk of closure, substantial business contractions, or relocations. Interruptible service under rates LP-4 and LP-5 were partially successful in retaining some business and the jobs they represent for the Company's service territory. However, to achieve this economic development benefit, it was necessary to implement a pricing structure that offered discounts from firm service rates somewhat greater than would have been indicated by quantifiable measures of the difference in costs between firm and interruptible load. Nonetheless, PP&L concluded that such discounted pricing would be justified based on the economic development benefits to be produced which, in addition to retaining jobs, would retain industrial load for PP&L.

Since the LP-4 and LP-5 interruptible service options were introduced, several factors have changed. First, as stated in Mr. Sipics' testimony, the value of interruptible load has declined materially. This effect has greatly magnified the difference between the discounts for interruptible service offered by the

^{2/} A copy of the relevant portions of Mr. Sipics' Direct Testimony in the Interruptible Rate Closure case is attached as Appendix C.

Company and the discounts from firm service rates that would be justified by current cost levels. Second, because of the discounts available for electing interruptible service, otherwise non-qualifying customers have been encouraged to use on-site generation as a means of capturing marginal net benefits from lower electric rates. This trend has had the effect of materially increasing the pool of customers that could elect the interruptible service options. The revenue erosion that would result for the Company from this increased number of interruptible customers would reduce the industrial class contribution to fixed costs and, thereby, shift revenue responsibility to firm service industrial and non-industrial core customers with no corresponding benefit to the regional economy by way of business expansion or job growth. Moreover, because of the uneconomic cost-shifting that on-site generation makes possible, core customers who face a variety of competitive pressures but cannot use on-site generation to qualify for interruptible discounts would eventually see higher rates and resulting erosion of their competitive positions. (Direct Testimony of Oliver Kasper, Pa. P.U.C. v. Pennsylvania Power & Light Company, Docket No. R-00943721 (Order entered September 27, 1995), pp. 10-11):^{3/}

Thus, PP&L faced a problem that threatened to spiral out of control. The value of interruptible load to PP&L had significantly declined since the rate was introduced. However, because of the rate's deeply discounted price structure, a number of customers began to install on-site generation to qualify for interruptible service. As a result, the amount of interruptible load far exceeded expected levels.

Excessive interruptible load created several problems for the Company and its customers. First, it created a substantial revenue loss, which had to be funded by the Company's shareholders initially and ultimately by other customers receiving firm service. This was

^{3/} A copy of the relevant portions of Mr. Kasper's Direct Testimony in the Base Rate case is attached as Appendix D hereto.

particularly troublesome because the value of interruptible load to the Company and its firm customers was far below what had been expected and far less than the discount provided to interruptible customers.

Second, the higher than expected level of interruptible load was of limited value as a capacity resource because it simply created new peaks on the Company's system at a different time. As Mr. Sipics explained in the Interruptible Rate Closure case (Appendix C, pp. 6-7):

[A]nalysis of PP&L's daily load shapes indicates that additional amounts of interruptible load will not be as effective in reducing PP&L's metered peak as the interruptible load already contracted under this tariff. The reduced effectiveness of peak load reduction at higher levels of interruptible load results from secondary peaks which occur either before or after the interruption.

* * *

PP&L believes that its current amount of interruptible load provides a reliable peaking capacity resource. However, because the metered peak reduction capability of additional amounts of interruptible load will decline, the resource value and associated economic benefits to PP&L and its customers will be reduced for additional amounts of interruptible load.

PP&L first attempted to correct these problems in the Interruptible Rate Closure case. On May 13, 1994, the Company filed Supplement No. 40 to its Tariff, which proposed to close the interruptible rate to new applicants. On August 18, 1994, the Commission issued an Order suspending the operation of Supplement 40 for a period of five months and assigning the matter to the Office of Administrative Law Judge for hearings. Following evidentiary hearings and briefing by the parties, ALJ Michael C. Schnierle issued a Recommended Decision on November

21, 1994, finding that PP&L's proposed Supplement No. 40 was in the public interest and should be approved.

On February 15, 1995, the Commission issued a Final Order adopting ALJ Schnierle's recommendation to approve PP&L's proposal to limit the availability of interruptible service to customers currently receiving such service and those customers that had entered into interruptible service agreements by a date certain. In support of its Order, the Commission stated, "we find substantial evidence that the interruptible rate provisions have ceased to be in the public interest as an economical alternative for those qualified customers, as such rates now operate to the detriment of PP&L and its other rate classes." Interruptible Rate Closure case, Order, p. 6. The Commission further directed the Company to submit evidence in the Base Rate case regarding the underlying cost basis for its interruptible service rates. Id. at p. 17. As a result of the Commission's Order, interruptible service was "closed" to new customers as of February 15, 1995.

On December 30, 1994, PP&L filed its 1995 Base Rate Case, which, inter alia, proposed significant revisions to its interruptible rates and a 500 MW cap on the amount of interruptible load. This cap was intended to limit the total amount of interruptible load in order to avoid the serious problems summarized above, i.e., the declining value of interruptible load, revenue loss to the Company and/or higher rates for firm service customers, and the "new peak" problem.

After full investigation, the Commission approved the "reopening" of a restructured interruptible service, but subject to the 500 MW cap proposed by the Company. Specifically,

PP&L's tariff currently prohibits it from entering into new contracts for interruptible service if "the amount of interruptible power from all customers served under Rate Schedules IS-1, IS-P, IS-T, PR-2, the Competitive Rate Rider, and Interruptible Service by Agreement exceeds a total of 500 MW." See Appendix E, hereto.

2. Interpretation And Application Of The 500 MW Cap

a. The Position Of The Parties

Rate Schedule IS-P states, in relevant part, as follows (Appendix E):

INTERRUPTIBLE POWER

Interruptible service under this rate schedule is available to customers with at least 1,000 KW of year-round Interruptible Power who contract to accept service for at least one year, as detailed in this rate schedule.

The Company will not enter into new contracts for interruptible power if the amount of interruptible power from all customers served under Rate Schedules IS-1, IS-P, IS-T, PR-2, the Competitive Rate Rider, and Interruptible Service by Agreement exceeds a total of 500 MW. For the purpose of determining this amount, interruptible power is the twelve month average of each customer's monthly Maximum On-Peak Demand less the customer's contract Firm Power level. (Emphasis added).

Complainants contend that the amount of interruptible load should be determined by:

- (1) calculating each customer's average maximum demand per month over a 12-month period;
- (2) totaling these individual maximum demand averages; and (3) subtracting the sum of their individual contract firm power levels. Memorandum, p. 6.

PP&L, on the other hand, contends that the amount of interruptible load should be determined by: (1) taking the sum of each customer's maximum monthly demand over a 12-month period; and (2) subtracting the sum of their individual contract firm power levels.

The practical difference between the two methods can be shown in a simplified example. Assume that an interruptible customer has a contract Firm Power level of 1,000 KW and the following maximum monthly billing demand levels:

MONTH											
1	2	3	4	5	6	7	8	9	10	11	12
5,000	3,000	3,500	3,000	2,000	3,000	3,500	2,500	3,000	4,000	4,000	3,000

In this example, the customer has a maximum monthly demand of 5,000 KW and an average maximum monthly demand of 3,291 KW. Under the Company's method, the customer has interruptible load of 4,000 KW. Under the Complainants' method, the customer has an interruptible load of 2,291 KW. Thus, under the Complainants' method, the Company would be required to contract for substantially more interruptible load before it reaches the 500 MW cap.

As explained in detail below, PP&L's method is consistent with the tariff, the underlying purpose of interruptible load, and the goals of the 500 MW cap. PP&L's method should therefore be approved. At a minimum, however, the Company submits that hearings are required to further examine this important policy issue.

b. Complainants' Interpretation And Application Of The 500 MW Cap Is In Error And Should Be Rejected.

As an initial matter, PP&L admits that the disputed tariff language is not a model of clarity. The intent of the tariff provision, however, was to measure interruptible load by examining each customer's maximum monthly demand over a 12-month period less their contractual Firm Power level. The reference to "monthly" in PP&L's tariff was intended to reflect the fact that customers' meters are read on a monthly basis, not daily or hourly. The maximum monthly demand therefore is the highest of the monthly peak demands in each 12-month period. The reference to "twelve month average" reflects the fact that each customer's highest monthly demand is determined over a 12-month period, as opposed to some other time frame.

While the tariff language may be less than clear, the Company's interpretation and application of the 500 MW cap is consistent with the provision's underlying purpose and intent, and should be interpreted in light of that history.⁴

^{4/} Consideration of extrinsic evidence is clearly appropriate here, where the tariff language is unclear; where the language at issue was the outgrowth of two prior litigated proceedings; and where the ultimate interpretation may adversely affect the Company's other customers. Consideration of extrinsic evidence in tariff interpretation also is consistent with prior Commission precedent. See, e.g., Pa. P.U.C. v. UGI Utilities, Inc - Gas Division, Docket Nos. M-00940549C0001-C0002 (Order entered February 27, 1995), aff'd, 688 A.2d 882 (Pa. Commonwealth Ct. 1996)(relying on a Commission Policy Statement and prior Commission Orders in interpreting utility tariff provision regarding the recovery of take-or-pay expenses). Moreover, Complainants themselves rely extensively on extrinsic evidence to support their own interpretation of the tariff. Memorandum, pp. 2-4.

First, PP&L's interpretation is fully consistent with how PP&L has calculated the amount of interruptible load on its system. For example, in the Interruptible Rate Closure case, PP&L witness Mazzini explained how the Company determines its interruptible load (Appendix B, p. 8):

"Interruptible load is the difference between the customer's maximum level of demand and the firm power level. In other words, "interruptible load" is the maximum number of kilowatts that a customer could interrupt during its peak hour of the year. PP&L's "total interruptible load" is the sum of all customers' interruptible load; however, because all customers do not reach peak demand at the same day and time, and a call for interruption may not necessarily coincide with a customer's peak demand, this sum will always be greater than the amount of load actually available for interruption at any given time. The "available interruptible load" is that portion of the total interruptible load that can be expected to be on the line and ready to be curtailed when called for by PP&L. (Emphasis added).

Similarly, in the Base Rate case, PP&L witness Kasper was cross-examined regarding the total amount of interruptible load the Company had relative to the proposed 500 MW cap. Mr. Kasper accepted, subject to check, 460 MW of total interruptible load as the appropriate amount. See Appendix F (Tr. 809-810, Hearings of March 29, 1995, Pa. P.U.C. v. Pennsylvania Power & Light Company, Docket No. R-00943721 (Order entered September 27, 1995)). This 460 MW figure was taken directly from the Interruptible Rate Closure case, and was calculated using the annual peak demand method.

Moreover, documents produced by PP&L during discovery also reflect the Company's consistent interpretation of its tariff. First, PP&L's response to Caradon interrogatory number 1,

Set I (dated July 19, 1996) demonstrates that, properly calculated, its interruptible load never fell below 510,203 KW for the period October 1995 through June 1996.^{5/} The Company's response was calculated using the annual peak demand method, not Complainants' 12-month average method.

Caradon and MI cite an internal PP&L memorandum from March 1996, in arguing that the Company "knew it was below the 500 MW cap." Memorandum, p. 7.^{6/} The memorandum is authored by Oliver Kasper and is dated March 22, 1996.^{7/} This memorandum states, in relevant part, as follows:

The 500 MW cap comparison is measured by taking the highest 15 minute demand of each customer in the 12 months ending September 28, 1995 (the tariff became effective September 28, 1995), subtracting their contract Firm KW, then summing all of these capacity values.

As this document clearly indicates, PP&L has consistently used the annual maximum demand method to determine the amount of interruptible load on its system.

^{5/} A copy of PP&L's response to interrogatory number 1 of Caradon's Set I Interrogatories, dated July 19, 1996, is attached hereto as Appendix G.

^{6/} Complainants actually rely on two internal PP&L memoranda to support their claim that PP&L has admitted it was below the 500 MW cap. As explained in Section III.A.3 below, neither of these documents support Complainants' contention that PP&L has never exceeded the 500 MW cap.

^{7/} A copy of this document is attached to Complainants' Memorandum as Exhibit H.

Second, Complainants' interpretation is inconsistent with the nature and purpose of interruptible load. As explained in Section III.A.1 above, interruptible load is analogous to peaking generation, because it is only available for short periods to address customer demand during system peak conditions. See Appendix C, Sipics' Direct, p. 4. Indeed, PP&L's tariff specifically provides that the Company may only require interruptions during "emergencies and emergency tests," with a maximum of 20 interruptions per year for a total of 200 hours.

Appendix E.

PP&L's reading of the tariff reflects these limitations by calculating interruptible load based on each customer's highest monthly peak demand, i.e., the peak demand each customer places on PP&L's system. In contrast, Complainants' method reflects the average maximum demand that a customer places on PP&L's system each month over the course of the entire year, regardless of when PP&L experiences its system peak.⁸ This method fails to reflect interruptible load's limited availability as a capacity resource equivalent to peak generating capacity. Rather, Complainants' method treats interruptible load as the equivalent of base load capacity, which is available throughout the year. This is completely inconsistent with the nature and availability of interruptible load.

Third, Complainants' calculation of the 500 MW cap is inconsistent with the purpose and intent of the cap. As explained above, the purpose of the cap was to make sure the Company did not have excessive interruptible load on its system. In the Base Rate Case, PP&L determined that

^{8/} PP&L experiences its highest system peak demands in winter and summer months, which is when interruptions of service are most likely to occur.

it needed approximately 300 to 350 MW of available interruptible load during PP&L peak demand periods in order to maintain level load across its system. See Appendix H (Tr. 699-700, Hearings of March 28, 1995, Pa. P.U.C. v. Pennsylvania Power & Light Company, Docket No. R-00943721 (Order entered September 27, 1995)). Load reductions in excess of 300 to 350 MW would in fact create new system peaks outside of the interruption periods, thus limiting interruptible load's usefulness as a capacity resource and load management tool. Id.

Since each individual customer would not likely be operating at its own individual peak load at the time of interruption, PP&L needed to contract for more than 300-350 MW of interruptible load in order to have 300-350 MW available at the time of interruption. PP&L determined that 500 MW of contract interruptible load would, on average, produce the requisite level of interruptible load. This calculation was made using the Company's annual demand method for calculating interruptible load.

PP&L's interpretation and application of the 500 MW cap has in fact enabled the Company to meet its target of 300 to 350 MW of available interruptible load. In May 1996, PJM directed all member utilities, including PP&L, to interrupt customers to address emergency load conditions created by the extremely high temperatures across the Mid-Atlantic region. PP&L subsequently requested all interruptible service customers to reduce load to their contractual Firm Power levels. As a result, PP&L actually reduced demand on its system by approximately 365 MW. In contrast, the use of Complainants' 12-month average methodology would have resulted in approximately 417 MW of available interruptible load in May 1996.

In sum, PP&L's interpretation and application of the 500 MW cap is fully consistent with the underlying purpose and intent of the provision. If the language in the Company's tariff is unclear, then the tariff should be revised and clarified. However, the tariff should not be read completely out of context and in a way that is at odds with how PP&L has always calculated interruptible load, inconsistent with the underlying purpose of interruptible load, and inconsistent with the purpose of the 500 MW cap. As explained above, the Complainants' interpretation of the cap would exacerbate the revenue erosion and cost shifting problems first addressed by the Commission in the Interruptible Rate Closure case and would require the Company to contract for excessive and unnecessary interruptible load. Interpretation of the interruptible service provisions ultimately impacts all customers. Complainants should not be permitted to avoid addressing these important issues by filing a motion for partial summary judgment. At a minimum, a full hearing should be held so that all relevant issues can be explored.⁹

3. PP&L Has Never Admitted That Its Interruptible Load Has Always Been Below The 500 MW Cap.

As noted above, Complainants rely on several documents to argue that PP&L has admitted that its interruptible load has never exceeded the 500 MW cap. Memorandum, pp. 5-6. As explained below, Complainants are completely mistaken.

^{9/} Complainants rely heavily on the Commission's prior decision in Reactive Metals and Alloys Corp. v. Pa. P.U.C., 67 Pa. P.U.C. 496 (1988). Complainants' fail to note, however, that Reactive Metals was decided based on a detailed record developed through full hearings. Reactive Metals provides no support for Complainants' Motion for Summary Judgment.

Complainants first rely on PP&L's answer to MI interrogatory number 1, Set I (dated October 19, 1996). In Complainants' view, this document admits that PP&L has been below the 500 MW cap since September 1995. Memorandum, pp. 5-6. The information provided in this discovery response, however, was calculated based on Complainants' preferred 12-month average methodology rather than the correct annual peak demand method. Thus, PP&L's response to MI interrogatory number 1 should not be viewed as an admission that the Company has never exceeded the 500 MW cap.

More importantly, Complainants fail to even mention PP&L's response to Caradon interrogatory number 1, Set I (dated July 19, 1996). See Appendix G. As noted above, PP&L's answer to this question demonstrates that, properly calculated, its interruptible load never fell below 510,203 KW for the period October 1995 through June 1996. Complainants' contention notwithstanding, PP&L was above the 500 MW cap from September 1995 through September 1996.

Caradon and MI also contend that internal PP&L documents admit that the Company "knew it was below the 500 MW cap." Memorandum, p. 7. In particular, Complainants rely on two internal PP&L memoranda from March 1996. A careful review of these documents refutes Complainants' argument.

The first memorandum is from Oliver Kasper to Janet Hilliard and is dated March 19, 1996.^{10/} This document provides a very brief discussion in note form regarding the calculation of the 500 MW cap. Specifically, the March 19, 1996 memorandum states that PP&L dropped below the cap "in recent months." This memorandum also raises certain issues regarding PP&L's tariff and the frequency of the cap calculation.

The second memorandum is also from Oliver Kasper and is dated March 22, 1996, only three days after the first memorandum.^{11/} This memorandum provides a more detailed discussion of the issues addressed in Mr. Kasper's March 19, 1996 memorandum. The March 22, 1996 memorandum states as follows:

PP&L currently has a 500 MW cap within the Tariff for customer supplied interruptible capacity. This cap was estimated as the maximum amount of non-diversified capacity that could be signed up to produce 300 to 350 MW of interruptible load at the time of PP&L's monthly system peaks (coincident interruptible load). The 500 MW cap comparison is measured by taking the highest 15 minute demand of each customer in the 12 months ending September 28, 1995 (the tariff became effective September 28, 1995), subtracting their contract Firm KW, then summing all of these capacity values. Currently, this results in 483 MW for 1995.

Within the past two months, PP&L's interruptible capacity has dropped below the 500 MW level. As stated in the Tariff, PP&L would not enter into any additional interruptible contracts as long as the total interruptible capacity was above 500 MW. With the closure of the basic oxygen furnace at Bethlehem Steel, the capacity has fallen to 483 MW. PP&L will not adjust the interruptible resource based on only one or two months of history.

^{10/} A copy of this document is attached to Complainants' Memorandum as Exhibit F.

^{11/} A copy of this document is attached to Complainants' Memorandum as Exhibit H.

Interruptible capacity will be reviewed annually after the anniversary date of the Tariff, September 28. (Emphasis supplied).

As this document explains, PP&L evaluates the level of its interruptible load relative to the 500 MW cap each year on or after September 28, the anniversary date of its Tariff. PP&L reviews its interruptible load status on an annual basis to avoid the confusion and uncertainty that inevitably would result if the Company made this determination on a more frequent basis. As Mr. Kasper states in his March 19, 1996 memorandum, “[a]ll customer loads vary monthly, and the capacity could drop below the cap in one month and be well above the next month.”

Mr. Kasper’s March 22, 1996 memorandum further explains that, based on a preliminary analysis, PP&L dropped below the 500 MW cap in early 1996 as a result of the shutdown of certain equipment at Bethlehem Steel. This analysis was based on load data from January 1996 only, and thus was not calculated in accordance with either the Company’s annual peak demand method or Complainants’ 12-month average method. This preliminary analysis was produced to identify possible future trends; it was not intended and does not reflect a complete analysis of the Company’s interruptible load.

Complainants’ misunderstanding and mischaracterization of this memorandum is perhaps understandable since all of the underlying assumptions were not explicitly stated. However, Complainants’ erroneous reliance on this memorandum clearly demonstrates that summary judgment is completely inappropriate in this case and that hearings are required to provide a full explanation and interpretation of the relevant documents.

B. Material Facts Remain In Dispute As To Whether Caradon And MI Applied For And Were Eligible To Receive Interruptible Service Beginning In September 1995.

Caradon and MI allege that they requested and were eligible to receive interruptible service on or before September 28, 1995. Memorandum, pp. 9-11. As explained below, it is far from clear that Caradon and MI were eligible for interruptible service in September 1995 and thereafter.

Caradon and MI first assert that they requested interruptible service and were placed on the "waiting list" for such service by PP&L prior to September 28, 1995. Memorandum, pp. 9-10. Complainants argue that placement on the waiting list constitutes a "tacit admission that both [Caradon and MI] qualify for interruptible power." Memorandum, p. 10. Complainants are in error.

Customers requesting interruptible service are placed on the waiting list at the time of their request. PP&L does not determine a customer's eligibility to receive interruptible service at the time of listing because it is not known when such service will become available. Since a customer's eligibility may change over time, PP&L schedules an eligibility determination when the rate actually becomes available to that customer. The placement of Caradon and MI on the waiting list is not and cannot be construed as a "tacit admission" that they were eligible to receive interruptible service as of September 1995.

Complainants further assert that they met all requirements to qualify for interruptible service as of September 1995. Memorandum, pp. 10-11. PP&L's tariff states that "interruptible

service is available to customers with at least 1,000 KW of year-round Interruptible Power.”

Caradon claims that it had a year-round interruptible power requirement of 1720.9 KW for the year ending September 1995. MI states that it had a year-round interruptible power requirement of 2350.2 KW for the year ended September 1995. Complainants therefore conclude that they met the eligibility requirements as of September 1995.

As explained by Mr. Kasper in his March 22, 1996 memorandum, the Company requires certain information before it will issue a contract for interruptible service (Memorandum, Exhibit H, p. 2):

- customer name to appear in the contract,
- three contact names and phone numbers,
- contract initial Load Factor,
- contract Firm KW level,
- an estimate of revenue lost by adding this interruptible capacity,
- the customer’s interruption procedure, and
- the equipment to be interrupted.

Information regarding a customer’s interruption procedure and the particular equipment to be interrupted is especially important. This information enables the Company to determine whether a customer will be able to reduce load to the contract Firm Power level during an interruption, and whether the customer meets the 1,000 KW eligibility requirement. No information is presented in Complainants’ Motion to demonstrate their compliance with these requirements as of September 1995.

Moreover, even if sufficient information were available today regarding Complainants' eligibility in September 1995, there is no evidence that they would have remained eligible thereafter. As Mr. Kasper explains in his March 22, 1996 memorandum (Memorandum, Exhibit H, p. 2):

New customers. . . must be informed that they will be tested after being placed on the interruptible rate. This is required to confirm the customer's willingness and ability to interrupt. The test will be unannounced.

In accordance with its tariff, the Company may cancel a contract for interruptible service if a customer fails to interrupt during an emergency or an emergency test period. See Appendix E. In the alternative, PP&L may adjust a customer's contractual firm power level to the level actually achieved during an emergency or an emergency test period. This adjusted firm power level must remain in effect for the remainder of the contract term or until a new level is achieved during a subsequent emergency or emergency test period. Id.

Neither Caradon nor MI was tested during the period from September 1995 to the present to determine whether they were willing and able to interrupt service in compliance with all applicable tariff and contract requirements. Indeed, any determination that Caradon and MI would have successfully interrupted during such a test would be speculative. At the very least, Complainants' eligibility is a material issue that properly should be resolved through full evidentiary hearings.

C. No Retroactive Relief Should Be Provided Without A Hearing.

Finally, even if the Commission accepted Complainants' erroneous tariff interpretation and determined that the Company was under the 500 MW cap as of September 1995, there would still be a question as to whether Complainants were entitled to retroactive relief to that date. The appropriateness of retroactive relief is a factual and equitable issue within the Commission's discretion and should not be determined without a hearing. Moreover, as noted above, there are significant issues regarding Complainants' initial and continued eligibility for interruptible service.

For example, in its Complaint, MI alleges that it has suffered financial harm as a result of service interruptions that have disrupted its plastic injection molding systems. MI Complaint, paragraph 5(z). Most of the "interruptions" identified in the MI Complaint were of a momentary nature, i.e., less than one minute in duration. If MI's operations are highly sensitive to momentary interruptions in electric service, a serious question arises as to whether MI is an appropriate candidate for interruptible service.

IV. CONCLUSION

For the reasons set forth above and in its Answer to Complainants' Consolidated Motion for Partial Summary Judgment, PP&L respectfully requests that the Commission issue an Order denying said Motion in its entirety and scheduling this matter for hearings.

Respectfully submitted,



David B. MacGregor
Alan K. Maesaka
Morgan, Lewis & Bockius LLP
2000 One Logan Square
Philadelphia, PA 19103
(215) 963-5448

Paul E. Russell
Pennsylvania Power & Light Company
Two North Ninth Street
Allentown, PA 18101
(610) 774-4254

Counsel for Pennsylvania Power & Light
Company

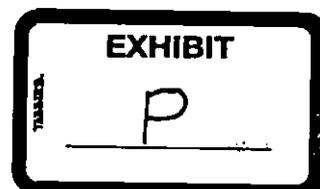
OF COUNSEL:

MORGAN, LEWIS & BOCKIUS LLP
2000 One Logan Square
Philadelphia, PA 19103
(215) 963-5448

DATED: January 28, 1997

Pennsylvania Power and Light Company
Historical Monthly Interruptible Load

Twelve Month Period Ended	Maximum On-peak Demand (KW)	Total Firm Power (KW)	Interruptible Load (KW)
Oct-95	602,032	93,910	508,131
Nov-95	607,138	93,910	513,237
Dec-95	610,054	94,384	515,682
Jan-96	610,187	94,384	515,804
Feb-96	610,983	94,384	516,599
Mar-96	610,184	94,234	515,950
Apr-96	609,856	94,234	515,622
May-96	611,170	94,149	517,021
Jun-96	616,229	101,203	515,026



Customer	Maximum Demand	Firm Power Level	Interruptible Load
	Twelve Months Ended May-94	May-94	(KW) May-94
Customer 1			0
Customer 2	20398	324	20074
Customer 3	3192	1600	1592
Customer 4	25834	10000	15834
Customer 5	4298	600	3198
Customer 6			0
Customer 7	4740	1000	3740
Customer 8			0
Customer 9			0
Customer 10	64286	20000	44286
Customer 11	112800	7500	105300
Customer 12	1544	481	1063
Customer 13	3123	550	2573
Customer 14	1169	568	601
Customer 15	29246	907	28339
Customer 16	1402	270	1132
Customer 17			0
Customer 18	8294	7000	1294
Customer 19	1756	700	1056
Customer 20	1633	108	1525
Customer 21	4573	600	3973
Customer 22	7750	1892	5858
Customer 23			0
Customer 24	1879	148	1731
Customer 25			0
Customer 26	976	126	850
Customer 27	1660	1038	622
Customer 28	23	20	3
Customer 29	87	79	8
Customer 30	5	5	0
Customer 31	7944	2100	5844
Customer 32	8254	2000	6254
Customer 33	4840	325	4515
Customer 34	13172	3732	9440
Customer 35	3732	250	3482
Customer 36			0
Customer 37	4029	1685	2344
Customer 38	17798	1987	15811
Customer 39	1716	130	1586
Customer 40			0
Customer 41	2291	1633	658
Customer 42	13090	7000	6090
Customer 43			0
Customer 44			0
Customer 45	12737	250	12487
Customer 46	96	50	46
Customer 47			0
Customer 48			0
Customer 49	14191	350	13841
Customer 50	4614	0	4614
Customer 51			0
Customer 52			0
Customer 53			0
Customer 54	1031	200	831
Customer 55			0
Customer 56			0
Customer 57	1427	150	1277
Customer 58			0
Customer 59	1732	600	1132
Customer 60	27000	1000	26000
Customer 61	20275	0	20275
Customer 62			0
Customer 63	2670	1000	1670
Customer 64	8286	7900	486
Customer 65			0
Customer 66	13594	130	13464
Customer 67	3165	1874	1291
Customer 68			0
Customer 69	1854	600	1254
Customer 70			0
Customer 71			0
Customer 72			0
Customer 73			0
Customer 74			0
Customer 75			0
Customer 76			0
Customer 77			0
Customer 78			0

Customer	Maximum Demand Twelve Months Ended Jun-94	Firm Power Level Jun-94	Interruptible Load (KW) Jun-94
Customer 1			0
Customer 2	20358	324	20074
Customer 3	3192	1600	1592
Customer 4	25834	10000	15834
Customer 5	4298	500	3798
Customer 6			0
Customer 7	4740	1000	3740
Customer 8			0
Customer 9			0
Customer 10	54286	20000	44286
Customer 11	131175	7500	123675
Customer 12	1544	481	1053
Customer 13	3123	550	2573
Customer 14	1169	568	501
Customer 15	29246	907	28339
Customer 16	1402	270	1132
Customer 17			0
Customer 18	8554	7000	1554
Customer 19	1756	700	1056
Customer 20	1633	108	1525
Customer 21	4573	600	3973
Customer 22	7750	1892	5858
Customer 23	5098	3000	2098
Customer 24	1879	148	1731
Customer 25			0
Customer 26	976	126	850
Customer 27	1660	1038	622
Customer 28	23	20	3
Customer 29	87	79	8
Customer 30	5	5	0
Customer 31	7944	2000	5944
Customer 32	8264	2000	6264
Customer 33	4977	925	4052
Customer 34	13172	3732	9440
Customer 35	3732	250	3482
Customer 36			0
Customer 37	4029	1685	2344
Customer 38	17798	1987	15811
Customer 39	1716	130	1586
Customer 40			0
Customer 41	2291	1633	658
Customer 42	13090	7000	6090
Customer 43			0
Customer 44			0
Customer 45	12737	250	12487
Customer 46	96	60	36
Customer 47	4156	2122	2034
Customer 48			0
Customer 49	14191	350	13841
Customer 50	4614	0	4614
Customer 51			0
Customer 52			0
Customer 53			0
Customer 54	1050	200	850
Customer 55			0
Customer 56			0
Customer 57	1427	150	1277
Customer 58			0
Customer 59	1766	600	1166
Customer 60	27000	1000	26000
Customer 61	20275	0	20275
Customer 62			0
Customer 63	2670	1000	1670
Customer 64	8286	7800	486
Customer 65			0
Customer 66	13617	130	13487
Customer 67	3165	1874	1291
Customer 68			0
Customer 69	1924	500	1324
Customer 70			
Customer 71			
Customer 72			
Customer 73			
Customer 74			
Customer 75			
Customer 76			
Customer 77			
Customer 78			
	518,388	95,894	422,494

Customer	Maximum Demand Twelve Months Ended Jul-94	Firm Power Level Jul-94	Interruptible Load (KW) Jul-94
Customer 1			0
Customer 2	20398	324	20074
Customer 3	3192	1500	1592
Customer 4	25834	10000	15834
Customer 5	4298	500	1798
Customer 6			0
Customer 7	4665	1200	3666
Customer 8	21569	7750	13919
Customer 9			0
Customer 10	54296	19100	45186
Customer 11	131175	1500	123675
Customer 12	1544	481	1063
Customer 13	3123	550	2573
Customer 14	1159	568	501
Customer 15	29246	907	28339
Customer 16	1402	270	1132
Customer 17			0
Customer 18	8554	7000	1554
Customer 19	1756	700	1056
Customer 20	1633	108	1525
Customer 21	4573	600	3973
Customer 22	7750	1892	5858
Customer 23	5486	3000	2486
Customer 24	1879	148	1731
Customer 25			0
Customer 26	976	126	950
Customer 27	1660	1038	522
Customer 28	23	20	3
Customer 29	37	79	8
Customer 30	5	5	0
Customer 31	8230	2000	6230
Customer 32	8264	2000	6264
Customer 33	5056	925	4131
Customer 34	13172	3732	9440
Customer 35	3767	250	3517
Customer 36			0
Customer 37	4029	1685	2344
Customer 38	18144	1987	16157
Customer 39	1716	130	1586
Customer 40			0
Customer 41	2385	1633	752
Customer 42	13090	7000	6090
Customer 43			0
Customer 44			0
Customer 45	12737	250	12487
Customer 46	96	50	36
Customer 47	4156	2122	2034
Customer 48			0
Customer 49	14191	350	13841
Customer 50	4812	0	4812
Customer 51			0
Customer 52			0
Customer 53	1485	153	1332
Customer 54	1050	200	850
Customer 55			0
Customer 56			0
Customer 57	1408	150	1258
Customer 58			0
Customer 59	1769	600	1169
Customer 60	27000	1000	26000
Customer 61	20275	0	20275
Customer 62	1921	1000	921
Customer 63	2785	1000	1785
Customer 64	8580	7800	780
Customer 65	3767	500	3267
Customer 66	14377	130	14247
Customer 67	3165	1874	1291
Customer 68	4119	1800	2319
Customer 69	1924	500	1324
Customer 70			
Customer 71			
Customer 72			
Customer 73			
Customer 74			
Customer 75			
Customer 76			
Customer 77			
Customer 78			

Customer	Maximum Demand Twelve Months Ended Aug-94	Firm Power Level Aug-94	Interruptible Load (KW) Aug-94
Customer 1			
Customer 2	29225	324	19901
Customer 3	3192	1600	1592
Customer 4	25934	10000	15334
Customer 5	4298	500	3739
Customer 6	9653	1800	4853
Customer 7	4666	1000	3566
Customer 8	21669	1150	13519
Customer 9			
Customer 10	53203	19100	44103
Customer 11	131175	1500	126175
Customer 12	1544	481	1053
Customer 13	3214	550	2664
Customer 14	1169	588	501
Customer 15	29246	907	28339
Customer 16	1402	270	1132
Customer 17			
Customer 18	8554	1000	1554
Customer 19	1756	100	1056
Customer 20	1633	108	1523
Customer 21	4573	500	3973
Customer 22	7750	1892	5858
Customer 23	5486	3000	2486
Customer 24	1879	148	1731
Customer 25			
Customer 26	966	125	840
Customer 27	1672	1038	534
Customer 28	23	20	3
Customer 29	87	79	8
Customer 30	5	5	0
Customer 31	8230	2000	6230
Customer 32	8264	2000	6264
Customer 33	5086	925	4161
Customer 34	13293	3732	9561
Customer 35	4071	250	3821
Customer 36			
Customer 37	4294	1685	2609
Customer 38	18144	1987	16157
Customer 39	1716	130	1586
Customer 40	3338	500	2838
Customer 41	2385	1633	752
Customer 42	13090	1000	6090
Customer 43			
Customer 44	7024	1500	5524
Customer 45	12737	250	12487
Customer 46	96	50	36
Customer 47	4156	2122	2034
Customer 48			
Customer 49	14191	350	13841
Customer 50	5184	0	5184
Customer 51	1138	667	471
Customer 52			
Customer 53	1511	153	1358
Customer 54	1054	200	854
Customer 55			
Customer 56	2388	1000	1388
Customer 57	1408	150	1258
Customer 58	1155	79	1075
Customer 59	1769	600	1169
Customer 60	27000	1000	26000
Customer 61	20275	0	20275
Customer 62	2081	1000	1081
Customer 63	2785	1000	1785
Customer 64	8580	1800	790
Customer 65	3862	500	3362
Customer 66	14377	130	14247
Customer 67	3165	1874	1291
Customer 68	4190	1800	2390
Customer 69	1945	300	1345
Customer 70			
Customer 71			
Customer 72			
Customer 73			
Customer 74			
Customer 75			
Customer 76			
Customer 77			
Customer 78			

Customer	Maximum Demand	Firm Power Level	Interruptible Load
	Twelve Months Ended Sep-94	Sep-94	(KW) Sep-94
Customer 1			0
Customer 2	20160	324	19836
Customer 3	3192	1500	1392
Customer 4	27821	10000	13321
Customer 5	4259	500	3798
Customer 6	5653	1900	4853
Customer 7	4594	1000	3594
Customer 8	21569	7750	13919
Customer 9			0
Customer 10	63203	19100	44103
Customer 11	131175	7500	123675
Customer 12	1544	481	1063
Customer 13	3214	550	2664
Customer 14	1169	568	501
Customer 15	29246	907	28339
Customer 16	1402	270	1132
Customer 17			0
Customer 18	8554	7000	1554
Customer 19	1725	700	1025
Customer 20	1633	108	1525
Customer 21	4573	500	3973
Customer 22	7750	1892	5858
Customer 23	5486	3000	2486
Customer 24	1879	148	1731
Customer 25	9719	3000	6719
Customer 26	936	126	810
Customer 27	1672	1038	634
Customer 28	23	20	3
Customer 29	87	79	8
Customer 30	5	5	0
Customer 31	8230	2000	6230
Customer 32	8087	2000	6087
Customer 33	5086	925	4161
Customer 34	13470	3732	9738
Customer 35	4071	250	3821
Customer 36	2758	500	2258
Customer 37	4715	1685	3030
Customer 38	18144	1987	16157
Customer 39	1716	130	1586
Customer 40	3368	500	2868
Customer 41	2385	1633	752
Customer 42	13090	7000	6090
Customer 43			0
Customer 44	7024	1500	5524
Customer 45	12681	250	12431
Customer 46	96	60	36
Customer 47	4156	2122	2034
Customer 48	3934	500	3434
Customer 49	14191	350	13841
Customer 50	5184	0	5184
Customer 51	1327	567	660
Customer 52			0
Customer 53	1511	153	1358
Customer 54	1054	200	854
Customer 55	1739	200	1539
Customer 56	2699	1000	1699
Customer 57	1408	150	1258
Customer 58	1278	79	1199
Customer 59	1769	600	1169
Customer 60	27000	1000	26000
Customer 61	20275	0	20275
Customer 62	2087	1000	1087
Customer 63	2785	1000	1785
Customer 64	8580	1900	7680
Customer 65	3940	500	3440
Customer 66	14377	130	14247
Customer 67	3165	1974	1291
Customer 68	4190	1900	2290
Customer 69	1945	500	1445
Customer 70			
Customer 71			
Customer 72			
Customer 73			
Customer 74			
Customer 75			
Customer 76			
Customer 77			
Customer 78			

Customer	Maximum Demand	Firm Power Level	Interruptible Load
	Twelve Months Ended		(KW)
	Oct-94	Oct-94	Oct-94
Customer 1			0
Customer 2	19754	324	19440
Customer 3	3192	1500	592
Customer 4	2782	10000	182
Customer 5	4298	500	3758
Customer 6	5825	1800	5025
Customer 7	4594	1000	3594
Customer 8	22136	7750	14386
Customer 9			0
Customer 10	53203	19100	44703
Customer 11	131175	7500	123675
Customer 12	1544	481	1063
Customer 13	3214	550	2664
Customer 14	1169	568	501
Customer 15	34862	907	33555
Customer 16	1402	270	1132
Customer 17			0
Customer 18	8554	7000	1554
Customer 19	1774	700	1074
Customer 20	1633	108	1525
Customer 21	4573	500	3973
Customer 22	7750	1892	5858
Customer 23	5573	3000	2573
Customer 24	1879	148	1731
Customer 25	9888	3000	6888
Customer 26	936	125	810
Customer 27	1672	1038	534
Customer 28	23	20	3
Customer 29	87	79	8
Customer 30	5	5	0
Customer 31	8592	2000	6592
Customer 32	8087	2000	6087
Customer 33	5086	925	4161
Customer 34	13470	3732	9738
Customer 35	4144	250	3894
Customer 36	2677	500	2177
Customer 37	4729	1585	3044
Customer 38	19958	1987	17971
Customer 39	1716	130	1586
Customer 40	3368	500	2868
Customer 41	2435	1633	802
Customer 42	13090	7000	6090
Customer 43			0
Customer 44	7024	1500	5524
Customer 45	12881	250	12631
Customer 46	96	50	36
Customer 47	4156	2122	2034
Customer 48	3934	500	3434
Customer 49	14191	350	13841
Customer 50	5253	0	5253
Customer 51	1554	667	887
Customer 52			0
Customer 53	1513	153	1360
Customer 54	1054	200	854
Customer 55	1739	200	1539
Customer 56	2699	1000	1699
Customer 57	1408	150	1258
Customer 58	1297	79	1218
Customer 59	1769	600	1169
Customer 50	27000	1000	26000
Customer 51	20117	0	20117
Customer 52	2104	1000	1104
Customer 53	2785	1000	1785
Customer 54	8580	7800	780
Customer 65	3940	500	3440
Customer 56	14377	130	14247
Customer 57	3165	1874	1291
Customer 58	4190	7800	2390
Customer 59	1945	500	1345
Customer 70			
Customer 71			
Customer 72			
Customer 73			
Customer 74			
Customer 75			
Customer 76			
Customer 77			
Customer 78			

505 570

115 743

489 727

Customer	Maximum Demand	Firm Power Level	Interruptible Load
	Twelve Months Ended Nov-94	Nov-94	(KW) Nov-94
Customer 1			0
Customer 2	19822	324	19498
Customer 3	3192	500	1592
Customer 4	27827	10000	17927
Customer 5	4298	500	3798
Customer 6	5825	900	5025
Customer 7	4554	1000	3554
Customer 8	22136	750	14386
Customer 9			0
Customer 10	62912	19100	43812
Customer 11	131175	7500	123675
Customer 12	1544	481	1063
Customer 13	3214	550	2664
Customer 14	1169	568	601
Customer 15	34862	907	33955
Customer 16	1402	270	1132
Customer 17			0
Customer 18	8554	7000	1854
Customer 19	1774	700	1074
Customer 20	1633	108	1525
Customer 21	4573	600	3973
Customer 22	7828	1892	5936
Customer 23	5573	3000	2573
Customer 24	1879	148	1731
Customer 25	9888	3000	6888
Customer 26	984	125	859
Customer 27	1672	1038	534
Customer 28	23	20	3
Customer 29	87	79	8
Customer 30	8	5	3
Customer 31	8592	2000	6592
Customer 32	8087	2000	6087
Customer 33	5086	925	4161
Customer 34	14412	3732	10680
Customer 35	4151	250	3901
Customer 36	2647	500	2147
Customer 37	4962	1685	3277
Customer 38	19958	1987	17971
Customer 39	1660	130	1530
Customer 40	3368	500	2868
Customer 41	2435	1633	802
Customer 42	13090	7000	6090
Customer 43			0
Customer 44	7024	1500	5524
Customer 45	12881	250	12631
Customer 46	96	50	36
Customer 47	4156	2122	2034
Customer 48	3934	500	3434
Customer 49	14191	350	13841
Customer 50	5409	0	5409
Customer 51	1794	667	1127
Customer 52			0
Customer 53	1513	153	1360
Customer 54	1054	200	854
Customer 55	1739	200	1539
Customer 56	2699	1000	1699
Customer 57	1408	150	1258
Customer 58	1297	79	1218
Customer 59	1769	600	1169
Customer 60	27000	1000	26000
Customer 61	20117	0	20117
Customer 62	2153	1000	1153
Customer 63	2785	1000	1785
Customer 64	8580	7800	780
Customer 65	3940	500	3440
Customer 66	14377	130	14247
Customer 67	3165	1874	1291
Customer 68	4190	1800	2390
Customer 69	1945	600	1345
Customer 70			
Customer 71			
Customer 72			
Customer 73			
Customer 74			
Customer 75			
Customer 76			
Customer 77			
Customer 78			

Customer	Maximum Demand	Firm Power Level	Interruptible Load
	Twelve Months Ended Dec-94	Dec-94	(KW) Dec-94
Customer 1			0
Customer 2	19822	324	19498
Customer 3	3192	500	1592
Customer 4	27821	2000	17821
Customer 5	4153	500	3653
Customer 6	5555	900	5155
Customer 7	4594	500	3594
Customer 8	22136	750	14086
Customer 9			0
Customer 10	53844	19100	44744
Customer 11	131115	7500	123615
Customer 12	1517	481	1036
Customer 13	3214	550	2664
Customer 14	1169	568	501
Customer 15	14862	907	13955
Customer 16	1402	270	1132
Customer 17			0
Customer 18	8554	7000	1554
Customer 19	1774	700	1074
Customer 20	1573	108	1465
Customer 21	4573	500	3973
Customer 22	7828	1892	5936
Customer 23	5832	3629	2203
Customer 24	1879	148	1731
Customer 25	9888	3000	5888
Customer 26	984	126	858
Customer 27	1672	1038	634
Customer 28	23	20	3
Customer 29	87	79	8
Customer 30	8	5	3
Customer 31	9305	2000	7305
Customer 32	8087	2000	6087
Customer 33	5086	925	4161
Customer 34	14412	3732	10680
Customer 35	4161	250	3911
Customer 36	2577	500	2077
Customer 37	4962	1685	3277
Customer 38	19958	1987	17971
Customer 39	1660	130	1530
Customer 40	3368	500	2868
Customer 41	2435	1633	802
Customer 42	13133	7000	6133
Customer 43			0
Customer 44	7024	1500	5524
Customer 45	12881	250	12631
Customer 46	96	50	36
Customer 47	4156	2122	2034
Customer 48	3934	500	3434
Customer 49	14191	350	13841
Customer 50	5409	0	5409
Customer 51	1796	567	1129
Customer 52			0
Customer 53	1513	153	1360
Customer 54	1054	200	854
Customer 55	1739	200	1539
Customer 56	2699	1000	1699
Customer 57	1408	150	1258
Customer 58	1313	79	1234
Customer 59	1769	600	1169
Customer 60	27000	1000	26000
Customer 61	20002	0	20002
Customer 62	2199	1000	1199
Customer 63	2785	1000	1785
Customer 64	8580	7800	780
Customer 65	3940	500	3440
Customer 66	14377	130	14247
Customer 67	3155	1874	1291
Customer 68	4190	1800	2390
Customer 69	1945	500	1345
Customer 70			
Customer 71			
Customer 72			
Customer 73			
Customer 74			
Customer 75			
Customer 76			
Customer 77			
Customer 78			

508 840

116 572

492 258

Customer	Maximum Demand	Firm Power Level	Interruptible Load
	Twelve Months Ended Jan-95	Jan-95	(KW) Jan-95
Customer 1			0
Customer 2	19822	324	19498
Customer 3	3292	1600	1592
Customer 4	2782	10000	1782
Customer 5	4153	500	3653
Customer 6	7075	1800	5275
Customer 7	4594	1000	3594
Customer 8	22136	7750	14386
Customer 9			0
Customer 10	64114	19100	45014
Customer 11	131175	7500	123675
Customer 12	1517	481	1036
Customer 13	3214	550	2664
Customer 14	1208	568	540
Customer 15	34862	907	33955
Customer 16	1403	270	1133
Customer 17			0
Customer 18	8554	7000	1554
Customer 19	1774	700	1074
Customer 20	1573	108	1465
Customer 21	4602	600	4002
Customer 22	7919	1892	6027
Customer 23	5832	3629	2203
Customer 24	1879	148	1731
Customer 25	10426	3000	7426
Customer 26	984	126	858
Customer 27	1672	1038	634
Customer 28	23	20	3
Customer 29	87	79	8
Customer 30	8	5	3
Customer 31	9305	2000	7305
Customer 32	8087	2000	5087
Customer 33	5086	925	4161
Customer 34	14412	3732	10680
Customer 35	4243	250	3993
Customer 36	2545	500	2045
Customer 37	4332	1685	2647
Customer 38	19958	1987	17971
Customer 39	1660	130	1530
Customer 40	3368	500	2868
Customer 41	2435	1633	802
Customer 42	13133	7000	6133
Customer 43			0
Customer 44	7024	1500	5524
Customer 45	12881	250	12631
Customer 46	96	60	36
Customer 47	4962	2218	2744
Customer 48	3934	500	3434
Customer 49	13910	350	13560
Customer 50	5815	0	5815
Customer 51	1796	667	1129
Customer 52			0
Customer 53	1513	153	1360
Customer 54	1054	200	854
Customer 55	1739	200	1539
Customer 56	2699	1000	1699
Customer 57	1408	150	1258
Customer 58	1313	79	1234
Customer 59	1769	600	1169
Customer 60	27000	1000	26000
Customer 61	20002	0	20002
Customer 62	2199	1000	1199
Customer 63	2785	1000	1785
Customer 64	8580	7800	780
Customer 65	4190	500	3690
Customer 66	14377	1000	13377
Customer 67	3051	1874	1177
Customer 68	4190	1800	2390
Customer 69	1945	600	1345
Customer 70			
Customer 71			
Customer 72			
Customer 73			
Customer 74			
Customer 75			
Customer 76			
Customer 77			
Customer 78			

Customer	Maximum Demand Twelve Months Ended Feb-95	Firm Power Level Feb-95	Interruptible Load (KW) Feb-95
Customer 1			0
Customer 2	19822	324	15498
Customer 3	3292	1500	1692
Customer 4	2792	10000	1152
Customer 5	4153	500	3653
Customer 6	7232	1800	5432
Customer 7	4594	1200	3594
Customer 8	22136	1750	14386
Customer 9			0
Customer 10	66168	19100	47268
Customer 11	131175	1500	123675
Customer 12	1517	481	1036
Customer 13	3214	550	2664
Customer 14	1210	568	642
Customer 15	34862	907	33955
Customer 16	1527	270	1257
Customer 17			0
Customer 18	8554	1000	1554
Customer 19	1774	700	1074
Customer 20	1564	108	1456
Customer 21	4637	600	4037
Customer 22	7919	1892	6027
Customer 23	5832	3629	2203
Customer 24	1879	148	1731
Customer 25	10610	3000	7610
Customer 26	984	126	858
Customer 27	1672	1038	634
Customer 28	23	20	3
Customer 29	87	79	8
Customer 30	8	5	3
Customer 31	9305	2000	7305
Customer 32	8087	2000	6087
Customer 33	5086	925	4161
Customer 34	14412	3732	10680
Customer 35	4243	250	3993
Customer 36	2517	500	2017
Customer 37	5104	1685	3419
Customer 38	19958	1987	17971
Customer 39	1660	130	1530
Customer 40	3368	500	2868
Customer 41	2435	1633	802
Customer 42	13133	1000	6133
Customer 43			0
Customer 44	7024	1500	5524
Customer 45	12881	250	12531
Customer 46	96	60	36
Customer 47	4660	2218	2442
Customer 48	3934	500	3434
Customer 49	13500	350	13150
Customer 50	5996	0	5996
Customer 51	1796	567	1129
Customer 52			0
Customer 53	1513	153	1360
Customer 54	1054	200	854
Customer 55	1739	200	1539
Customer 56	2699	1000	1699
Customer 57	1421	150	1271
Customer 58	1330	79	1251
Customer 59	1794	600	1194
Customer 60	27000	1000	26000
Customer 61	20002	0	20002
Customer 62	2199	1000	1199
Customer 63	2785	1000	1785
Customer 64	8580	7800	780
Customer 65	4190	500	3690
Customer 66	14377	1000	13377
Customer 67	3051	1874	1177
Customer 68	4190	1800	2390
Customer 69	1945	600	1345
Customer 70			
Customer 71			
Customer 72			
Customer 73			
Customer 74			
Customer 75			
Customer 76			
Customer 77			
Customer 78			
	613.330	11538	495792

Customer	Maximum Demand	Firm Power Level	Interruptible Load
	Twelve Months Ended Mar-95	Mar-95	(KW) Mar-95
Customer 1	2279	120	2179
Customer 2	19822	324	19498
Customer 3	3367	1500	1767
Customer 4	27921	10000	17921
Customer 5	4153	500	3653
Customer 6	7232	1800	5432
Customer 7	4594	1000	3594
Customer 8	22136	7750	14386
Customer 9			3
Customer 10	56168	19100	47068
Customer 11	131175	1500	129675
Customer 12	1517	481	1036
Customer 13	3218	550	2668
Customer 14	1294	568	726
Customer 15	34862	907	33955
Customer 16	1527	270	1257
Customer 17			3
Customer 18	8554	7000	1554
Customer 19	1774	700	1074
Customer 20	1564	108	1456
Customer 21	4637	600	4037
Customer 22	7919	1892	6027
Customer 23	5832	3629	2203
Customer 24	1879	148	1731
Customer 25	10610	3000	7610
Customer 26	984	126	858
Customer 27	1672	1038	634
Customer 28	23	20	3
Customer 29	87	79	8
Customer 30	8	5	3
Customer 31	9305	2000	7305
Customer 32	8087	2000	6087
Customer 33	5086	925	4161
Customer 34	14412	3732	10680
Customer 35	4243	250	3993
Customer 36	2525	500	2025
Customer 37	5104	1685	3419
Customer 38	20736	1987	18749
Customer 39	1660	130	1530
Customer 40	3368	500	2868
Customer 41	2435	1633	802
Customer 42	13133	7000	6133
Customer 43			0
Customer 44	7024	1500	5524
Customer 45	12881	250	12631
Customer 46	96	60	36
Customer 47	4902	2218	2684
Customer 48	3934	500	3434
Customer 49	13500	350	13150
Customer 50	6005	0	6005
Customer 51	1796	567	1129
Customer 52	1180	50	1130
Customer 53	1513	153	1360
Customer 54	1054	200	854
Customer 55	1739	200	1539
Customer 56	2699	1000	1699
Customer 57	1421	150	1271
Customer 58	1347	79	1268
Customer 59	1794	600	1194
Customer 60	27000	1000	26000
Customer 61	20002	0	20002
Customer 62	2199	1000	1199
Customer 63	2785	1000	1785
Customer 64	8580	7800	780
Customer 65	4190	500	3690
Customer 66	14377	1000	13377
Customer 67	3037	1874	1163
Customer 68	4190	1800	2390
Customer 69	1945	500	1345
Customer 70			
Customer 71			
Customer 72			
Customer 73			
Customer 74			
Customer 75			
Customer 76			
Customer 77			
Customer 78			

Customer	Maximum Demand	Firm Power Level	Interruptible Load
	Twelve Months Ended		(KW)
	Apr-95	Apr-95	Apr-95
Customer 1	2255	100	2153
Customer 2	19822	324	19458
Customer 3	3367	1600	1767
Customer 4	27821	10000	19821
Customer 5	4153	500	3653
Customer 6	7232	1800	5432
Customer 7	4554	1000	3554
Customer 8	22136	7750	14386
Customer 9			0
Customer 10	56168	19100	47168
Customer 11	131175	7500	123675
Customer 12	1408	481	327
Customer 13	3218	550	2668
Customer 14	1294	568	725
Customer 15	34862	907	33955
Customer 16	1527	270	1257
Customer 17			0
Customer 18	8554	7000	1554
Customer 19	1774	700	1074
Customer 20	1564	108	1456
Customer 21	4637	600	4037
Customer 22	7919	1892	6027
Customer 23	5832	3629	2203
Customer 24	1879	148	1731
Customer 25	10610	3000	7610
Customer 26	984	126	858
Customer 27	1672	1038	534
Customer 28	23	20	3
Customer 29	87	79	8
Customer 30	8	5	3
Customer 31	9305	2000	7305
Customer 32	8087	2000	5087
Customer 33	5086	925	4161
Customer 34	14412	3732	10680
Customer 35	4292	250	4042
Customer 36	2526	500	2026
Customer 37	5104	1685	3419
Customer 38	20736	1987	18749
Customer 39	1660	130	1530
Customer 40	3368	500	2868
Customer 41	2435	1633	802
Customer 42	13133	7000	6133
Customer 43			0
Customer 44	7024	1500	5524
Customer 45	14777	250	14527
Customer 46	96	60	36
Customer 47	4902	2218	2684
Customer 48	3934	500	3434
Customer 49	14018	350	13668
Customer 50	6005	0	5005
Customer 51	1796	667	1129
Customer 52	1180	50	1130
Customer 53	1513	153	1360
Customer 54	1054	200	854
Customer 55	1739	200	1539
Customer 56	2699	1000	1699
Customer 57	1421	150	1271
Customer 58	1347	79	1268
Customer 59	1794	600	1194
Customer 60	27000	1000	26000
Customer 61	20002	0	20002
Customer 62	2199	1000	1199
Customer 63	2785	1000	1785
Customer 64	8580	7800	780
Customer 65	4190	500	3690
Customer 66	14377	1000	13377
Customer 67	3037	1874	1163
Customer 68	4190	1800	2390
Customer 69	1945	600	1345
Customer 70			
Customer 71			
Customer 72			
Customer 73			
Customer 74			
Customer 75			
Customer 76			
Customer 77			
Customer 78			

Customer	Maximum Demand	Firm Power Level	Interruptible Load
	Twelve Months Ended May-95	May-95	(KW) May-95
Customer 1	2224	100	2124
Customer 2	19822	324	19498
Customer 3	3367	1600	1767
Customer 4	27821	10000	17821
Customer 5	3871	500	3371
Customer 6	7232	1800	5432
Customer 7	4594	1000	3594
Customer 8	22524	7750	14774
Customer 9	2224	100	2124
Customer 10	66168	19100	47068
Customer 11	131175	7500	123675
Customer 12	1367	481	886
Customer 13	3218	550	2668
Customer 14	1294	568	726
Customer 15	34862	907	33955
Customer 16	1527	270	1257
Customer 17			0
Customer 18	8554	7000	1554
Customer 19	1774	700	1074
Customer 20	1564	108	1456
Customer 21	4637	600	4037
Customer 22	7919	1892	6027
Customer 23	5832	3629	2203
Customer 24	1876	148	1728
Customer 25	10610	3000	7610
Customer 26	984	126	858
Customer 27	1672	1038	634
Customer 28	22	20	2
Customer 29	87	79	8
Customer 30	13	5	3
Customer 31	9305	2000	7305
Customer 32	8087	2000	6087
Customer 33	5086	925	4161
Customer 34	14412	3732	10680
Customer 35	4292	250	4042
Customer 36	2550	500	2050
Customer 37	5104	1685	3419
Customer 38	20736	1987	18749
Customer 39	1660	130	1530
Customer 40	3368	500	2868
Customer 41	2435	1633	802
Customer 42	13133	7000	6133
Customer 43			0
Customer 44	7024	1500	5524
Customer 45	14777	250	14527
Customer 46	96	60	36
Customer 47	4902	2218	2684
Customer 48	3934	500	3434
Customer 49	14018	350	13668
Customer 50	6005	0	6005
Customer 51	1796	667	1129
Customer 52	1180	50	1130
Customer 53	1513	153	1360
Customer 54	1054	200	854
Customer 55	1739	200	1539
Customer 56	2699	1000	1699
Customer 57	1421	150	1271
Customer 58	1367	79	1308
Customer 59	1821	600	1221
Customer 60	27000	1000	26000
Customer 61	20002	0	20002
Customer 62	2199	1000	1199
Customer 63	2785	1000	1785
Customer 64	8580	7800	780
Customer 65	4190	500	3690
Customer 66	14377	1000	13377
Customer 67	3037	1874	1163
Customer 68	4190	1800	2390
Customer 69	1945	600	1345
Customer 70			
Customer 71			
Customer 72			
Customer 73			
Customer 74			
Customer 75			
Customer 76			
Customer 77			
Customer 78			
	622,673	117,788	504,885

Customer	Maximum Demand	Firm Power Level	Interruptible Load
	Twelve Months Ended Jun-95	Jun-95	(KWh) Jun-95
Customer 1	2143	100	2043
Customer 2	19822	324	19498
Customer 3	3797	1500	2197
Customer 4	27821	10000	17821
Customer 5	3871	500	3371
Customer 5	7232	1800	5432
Customer 7	4594	1000	3594
Customer 8	23198	7750	15448
Customer 9	2263	100	2163
Customer 10	66168	19100	47068
Customer 11	130275	7500	122775
Customer 12	1364	481	883
Customer 13	3288	550	2738
Customer 14	1294	568	726
Customer 15	44539	907	43632
Customer 16	1527	270	1257
Customer 17			0
Customer 18	8381	7000	1381
Customer 19	1774	700	1074
Customer 20	1564	108	1456
Customer 21	4637	500	4037
Customer 22	7919	1892	6027
Customer 23	5832	3629	2203
Customer 24	1876	148	1728
Customer 25	10806	3000	7806
Customer 26	984	126	858
Customer 27	1672	1038	634
Customer 28	22	20	2
Customer 29	87	79	8
Customer 30	14	5	9
Customer 31	9305	2000	7305
Customer 32	8087	2000	6087
Customer 33	5086	925	4161
Customer 34	14412	3732	10680
Customer 35	4292	250	4042
Customer 36	2577	500	2077
Customer 37	5104	1685	3419
Customer 38	20736	1987	18749
Customer 39	1660	130	1530
Customer 40	3368	500	2868
Customer 41	2435	1633	802
Customer 42	13133	7000	6133
Customer 43			0
Customer 44	7024	1500	5524
Customer 45	14785	250	14535
Customer 46	96	50	36
Customer 47	4902	2218	2684
Customer 48	3934	500	3434
Customer 49	14018	350	13668
Customer 50	6005	0	6005
Customer 51	1796	667	1129
Customer 52	1180	50	1130
Customer 53	1513	153	1360
Customer 54	1054	200	854
Customer 55	1739	200	1539
Customer 56	2699	1000	1699
Customer 57	1421	150	1271
Customer 58	1387	79	1308
Customer 59	1821	600	1221
Customer 60	27000	1000	26000
Customer 61	20002	0	20002
Customer 62	2199	1000	1199
Customer 63	2785	1000	1785
Customer 64	8580	7800	780
Customer 65	4190	500	3690
Customer 66	14377	1000	13377
Customer 67	3037	1874	1163
Customer 68	4190	1800	2390
Customer 69	1945	600	1345
Customer 70			
Customer 71			
Customer 72			
Customer 73			
Customer 74			
Customer 75			
Customer 76			
Customer 77			
Customer 78			
	632,638	117,798	514,850

Customer	Maximum Demand	Firm Power Level	Interruptible Load
	Twelve Months Ended Jul-95	Jul-95	(KW) Jul-95
Customer 1	2090	100	1990
Customer 2	19822	224	19458
Customer 3	3797	1500	2197
Customer 4	27921	10000	17921
Customer 5	3871	500	3371
Customer 6	7232	1800	5432
Customer 7	4550	1000	3550
Customer 8	23198	7750	15448
Customer 9	2335	100	2235
Customer 10	66168	0	66168
Customer 11	100950	7500	93450
Customer 12	1364	481	883
Customer 13	3534	550	2984
Customer 14	1294	568	726
Customer 15	44539	907	43632
Customer 16	1527	270	1257
Customer 17			0
Customer 18	8467	7000	1467
Customer 19	1774	700	1074
Customer 20	1564	108	1456
Customer 21	4637	600	4037
Customer 22	7919	1892	6027
Customer 23	5832	3629	2203
Customer 24	1876	148	1728
Customer 25	10806	3000	7806
Customer 26	984	126	858
Customer 27	1693	1038	655
Customer 28	18	20	0
Customer 29	70	79	0
Customer 30	5	5	0
Customer 31	10044	2000	8044
Customer 32	8022	2000	6022
Customer 33	5086	925	4161
Customer 34	14412	3732	10680
Customer 35	4292	250	4042
Customer 36	2596	500	2096
Customer 37	5104	1685	3419
Customer 38	20736	1987	18749
Customer 39	1660	130	1530
Customer 40	3368	500	2868
Customer 41	2435	1633	802
Customer 42	13133	7000	6133
Customer 43			0
Customer 44	7141	1500	5641
Customer 45	14785	250	14535
Customer 46	59	60	0
Customer 47	4902	2218	2684
Customer 48	3951	500	3451
Customer 49	14018	350	13668
Customer 50	6005	0	6005
Customer 51	1796	667	1129
Customer 52	1180	50	1130
Customer 53	1513	153	1360
Customer 54	1124	200	924
Customer 55	1739	200	1539
Customer 56	2899	1000	1899
Customer 57	1441	150	1291
Customer 58	1413	79	1334
Customer 59	1821	600	1221
Customer 60	27000	1000	26000
Customer 61	20002	0	20002
Customer 62	2199	1000	1199
Customer 63	2791	1000	1791
Customer 64	8528	7800	728
Customer 65	4190	500	3690
Customer 66	14342	1000	13342
Customer 67	3037	1874	1163
Customer 68	4190	1800	2390
Customer 69	1945	600	1345
Customer 70			
Customer 71			
Customer 72			
Customer 73			
Customer 74			
Customer 75			
Customer 76			
Customer 77			
Customer 78			

604,436

98,688

505,760

Customer	Maximum Demand Twelve Months Ended Aug-95	Firm Power Level Aug-95	Interruptible Load (KW) Aug-95
Customer 1	2049	100	949
Customer 2	19872	300	9572
Customer 3	3797	1600	2197
Customer 4	27821	10000	17821
Customer 5	3871	500	3371
Customer 6	7232	1800	5432
Customer 7	4596	1000	3596
Customer 8	23198	7750	15448
Customer 9	2335	100	2235
Customer 10	56168	0	56168
Customer 11	100950	7500	93450
Customer 12	1346	250	1096
Customer 13	3616	550	3066
Customer 14	1294	568	726
Customer 15	44539	750	43789
Customer 16	1527	0	1527
Customer 17			0
Customer 18	8467	7000	1467
Customer 19	1774	700	1074
Customer 20	1564	0	1564
Customer 21	4637	600	4037
Customer 22	7919	1892	6027
Customer 23	5832	3000	2832
Customer 24	1876	100	1776
Customer 25	10806	3000	7806
Customer 26	984	600	384
Customer 27	1842	540	1302
Customer 28	18	20	0
Customer 29	70	79	0
Customer 30	6	5	1
Customer 31	10174	2000	8174
Customer 32	8022	2000	6022
Customer 33	4974	500	4474
Customer 34	14412	3500	10912
Customer 35	4292	250	4042
Customer 36			0
Customer 37	5104	1685	3419
Customer 38	20736	1000	19736
Customer 39	1660	100	1560
Customer 40	3368	500	2868
Customer 41	2435	1100	1335
Customer 42	13133	7000	6133
Customer 43			0
Customer 44	7141	1500	5641
Customer 45	14785	250	14535
Customer 46	60	60	0
Customer 47	4902	2218	2684
Customer 48	4383	500	3883
Customer 49	14018	350	13668
Customer 50	8186	190	5996
Customer 51	1796	100	1696
Customer 52	1180	50	1130
Customer 53	1513	153	1360
Customer 54	1193	200	993
Customer 55	1739	200	1539
Customer 56	2699	1038	1661
Customer 57	1441	248	1193
Customer 58	1413	79	1334
Customer 59	1821	600	1221
Customer 60	27000	1000	26000
Customer 61	20002	43	19959
Customer 62	2199	1000	1199
Customer 63	2867	2528	339
Customer 64	8389	7800	589
Customer 65	4190	648	3542
Customer 66	14377	1000	13377
Customer 67	3037	1500	1537
Customer 68	4163	1925	2238
Customer 69	1922	600	1322
Customer 70			
Customer 71			
Customer 72			
Customer 73			
Customer 74			
Customer 75			
Customer 76			
Customer 77			
Customer 78			

Customer	Maximum Demand Twelve Months Ended Sep-95	Firm Power Level Sep-95	Interruptible Load (KW) Sep-95
Customer 1			2
Customer 2	20131	300	19833
Customer 3	4015	1500	2415
Customer 4	27014	10000	17014
Customer 5	4046	300	3546
Customer 6	7232	1900	5432
Customer 7	4596	1000	3596
Customer 8	23198	7750	15448
Customer 9	2378	100	2278
Customer 10	66168	0	66168
Customer 11	100950	7500	93450
Customer 12	1346	250	1096
Customer 13	3784	550	3234
Customer 14	1294	568	726
Customer 15	44539	750	43789
Customer 16	1527	0	1527
Customer 17			0
Customer 18	8467	7000	1467
Customer 19	1774	700	1074
Customer 20	1564	0	1564
Customer 21	4637	600	4037
Customer 22	7919	1000	6919
Customer 23	5832	3000	2832
Customer 24	1876	100	1776
Customer 25	11209	3000	8209
Customer 26	1024	126	898
Customer 27	1842	540	1302
Customer 28	19	20	0
Customer 29	71	79	0
Customer 30	7	5	2
Customer 31	10174	2000	8174
Customer 32	7854	2000	5854
Customer 33	4974	500	4474
Customer 34	14412	3500	10912
Customer 35	4292	250	4042
Customer 36			0
Customer 37	5104	1685	3419
Customer 38	20736	1000	19736
Customer 39	1660	100	1560
Customer 40	3362	500	2862
Customer 41	2435	1100	1335
Customer 42	13133	7000	6133
Customer 43	508	500	8
Customer 44	7141	1500	5641
Customer 45	14785	250	14535
Customer 46	60	60	0
Customer 47	4902	2218	2684
Customer 48	4432	500	3932
Customer 49	14018	350	13668
Customer 50	6186	190	5996
Customer 51	1796	100	1696
Customer 52	1180	50	1130
Customer 53	1513	153	1360
Customer 54	1193	200	993
Customer 55	1680	200	1480
Customer 56	2658	1038	1620
Customer 57	1441	248	1193
Customer 58	1413	79	1334
Customer 59	1843	600	1243
Customer 60	27000	1000	26000
Customer 61	20002	0	20002
Customer 62	2199	1000	1199
Customer 63	2896	2528	368
Customer 64	8450	7800	650
Customer 65	4190	648	3542
Customer 66	14878	1000	13878
Customer 67	3037	1500	1537
Customer 68	4163	1925	2238
Customer 69	1922	600	1322
Customer 70			
Customer 71			
Customer 72			
Customer 73			
Customer 74			
Customer 75			
Customer 76			
Customer 77			
Customer 78			
	602,081	94,710	507,380

Customer	Maximum Demand	Firm Power Level	Interruptible Load
	Twelve Months Ended Oct-95	Oct-95	(KW) Oct-95
Customer 1			0
Customer 2	20218	300	19918
Customer 3	4087	1600	2487
Customer 4	27418	10000	17418
Customer 5	4046	500	3546
Customer 6	7232	1800	5432
Customer 7	4596	1000	3596
Customer 8	23198	7750	15448
Customer 9	2378	100	2278
Customer 10	66168	0	66168
Customer 11	100950	7500	93450
Customer 12	1333	250	1083
Customer 13	3784	550	3234
Customer 14	1294	568	726
Customer 15	44539	750	43789
Customer 16	1527	0	1527
Customer 17			0
Customer 18	8467	7000	1467
Customer 19	1690	700	990
Customer 20	1564	0	1564
Customer 21	4637	600	4037
Customer 22	7919	1000	6919
Customer 23	5832	3000	2832
Customer 24	1876	100	1776
Customer 25	11209	3000	8209
Customer 26	1024	126	898
Customer 27	1842	504	1338
Customer 28	19	20	0
Customer 29	71	79	0
Customer 30	8	5	3
Customer 31	10174	2000	8174
Customer 32	7854	2000	5854
Customer 33	4974	500	4474
Customer 34	14412	3500	10912
Customer 35	4531	250	4281
Customer 36			0
Customer 37	5104	1685	3419
Customer 38	20736	1000	19736
Customer 39	1707	100	1607
Customer 40	3352	500	2852
Customer 41	2340	1100	1240
Customer 42	13133	7000	6133
Customer 43	637	500	137
Customer 44	7141	1500	5641
Customer 45	14785	250	14535
Customer 46	60	60	0
Customer 47	4902	2218	2684
Customer 48	4432	500	3932
Customer 49	14018	350	13668
Customer 50	6186	190	5996
Customer 51	1796	100	1696
Customer 52	1180	50	1130
Customer 53	1458	153	1305
Customer 54	1193	200	993
Customer 55	1524	200	1324
Customer 56	2658	1038	1620
Customer 57	1441	248	1193
Customer 58	1490	79	1411
Customer 59	1843	600	1243
Customer 60	27000	1000	26000
Customer 61	19310	0	19310
Customer 62	2199	1000	1199
Customer 63	2896	1764	1132
Customer 64	8450	7800	650
Customer 65	4190	648	3542
Customer 66	14878	1000	13878
Customer 67	3037	1500	1537
Customer 68	4163	1925	2238
Customer 69	1922	600	1322
Customer 70			
Customer 71			
Customer 72			
Customer 73			
Customer 74			
Customer 75			
Customer 76			
Customer 77			
Customer 78			
	602,032	93,910	508,131

Customer	Maximum Demand	Firm Power Level	Interruptible Load
	Twelve Months Ended Nov-95	Nov-95	(KW) Nov-96
Customer 1			0
Customer 2	20218	300	19918
Customer 3	4087	1600	2487
Customer 4	27418	10000	17418
Customer 5	4046	500	3546
Customer 6	7232	1800	5432
Customer 7	4596	1000	3596
Customer 8	23198	7750	15448
Customer 9	2378	100	2278
Customer 10	66168	0	66168
Customer 11	100950	7500	93450
Customer 12	1423	250	1173
Customer 13	3784	550	3234
Customer 14	1294	568	726
Customer 15	44539	750	43789
Customer 16	1527	0	1527
Customer 17			0
Customer 18	8467	7000	1467
Customer 19	1690	700	990
Customer 20	1564	0	1564
Customer 21	4637	600	4037
Customer 22	7919	1000	6919
Customer 23	5832	3000	2832
Customer 24	1801	100	1701
Customer 25	11209	3000	8209
Customer 26	1647	126	1521
Customer 27	1842	504	1338
Customer 28	19	20	0
Customer 29	71	79	0
Customer 30	8	5	3
Customer 31	10174	2000	8174
Customer 32	7854	2000	5854
Customer 33	4974	500	4474
Customer 34	13958	3500	10458
Customer 35	4838	250	4588
Customer 36			0
Customer 37	5104	1685	3419
Customer 38	21082	1000	20082
Customer 39	1733	100	1633
Customer 40	3257	500	2757
Customer 41	2340	1100	1240
Customer 42	13133	7000	6133
Customer 43	875	500	375
Customer 44	7141	1500	5641
Customer 45	14785	250	14535
Customer 46	60	60	0
Customer 47	4902	2218	2684
Customer 48	4432	500	3932
Customer 49	14018	350	13668
Customer 50	6186	190	5996
Customer 51	1796	100	1696
Customer 52	1195	50	1145
Customer 53	1458	153	1305
Customer 54	1193	200	993
Customer 55	1464	200	1264
Customer 56	2612	1038	1574
Customer 57	1441	248	1193
Customer 58	1490	79	1411
Customer 59	1843	600	1243
Customer 60	27000	1000	26000
Customer 61	23501	0	23501
Customer 62	2199	1000	1199
Customer 63	2896	1764	1132
Customer 64	8450	7800	650
Customer 65	4190	648	3542
Customer 66	14878	1000	13878
Customer 67	3037	1500	1537
Customer 68	4163	1925	2238
Customer 69	1922	600	1322
Customer 70			
Customer 71			
Customer 72			
Customer 73			
Customer 74			
Customer 75			
Customer 76			
Customer 77			
Customer 78			

607,138

93,910

513,237

Customer	Maximum Demand	Firm Power Level	Interruptible Load
	Twelve Months Ended Dec-95	Dec-95	(KW) Dec-95
Customer 1			3
Customer 2	20218	300	19918
Customer 3	4141	1600	2541
Customer 4	27418	10000	17418
Customer 5	4046	500	3546
Customer 6	7232	1800	5432
Customer 7	4596	1000	3596
Customer 8	23198	7750	15448
Customer 9	2378	100	2278
Customer 10	66168	0	66168
Customer 11	100800	7500	93300
Customer 12	1500	250	1250
Customer 13	3784	550	3234
Customer 14	1294	568	726
Customer 15	44539	750	43789
Customer 16	1527	0	1527
Customer 17			0
Customer 18	8467	7000	1467
Customer 19	1690	700	990
Customer 20	1606	0	1606
Customer 21	4648	600	4048
Customer 22	7919	1000	6919
Customer 23	5659	3000	2659
Customer 24	1801	100	1701
Customer 25	11209	3000	8209
Customer 26	1693	600	1093
Customer 27	1842	504	1338
Customer 28	19	20	0
Customer 29	71	79	0
Customer 30	8	5	3
Customer 31	10174	2000	8174
Customer 32	7854	2000	5854
Customer 33	4974	500	4474
Customer 34	13958	3500	10458
Customer 35	4838	250	4588
Customer 36			0
Customer 37	5158	1685	3473
Customer 38	21082	1000	20082
Customer 39	1733	100	1633
Customer 40	3230	500	2730
Customer 41	2265	1100	1165
Customer 42	12845	7000	5845
Customer 43	4309	500	3809
Customer 44	7141	1500	5641
Customer 45	14785	250	14535
Customer 46	57	60	0
Customer 47	4902	2218	2684
Customer 48	4432	500	3932
Customer 49	14018	350	13668
Customer 50	6186	190	5996
Customer 51	1729	100	1629
Customer 52	1272	50	1222
Customer 53	1458	153	1305
Customer 54	1193	200	993
Customer 55	1464	200	1264
Customer 56	2605	1038	1567
Customer 57	1441	248	1193
Customer 58	1490	79	1411
Customer 59	1843	600	1243
Customer 60	27000	1000	26000
Customer 61	23501	0	23501
Customer 62	2179	1000	1179
Customer 63	2896	1764	1132
Customer 64	8450	7800	650
Customer 65	4190	648	3542
Customer 66	14878	1000	13878
Customer 67	2968	1500	1468
Customer 68	4163	1925	2238
Customer 69	1922	600	1322
Customer 70			
Customer 71			
Customer 72			
Customer 73			
Customer 74			
Customer 75			
Customer 76			
Customer 77			
Customer 78			

Customer	Maximum Demand	Firm Power Level	Interruptible Load
	Twelve Months Ended Feb-96	Feb-96	(KW) Feb-96
Customer 1			0
Customer 2	20218	300	19918
Customer 3	4335	1600	2735
Customer 4	27418	10000	17418
Customer 5	4046	500	3546
Customer 5	7258	1800	5458
Customer 7	4596	1000	3596
Customer 8	23198	7750	15448
Customer 9	2378	100	2278
Customer 10	66114	0	66114
Customer 11	100800	7500	93300
Customer 12	1500	250	1250
Customer 13	3784	550	3234
Customer 14	1294	568	726
Customer 15	44539	750	43789
Customer 16	1434	0	1434
Customer 17			0
Customer 18	8467	7000	1467
Customer 19	1676	700	976
Customer 20	1606	0	1606
Customer 21	4867	600	4267
Customer 22	7919	1000	6919
Customer 23	5659	3000	2659
Customer 24	1801	100	1701
Customer 25	11209	3000	8209
Customer 26	1693	600	1093
Customer 27	1842	504	1338
Customer 28	22	20	2
Customer 29	79	79	0
Customer 30	148	5	143
Customer 31	10174	2000	8174
Customer 32	7854	2000	5854
Customer 33	4974	500	4474
Customer 34	13958	3500	10458
Customer 35	4838	250	4588
Customer 36			0
Customer 37	5158	1685	3473
Customer 38	21082	1000	20082
Customer 39	1733	100	1633
Customer 40	3226	500	2726
Customer 41	2223	1100	1123
Customer 42	12845	7000	5845
Customer 43	5195	500	4695
Customer 44	7141	1500	5641
Customer 45	14785	250	14535
Customer 46	61	60	1
Customer 47	4902	2218	2684
Customer 48	4432	500	3932
Customer 49	14018	350	13668
Customer 50	6186	190	5996
Customer 51	1640	100	1540
Customer 52	1284	50	1234
Customer 53	1458	153	1305
Customer 54	1193	200	993
Customer 55	1464	200	1264
Customer 56	2593	1036	1555
Customer 57	1441	248	1193
Customer 58	1480	79	1411
Customer 59	1855	600	1255
Customer 60	27000	1000	26000
Customer 61	23501	0	23501
Customer 62	2179	1000	1179
Customer 63	2896	1764	1132
Customer 64	8450	7800	650
Customer 65	3983	648	3335
Customer 66	14878	1000	13878
Customer 67	2908	1500	1408
Customer 68	4163	1925	2238
Customer 69	1922	600	1322
Customer 70			
Customer 71			
Customer 72			
Customer 73			
Customer 74			
Customer 75			
Customer 76			
Customer 77			
Customer 78			
	610,983	94,384	516,599

Customer	Maximum Demand	Firm Power Level	Interruptible Load
	Twelve Months Ended Mar-96	Mar-96	(KW) Mar-96
Customer 1			0
Customer 2	20218	300	19918
Customer 3	4722	1600	3122
Customer 4	27418	10000	17418
Customer 5	4219	500	3719
Customer 6	7292	1800	5492
Customer 7	4596	1000	3596
Customer 8	23198	7600	15598
Customer 9	2378	100	2278
Customer 10	62736	0	62736
Customer 11	103125	7500	95625
Customer 12	1500	250	1250
Customer 13	3784	550	3234
Customer 14	1244	568	676
Customer 15	44539	750	43789
Customer 16	1454	0	1454
Customer 17			0
Customer 18	8467	7000	1467
Customer 19	1678	700	978
Customer 20	1606	0	1606
Customer 21	4867	600	4267
Customer 22	7906	1000	6906
Customer 23	5659	3000	2659
Customer 24	1801	100	1701
Customer 25	11209	3000	8209
Customer 26	1693	600	1093
Customer 27	1842	504	1338
Customer 28	22	20	2
Customer 29	79	79	0
Customer 30	148	5	143
Customer 31	10174	2000	8174
Customer 32	7854	2000	5854
Customer 33	4974	500	4474
Customer 34	13958	3500	10458
Customer 35	4838	250	4588
Customer 36			0
Customer 37	5158	1685	3473
Customer 38	21082	1000	20082
Customer 39	1733	100	1633
Customer 40	3226	500	2726
Customer 41	2223	1100	1123
Customer 42	12816	7000	5816
Customer 43	5195	500	4695
Customer 44	7141	1500	5641
Customer 45	14785	250	14535
Customer 46	61	60	1
Customer 47	4689	2218	2471
Customer 48	4432	500	3932
Customer 49	14018	350	13668
Customer 50	6239	190	6049
Customer 51	1585	100	1485
Customer 52	1284	50	1234
Customer 53	1458	153	1305
Customer 54	1193	200	993
Customer 55	1464	200	1264
Customer 56	2593	1038	1555
Customer 57	1441	248	1193
Customer 58	1490	79	1411
Customer 59	1904	600	1304
Customer 60	27000	1000	26000
Customer 61	23501	0	23501
Customer 62	2179	1000	1179
Customer 63	2898	1764	1132
Customer 64	8450	7800	650
Customer 65	3879	648	3231
Customer 66	14878	1000	13878
Customer 67	2908	1500	1408
Customer 68	4163	1925	2238
Customer 69	1922	600	1322
Customer 70			
Customer 71			
Customer 72			
Customer 73			
Customer 74			
Customer 75			
Customer 76			
Customer 77			
Customer 78			

810,184

94,234

515,950

Customer	Maximum Demand Twelve Months Ended Apr-96	Firm Power Level Apr-96	Interruptible Load (KW) Apr-96
Customer 1			0
Customer 2	20218	300	19918
Customer 3	4722	1600	3122
Customer 4	27418	10000	17418
Customer 5	4219	500	3719
Customer 6	7292	1900	5492
Customer 7	4596	1000	3596
Customer 8	23198	7600	15598
Customer 9	2378	100	2278
Customer 10	62736	0	62736
Customer 11	103125	7500	95625
Customer 12	1567	250	1317
Customer 13	3784	550	3234
Customer 14	1244	568	676
Customer 15	44539	750	43789
Customer 16	1487	0	1487
Customer 17			0
Customer 18	8467	7000	1467
Customer 19	1678	700	978
Customer 20	1606	0	1606
Customer 21	4867	600	4267
Customer 22	7932	1000	6932
Customer 23	5659	3000	2659
Customer 24	1801	100	1701
Customer 25	11209	3000	8209
Customer 26	1693	600	1093
Customer 27	1842	504	1338
Customer 28	22	20	2
Customer 29	79	79	0
Customer 30	148	5	143
Customer 31	10174	2000	8174
Customer 32	7854	2000	5854
Customer 33	4974	500	4474
Customer 34	13958	3500	10458
Customer 35	4838	250	4588
Customer 36			0
Customer 37	5158	1685	3473
Customer 38	21082	1000	20082
Customer 39	1733	100	1633
Customer 40	3073	500	2573
Customer 41	2223	1100	1123
Customer 42	12816	7000	5816
Customer 43	5195	500	4695
Customer 44	7141	1500	5641
Customer 45	14785	250	14535
Customer 46	61	60	1
Customer 47	4596	2218	2378
Customer 48	4432	500	3932
Customer 49	13781	350	13431
Customer 50	8239	190	6049
Customer 51	1571	100	1471
Customer 52	1284	50	1234
Customer 53	1458	153	1305
Customer 54	1193	200	993
Customer 55	1464	200	1264
Customer 56	2593	1038	1555
Customer 57	1441	248	1193
Customer 58	1490	79	1411
Customer 59	1904	600	1304
Customer 60	27000	1000	26000
Customer 61	23544	0	23544
Customer 62	2179	1000	1179
Customer 63	2896	1764	1132
Customer 64	8450	7800	650
Customer 65	3879	648	3231
Customer 66	14878	1000	13878
Customer 67	2908	1500	1408
Customer 68	4163	1925	2238
Customer 69	1922	600	1322
Customer 70			
Customer 71			
Customer 72			
Customer 73			
Customer 74			
Customer 75			
Customer 76			
Customer 77			
Customer 78			

609,856

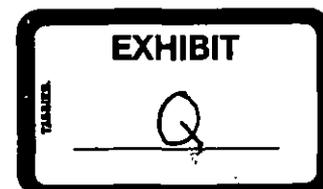
94,234

515,622

Customer	Maximum Demand Twelve Months Ended May-96	Firm Power Level May-96	Interruptible Load (KW) May-96
Customer 1			0
Customer 2	20455	300	20155
Customer 3	4722	1600	3122
Customer 4	27418	10000	17418
Customer 5	4219	500	3719
Customer 6	7292	1800	5492
Customer 7	4596	1000	3596
Customer 8	23198	7600	15598
Customer 9	2378	100	2278
Customer 10	62736	0	62736
Customer 11	103125	7500	95625
Customer 12	1973	250	1723
Customer 13	3784	550	3234
Customer 14	1244	568	676
Customer 15	44539	750	43789
Customer 16	1487	14	1473
Customer 17			0
Customer 18	8467	7000	1467
Customer 19	1678	700	978
Customer 20	1606	0	1606
Customer 21	4867	600	4267
Customer 22	7932	1000	6932
Customer 23	5659	3000	2659
Customer 24	1866	100	1766
Customer 25	11209	3000	8209
Customer 26	1693	600	1093
Customer 27	1842	530	1312
Customer 28	22	20	2
Customer 29	79	79	0
Customer 30	148	5	143
Customer 31	10174	2000	8174
Customer 32	7854	2000	5854
Customer 33	4974	500	4474
Customer 34	13938	3500	10438
Customer 35	4638	250	4588
Customer 36			0
Customer 37	5158	1685	3473
Customer 38	21082	1000	20082
Customer 39	1733	100	1633
Customer 40	3298	500	2798
Customer 41	2223	1100	1123
Customer 42	12744	7000	5744
Customer 43	5368	500	4868
Customer 44	7141	1500	5641
Customer 45	14785	250	14535
Customer 46	61	60	1
Customer 47	4643	2218	2425
Customer 48	4432	500	3932
Customer 49	13781	350	13431
Customer 50	6239	190	6049
Customer 51	1545	100	1445
Customer 52	1284	50	1234
Customer 53	1458	153	1305
Customer 54	1193	200	993
Customer 55	1464	200	1264
Customer 56	2583	1038	1555
Customer 57	1441	248	1193
Customer 58	1490	79	1411
Customer 59	1904	800	1304
Customer 60	27000	1000	26000
Customer 61	23544	0	23544
Customer 62	2189	1000	1189
Customer 63	3125	1764	1361
Customer 64	8450	7800	650
Customer 65	3879	648	3231
Customer 66	14878	1000	13878
Customer 67	2908	1500	1408
Customer 68	4163	1800	2363
Customer 69	1964	600	1364
Customer 70			
Customer 71			
Customer 72			
Customer 73			
Customer 74			
Customer 75			
Customer 76			
Customer 77			
Customer 78			
	611,170	94,149	517,021

Customer	Maximum Demand	Firm Power Level	Interruptible Load
	Twelve Months Ended Jun-96	Jun-96	(KW) Jun-96
Customer 1			0
Customer 2	20455	300	20155
Customer 3	4722	1600	3122
Customer 4	27418	10000	17418
Customer 5	4219	500	3719
Customer 6	7292	1800	5492
Customer 7	4925	1000	3925
Customer 8	22991	7500	15391
Customer 9	2378	100	2278
Customer 10	62114	3461	58653
Customer 11	103125	7500	95625
Customer 12	1973	250	1723
Customer 13	3784	550	3234
Customer 14	1244	568	676
Customer 15	43286	750	42536
Customer 16	1487	14	1473
Customer 17	9150	1600	7550
Customer 18	8467	7000	1467
Customer 19	1678	700	978
Customer 20	1606	0	1606
Customer 21	4867	600	4267
Customer 22	7932	1050	6882
Customer 23	5659	3000	2659
Customer 24	1866	100	1766
Customer 25	11209	3000	8209
Customer 26	1693	500	1093
Customer 27	1842	530	1312
Customer 28	22	20	2
Customer 29	79	79	0
Customer 30	148	5	143
Customer 31	10174	2000	8174
Customer 32	7854	2000	5854
Customer 33	5036	500	4536
Customer 34	13228	3500	9728
Customer 35	4838	250	4588
Customer 36			0
Customer 37	5158	1685	3473
Customer 38	21082	1000	20082
Customer 39	1733	100	1633
Customer 40	3342	500	2842
Customer 41	2223	1100	1123
Customer 42	12744	7000	5744
Customer 43	5368	551	4817
Customer 44	7141	1500	5641
Customer 45	12153	250	11903
Customer 46	61	60	1
Customer 47	4643	2218	2425
Customer 48	4501	2615	1886
Customer 49	13781	350	13431
Customer 50	6239	190	6049
Customer 51	1545	100	1445
Customer 52	1284	50	1234
Customer 53	1473	153	1320
Customer 54	1193	412	781
Customer 55	1484	200	1284
Customer 56	2593	1000	1593
Customer 57	1441	182	1259
Customer 58	1493	79	1414
Customer 59	1937	600	1337
Customer 60	27000	1000	26000
Customer 61	23544	0	23544
Customer 62	2285	1000	1285
Customer 63	3215	1000	2215
Customer 64	8994	7800	1194
Customer 65	3879	665	3214
Customer 66	14878	1000	13878
Customer 67	2634	1916	918
Customer 68	4163	1800	2363
Customer 69	2084	500	1484
Customer 70			
Customer 71			
Customer 72			
Customer 73			
Customer 74			
Customer 75			
Customer 76			
Customer 77			
Customer 78			
	616,229	101,203	515,026

- Q. For each customer taking interruptible service (do not identify customers by name), provide:
- a. The amount of interruptible capacity under contract.
 - b. The amount of firm capacity under contract.
 - c. The time, duration, justification, and amount of capacity reduction for each requested interruption for the most recent 3-year period.
 - d. The maximum load imposed by the customer on the company during each requested interruption for the most recent 3-year period.
 - e. If credit is awarded on a basis of actual interruption (as contrasted to a simple credit or reduced monthly demand charge for each kilowatt of interruptible service), provide the amount received for each requested interruption.
- A. (a)-(b) See Attachment 1. The Firm Capacity is the Firm Power Level under which each customer was billed during December 1996. The Contract Interruptible Capacity for each customer is the difference between the maximum on-peak demand during the twelve months ended December 1996 and the Firm Power Level listed.
- (c) See Attachment 2. "Emergency" in the Justification column indicates a system emergency in the Pennsylvania-New Jersey-Maryland Interconnection. "Tariff Test" means the customer(s) took part in a test of interruptibility, as provided for in Rate Schedules IS-P and IS-T and their predecessors.
- The Capacity Reduction was calculated from actual KW demand readings just prior to the Company's call to the customer to interrupt and just after the 2-hour period during which the customer was obligated to reduce load to the Firm Power Level.
- (d) See Attachment 1. The listed load is the maximum load imposed by the customer on the Company during the period of the interruption, starting two hours after the call for interruption and ending with the call releasing the customer from the interruption.
- (e) The Company does not award a credit for actual interruption.



PENNSYLVANIA POWER & LIGHT COMPANY
INTERRUPTIBLE SERVICE CUSTOMER DATA

CUSTOMER	CONTRACT	FIRM	MAXIMUM LOAD			
	INTERRUPTIBLE		CAPACITY	DURING INTERRUPTION		
	CAPACITY	CAPACITY	1/19/94 - 1/21/94	11/10/94	8/3/95	5/21/96
	(kW)	(kW)	(kW)	(kW)	(kW)	(kW)
1	28,899	750	907	NOTE 1	518	518
2	20,155	300	338	NOTE 1	281	300
3	3,122	1,600	1,457	NOTE 1	1,385	1,361
4	17,360	10,000	9,994	NOTE 1	0	9,648
5	3,719	500	505	NOTE 1	323	346
6	5,492	1,800	NOTE 2	1,408	1,460	1,763
7	15,365	7,600	NOTE 2	7,750	7,231	6,947
8	3,825	1,000	1,385	NOTE 1	927	924
9	2,298	100	NOTE 2	NOTE 1	96	47
10	1,413	150	NOTE 2	NOTE 2	NOTE 2	NOTE 2
11	38,904	3,461	19,490	NOTE 1	18,586	3,461
12	95,625	7,500	15,525	NOTE 1	7,875	8,700
13	1,892	250	482	NOTE 1	133	111
14	3,191	550	562	NOTE 1	82	264
15	644	568	568	NOTE 1	0	0
16	7,589	1,600	NOTE 2	NOTE 2	NOTE 2	NOTE 2
17	1,473	14	267	NOTE 1	0	14
18	1,122	7,000	5,198	NOTE 1	6,350	5,746
19	1,673	800	NOTE 2	NOTE 2	NOTE 2	NOTE 2
20	978	700	729	NOTE 1	631	643
21	4,267	600	697	NOTE 1	559	NOTE 1
22	1,551	0	108	NOTE 1	0	0
23	6,972	1,050	2,709	NOTE 1	661	1,050
24	2,900	2,500	NOTE 2	3,629	2,203	2,419
25	1,804	100	265	NOTE 1	55	72
26	7,979	3,000	NOTE 2	2,638	2,684	2,926
27	1,216	300	139	NOTE 1	39	353
28	1,357	530	1,038	NOTE 1	362	530
29	4,624	500	2,966	NOTE 1	459	491
30	10,216	3,500	4,234	NOTE 1	3,404	2,868
31	4	20	12	NOTE 1	NOTE 2	NOTE 2
32	0	79	79	NOTE 1	NOTE 2	NOTE 2
33	11	5	NOTE 2	NOTE 2	NOTE 2	NOTE 2
34	5,422	250	233	NOTE 1	145	163
35	3,424	1,685	3,180	NOTE 1	876	1,040
36	20,427	1,000	1,987	NOTE 1	950	950
37	1,583	100	246	NOTE 1	23	22
38	2,966	500	NOTE 2	76	328	317
39	1,482	800	1,633	NOTE 1	707	800

<u>CUSTOMER</u>	CONTRACT	<u>FIRM</u>	MAXIMUM LOAD			
	<u>INTERRUPTIBLE</u>		<u>CAPACITY</u>	<u>DURING INTERRUPTION</u>		
	<u>CAPACITY</u>	<u>CAPACITY</u>	<u>1/19/94 - 1/21/94</u>	<u>11/10/94</u>	<u>8/3/95</u>	<u>5/21/96</u>
	(kW)	(kW)	(kW)	(kW)	(kW)	(kW)
40	4,318	7,000	6,854	NOTE 1	6,120	4,738
41	4,817	551	NOTE 2	NOTE 2	NOTE 2	NOTE 2
42	6,457	1,500	NOTE 2	699	1,063	1,400
43	12,831	250	4,000	168	32	250
44	1	60	62	NOTE 2	NOTE 2	NOTE 2
45	2,521	2,122	NOTE 2	2,218	962	1,256
46	2,022	2,615	NOTE 2	426	389	2,615
47	13,863	350	346	NOTE 1	194	259
48	6,048	190	190	NOTE 1	130	138
49	970	1,916	3,074	NOTE 2	1,501	1,916
50	1,472	100	NOTE 2	1,334	47	67
51	1,234	50	NOTE 2	NOTE 1	14	30
52	1,320	153	NOTE 2	103	112	102
53	708	412	233	NOTE 1	160	412
54	1,160	200	NOTE 2	66	186	70
55	1,317	800	NOTE 2	NOTE 2	NOTE 2	NOTE 2
56	1,532	1,000	NOTE 2	881	1,038	946
57	1,173	182	1,132	NOTE 1	398	182
58	1,925	79	NOTE 2	19	50	44
59	26,000	1,000	NOTE 2	NOTE 1	1,000	1,000
60	1,549	400	NOTE 2	105	213	384
61	23,458	0	3,370	NOTE 1	0	0
62	4,215	500	NOTE 2	NOTE 2	NOTE 2	NOTE 2
63	1,327	1,000	NOTE 2	911	855	950
64	4,897	1,000	NOTE 2	NOTE 2	NOTE 2	NOTE 2
65	8,083	2,000	1,737	NOTE 1	1,776	1,672
66	7,785	2,000	2,989	NOTE 1	1,944	1,918
67	1,424	250	NOTE 2	NOTE 2	NOTE 2	NOTE 2
68	2,243	1,000	2,030	NOTE 1	2,525	520
69	1,194	7,800	NOTE 2	6,791	7,508	7,249
70	2,990	665	NOTE 2	268	648	665
71	1,822	1,000	NOTE 2	NOTE 2	NOTE 2	NOTE 2
72	13,628	1,000	NOTE 3	NOTE 1	467	648
73	1,641	1,000	NOTE 2	NOTE 2	NOTE 2	NOTE 2
74	2,343	1,800	NOTE 2	1,492	1,925	1,562
75	1,984	100	560	NOTE 1	454	507

Note 1: The customer did not take part in the Tariff Test. Only new interruptible service customers or interruptible service customers with reductions in Firm Power Level took part.

Note 2: The customer was not an interruptible service customer at this time.

Note 3: The billing metering equipment malfunctioned. No data was available.

PENNSYLVANIA POWER & LIGHT COMPANY
REQUESTED INTERRUPTIONS
THREE YEAR PERIOD
ENDED DECEMBER, 1996

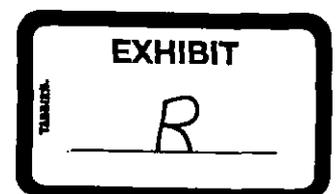
<u>DATE</u>	<u>START TIME OF INTERRUPTION</u>	<u>END TIME OF INTERRUPTION</u>	<u>JUSTIFICATION</u>	<u>CAPACITY REDUCTION</u>
1/19/94	5:06	22:30	EMERGENCY	185 MW
1/20/94	7:40	CONTINUING	EMERGENCY	201 MW
1/21/94	CONTINUING	11:51	EMERGENCY	203 MW
11/10/94	13:00	15:00	TARIFF TEST	60 MW
8/3/95	12:00	17:40	EMERGENCY	367 MW
5/21/96	10:18	16:28	EMERGENCY	365 MW

Pennsylvania Power & Light Company
Response to Interrogatories
of the PP&L Industrial Customer Alliance, Set I
Dated April 25, 1997

Docket No. R-00973954

Q.5. With respect to PP&L's proposal to continue imposing the 500 MW cap on interruptible load, please provide a schedule showing the amount of interruptible load by rate class for the period 1993 through 1996.

A.5. See Attachment 1. The data is provided from May 1994 to February 1997 as a composite for the PP&L system. Earlier data is not readily available. Providing the data by rate class, unduly would be burdensome.



PP&L Industrial Customer Alliance - Set I
Question 5

Attachment 1

Pennsylvania Power and Light Company
Historical Monthly Interruptible Load

Twelve Month Period Ended	Maximum On-peak Demand (KW)	Total Firm Power (KW)	Interruptible Load (KW)
May-94	490,216	90,772	399,444
Jun-94	518,388	95,894	422,494
Jul-94	553,854	106,197	447,657
Aug-94	575,856	111,743	464,113
Sep-94	597,097	115,943	481,154
Oct-94	605,670	115,943	489,727
Nov-94	607,117	115,943	491,174
Dec-94	608,840	116,572	492,268
Jan-95	610,516	117,538	492,978
Feb-95	613,330	117,538	495,792
Mar-95	617,993	117,688	500,305
Apr-95	620,333	117,688	502,645
May-95	622,673	117,788	504,885
Jun-95	632,638	117,788	514,850
Jul-95	604,436	98,688	505,760
Aug-95	602,732	95,719	507,024
Sep-95	602,081	94,710	507,380
Oct-95	602,032	93,910	508,131
Nov-95	607,138	93,910	513,237
Dec-95	610,054	94,384	515,682
Jan-96	610,187	94,384	515,804
Feb-96	610,983	94,384	516,599
Mar-96	610,184	94,234	515,950
Apr-96	609,856	94,234	515,622
May-96	611,170	94,149	517,021
Jun-96	616,229	101,203	515,026
Jul-96	615,054	101,107	513,947
Aug-96	605,655	101,107	504,548
Sep-96	595,619	101,107	494,512
Oct-96	591,964	101,107	490,857
Nov-96	607,142	104,307	502,835
Dec-96	606,075	104,307	501,768
Jan-97	613,901	105,307	508,594
Feb-97	614,685	105,307	509,380

AGREEMENT FOR ELECTRIC SERVICE

This Agreement For Electric Service (Agreement), dated JULY 13, 1994, is hereby entered into by and between Pennsylvania Power & Light Company (Company) and [REDACTED] (Customer).

WHEREAS, Customer plans to construct a facility to recycle paper products (Plant) at [REDACTED] County, Pennsylvania; and

WHEREAS, Customer desires to receive interruptible electric service from Company with alternate supply at 138,000 volts; and

WHEREAS, Company is willing to provide interruptible electric service in accordance with Company's Rate Schedule LP-5 and under the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, intending to be legally bound, the parties agree as follows:

1. TERM.

(a) Sections 2, 3, 4, 5, 7, 8, 9, and 11 of this Agreement shall begin when Customer begins to take electric service under this Agreement (Effective Date) and shall continue in effect for an initial term of five years. After the initial term, this Agreement shall continue month to month until terminated by either party upon one month's written notice.

(b) Notwithstanding the Effective Date, the remainder of this Agreement shall become effective immediately upon the date first written above and shall continue in effect until termination of this Agreement.

EXHIBIT

S

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Pennsylvania Power & Light Company for Approval of its Restructuring Plan Under Section 2806 of the Public Utility Code : : Docket No. R-00973954

**ANSWER OF
PENNSYLVANIA POWER & LIGHT COMPANY
TO INTERRUPTIBLE INTERVENORS'
MOTION TO COMPEL RESPONSES TO
REQUESTS FOR ADMISSIONS**

Pennsylvania Power & Light Company ("PP&L" or the "Company"), by its attorneys, hereby files with the Pennsylvania Public Utility Commission ("Commission") this Answer to Interruptible Intervenors' Motion to Compel Responses to Requests for Admissions. As explained below, PP&L offers to withdraw its objections to Intervenors' belated Requests for Admissions ("Requests"), provided that the Company is afforded a full opportunity to submit surrebuttal testimony addressing the issues raised by the Requests. If the Company's alternative proposal is rejected, however, PP&L presses its objection that the Requests are untimely and respectfully submits that the Interruptible Intervenors' Motion to Compel Responses to Requests for Admissions ("Motion to Compel") should be denied.

I. BACKGROUND

On May 30, 1996 and August 21, 1996, Caradon Mideast Aluminum ("Caradon") and Metal Industries, Inc. ("MI"), respectively, filed Complaints with the Commission seeking, inter alia, retroactive application of PP&L's interruptible rate option back to September 1995. The Quaker Oats Company ("Quaker Oats") filed a similar Complaint with the Commission on July 15, 1997. Mount Joy Wire Corporation ("Mount Joy") states that it filed a similar Complaint with the Commission on July 28, 1997.¹

On April 1, 1997, PP&L filed its Restructuring Plan with the Commission. The Company's Restructuring Plan proposes, in part, to remove the definition of interruptible power from its tariff. That definition states that "[f]or the purpose of determining [PP&L's total amount of interruptible power], interruptible power is the twelve month average of each customer's monthly Maximum On-peak Demand less the customer's contract Firm Power level." As explained by Mr. Oliver G. Kasper in direct testimony submitted in this proceeding, the Company proposes to remove this definition from the tariff because it has:

¹ The Company has not yet been served with a copy of Mount Joy's Complaint.

created some confusion and has led some customers to propose a substantially different method for calculating interruptible load based upon 12-month monthly average data. This alternative definition is inconsistent with how the Company has always calculated interruptible load, completely at odds with the purpose of and need for interruptible load, and substantially understates the amount of interruptible load on the Company's system. If this alternative definition were adopted, it would force the Company to contract for excessive amounts of interruptible load to the detriment of the company and its other customers. To avoid continued controversy, the Company seeks to remove the definition from the tariff.

Direct Testimony of Oliver G. Kasper, p. 16.

On April 29, 1997, Caradon and MI filed a Joint Petition to Intervene in the instant proceeding. The Joint Petition was granted on June 17, 1997. On July 15, 1997, Quaker Oats filed a Petition to Join As a Party to the Intervention of Caradon and MI. Similarly, on July 28, 1997, Mount Joy filed a Petition to Join As a Party to the Intervention of Caradon, MI and Quaker Oats. The Petitions of Quaker Oats and Mount Joy are currently pending.

On July 16, 1997, Caradon, MI and Quaker Oats served the Requests. On July 28, 1997, PP&L filed Objections to the Requests. The Company objected to the Requests in their entirety, objecting that they are untimely, outside the scope of these proceedings, and address issues currently being litigated in separate complaint cases before the Commission. On August 1, 1997, Quaker Oats and Mount Joy (hereinafter "Intervenors") filed the Motion to

Compel to which PP&L now responds.²

II. ARGUMENT

A. PP&L's Alternative Proposal

As explained below and in PP&L's Objections, the Company believes that Intervenors' Requests are completely improper and untimely. However, in an effort to resolve the parties' dispute, PP&L is willing to withdraw its Objections and to submit responses to the Requests if the Company is afforded a full opportunity to submit surrebuttal testimony regarding the various issues raised by Intervenors' belated Requests. PP&L respectfully submits that its proposal will remedy the prejudice created by Intervenors' actions and will expedite cross-examination of PP&L's witnesses.

If PP&L is required to answer the Requests, PP&L must be permitted to submit surrebuttal testimony addressing the several issues raised by the Requests. ALJ Kashi established a carefully considered procedural schedule to govern the litigation of this case. This schedule included deadlines for the submission of opposing party testimony, PP&L rebuttal testimony, surrebuttal testimony, evidentiary hearings and briefing. The purpose of this schedule is to

² As noted above, Caradon, MI, Quaker Oats and Mount Joy each filed Complaints in connection with the Company's interruptible service option. PP&L, Caradon and MI have reached an agreement in principle regarding settlement. The parties currently are in the process of finalizing the formal agreement. As a result of these recent developments, Caradon and MI have not joined in the motion to Compel filed by petitioning intervenors Quaker Oats and Mount Joy.

ensure the orderly and efficient conduct of the case. Towards that end, the procedural schedule adopts a FERC-type schedule that requires the filing of direct, rebuttal and surrebuttal testimony before the commencement of hearings.

Pre-filed written testimony serves two fundamental purposes. First, it narrows and defines the issues in the case. Second, pre-filed written testimony gives all parties and the presiding officer notice of the issues to be litigated at hearings and on briefs. Pre-filed testimony, therefore, streamlines the parties' preparations and reduces the amount of time required for hearings.

Intervenors' untimely Requests completely undermine these goals. As explained in PP&L's Objections, Intervenors have not actively participated in this case. Intervenors did not conduct formal discovery in response to PP&L's Application filed on April 1, 1997, nor did they file any direct testimony. Therefore, PP&L prepared rebuttal testimony addressing the numerous issues raised in direct testimony filed by the active participants in the case, but did not prepare any rebuttal testimony directed to the issues raised in the Intervenors' Requests. If Intervenors are permitted compel answers to their Requests at this point in the procedural schedule, and then offer those answers in evidence at the hearing, Intervenors will have effectively denied PP&L any opportunity to submit written rebuttal testimony responding to the several issues raised by their belated Requests. Intervenors' effort to circumvent the procedural schedule in this case is inappropriate, unfair and inconsistent with sound administrative practice, and

completely undermines the purposes for which such schedule was adopted.³

In sum, so long as PP&L is not prejudiced by Intervenor's belated service of the Requests, PP&L is willing to withdraw its objections and provide responses to the Requests. Fundamental fairness and due process requires that the Company be permitted an opportunity to provide surrebuttal testimony addressing the issues belatedly raised by the Requests. If PP&L's alternative proposal is denied, the Company presses its objection to the untimeliness of the Requests. As explained below, absent adoption of PP&L's alternative proposal, Intervenor's Requests are untimely and PP&L's objections should be sustained.

B. The Requests Are Untimely And Improper.

Intervenor contends that the Requests are timely and proper. Intervenor offers three arguments in support of their claim: (1) the Requests are timely in accordance with 52 Pa. Code § 5.331(d);⁴ (2) the deadline for filing direct

³ Intervenor's claim that the Requests were submitted in response to discussions during the July 15, 1997 Third Prehearing Conference fails to justify their late-filed Requests. Intervenor states that they "fully intended to cross examine [PP&L witness] Mr. [Oliver G.] Kasper on all of the issues reflected in the Requests." Motion to Compel, p. 5. As explained above, however, the ALJ established a comprehensive schedule for the submission of written testimony before hearings. Intervenor's original intention to establish their entire case on cross-examination is wholly inconsistent with the ALJ's extensive efforts to ensure the efficient and orderly litigation of this case. Intervenor's claim that they filed the Requests to reduce cross-examination of Mr. Kasper fails to remedy this problem.

⁴ 52 Pa. Code § 5.331(d) states as follows:

In a rate proceeding, initial discovery directed to data or information supplied by the public utility at the time of the initiation of the proceeding shall be submitted to the utility within 10 working days following the first prehearing conference. Discovery directed to

testimony is irrelevant to the timeliness of the Requests because Intervenors elected to rely upon the alleged “admissions contained in documents authored or testified to by PP&L” (Motion to Compel, p. 9); and (3) the Requests do not raise new issues. Motion to Compel, pp. 7-10. Each of these arguments is without merit and should be rejected.

First and foremost, Intervenors expressly concede that “[s]ince this case involves a restructuring plan, it is not altogether clear that [it] should be characterized as a ‘rate case.’” Motion to Compel, p. 8. Intervenors then proceed to make their procedural argument by “assuming that this case may be properly characterized as a rate case.” (Id.) (emphasis added). Therefore, Intervenors base their Motion to Compel on an assumption that even they concede is not altogether clear, and one which PP&L respectfully submits is wrong. This is a restructuring case arising out of The Electricity Generation Customer Choice and Competition Act, not a traditional rate case.⁵

Intervenors’ arguments fail to address the fundamental flaw in their approach to discovery and the litigation of this case. Intervenors’ argument assumes that they have otherwise complied with the procedural schedule. As

other matters shall be available until the close of evidentiary hearings. In other proceedings, the presiding officer, upon motion of a participant, may establish reasonable limitations upon the timing of discovery.

⁵ Moreover, even if 52 Pa. Code §5.331(d) applied here, it is clear that these Requests are directed to data or information (i.e., Mr. Kasper’s direct testimony on the tariff definition) supplied by PP&L at the time it initiated the proceeding. As such, it should have been submitted to PP&L within 10 working days following the first Prehearing Conference.

explained above, this is simply not true. Intervenors have not actively participated in the case and failed to file any direct testimony. As a result, PP&L prepared its rebuttal testimony to address issues raised by opposing parties in their direct testimony. By relying on requests for admission and failing to file direct testimony, Intervenors' have failed to give PP&L a reasonable explanation of their allegations or reasonable notice of the evidence supporting their claims. Unlike the twelve other parties that filed written testimony on July 2, 1997, Intervenors clearly intend to disclose their entire case on cross-examination. As explained above, this effectively precluded PP&L from filing rebuttal testimony on the issues raised by those Requests.

Moreover, Intervenors' argument that their Petitions to Intervene gave PP&L notice of the issues raised by the Requests is meritless. The procedural schedule in this case was designed to give all parties a full opportunity to present written testimony on all issues before hearing. As a result, PP&L properly prepared rebuttal testimony addressing issues raised by opposing parties in their direct testimony. Intervenors' actions are plainly inconsistent with the purpose underlying the schedule set by ALJ Kashi. Intervenors should not be permitted to manipulate the discovery process and otherwise ignore the procedural schedule in this case to deprive PP&L of an opportunity to submit written testimony on all issues.

Based on very recent developments, PP&L no longer presses the objections raised in Paragraphs 4 and 5 of the Company's Objections to the

Requests. In Paragraph 4, PP&L objected that Intervenors' right to remain on interruptible service would not be affected by the Commission's adoption of PP&L's proposed revisions to the tariff for interruptible service so long as they elected to continue receiving service from PP&L. However, Intervenors' Motion to Compel demonstrates that the Commission's adoption of PP&L's position on the policy issues underlying the adoption of the 500 MW cap could have an effect on the retroactive claims raised by Quaker Oats and Mount Joy in their recent Complaint. In Paragraph 5, PP&L objected that Intervenors' Requests sought to pursue information that Caradon and MI failed to pursue in a timely manner in their consolidated complaint proceeding scheduled for hearings in early September. However, since PP&L filed its Objections, PP&L, Caradon and MI reached an agreement in principle to settle those claims. As a result, the settlement of those claims moots the persuasive force of PP&L's objection in this regard.

III. CONCLUSION

WHEREFORE, for the reasons set forth above, PP&L respectfully submits that the Commission adopt its alternative proposal that PP&L withdraw its Objections to Intervenors' Requests for Admissions provided that the Company shall have a full opportunity to submit surrebuttal testimony on or before August 15, 1997, regarding the issues raised by such Requests for Admissions. If the Commission denies the Company's alternative proposal, PP&L respectfully submits that Intervenors' Motion to Compel Responses to Requests for Admissions should be denied, and that the Company's Objections to the untimeliness of the Requests should be sustained.

Respectfully submitted,

Paul E. Russell, Esq.
Pennsylvania Power & Light Company
Two North Ninth Street
Allentown, PA 18101

Donald A. Kaplan, Esq.
Lisa M. Helpert, Esq.
Preston Gates Ellis & Rouvelas Meeds LLP
1735 New York Avenue, NW
Suite 500
Washington, DC 20006-5209

Counsel For Pennsylvania Power & Light
Company

By: 

Date: August 11, 1997

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Pennsylvania Power & Light :
Company For Approval of Its Restructuring : Docket No. R-00973954
Plan Under Section 2806 of the Public Utility :
Code :

CERTIFICATION OF SERVICE

I hereby certify that on August 11, 1997, I served a true copy of Pennsylvania Power & Light Company's Answer to Interruptible Intervenors' Motion to Compel Responses to Requests for Admissions upon the active participants listed below, in accordance with the requirements of §1.54 (relating to service by a participant):

By Facsimilie and Federal Express:

The Honorable George M. Kashi
Administrative Law Judge
Pennsylvania Public Utility Commission
P. O. Box 3265
Harrisburg, Pennsylvania 17105-3265

David W. Francis, Esq.
Powell, Trachtman, Logan, Carrle,
Bowman & Lombardo, P.C.
114 North Second Street
Harrisburg, PA 17101
*for Caradon Mideast Aluminum and
Metal Industries, Inc.*

By U.S. Mail:

Johnnie Simms, Esq.
Office Of Trial Staff
Pennsylvania Public Utility Commission
Third Floor, Pitnick Building
901 North Seventh Street - Rear
Harrisburg, PA 17105-3265

David M. Kleppinger, Esq.
Robert A. Weishaar, Jr., Esq.
Pamela C. Polacek, Esq.
McNees, Wallace & Nurick
P. O. Box 1166
100 Pine Street
Harrisburg, PA 17108
for PPLICA

Karen Oill Moury, Esq.
Office Of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101

Steve Huntoon, Esq.
Assistant General Counsel
PECO Energy Company
2301 Market Street, S23-1
Philadelphia, PA 19103

Harry S. Geller, Esq.
118 Locust Street
Harrisburg, PA 17108
for PA Utility Law Project

Robert P. Haynes, III, Esq.
Mette, Evans & Woodside
3401 North Front Street
P. O. Box 5950
Harrisburg PA 17110-0950
for PA Electric Consumers Council

Linda C. Smith, Esq.
Dilworth, Paxson, Kalish & Kauffman LLP
305 N. Front Street
Suite 403
Harrisburg, PA 17101-1236
for American Association of Retired Persons

Rhonda Hendrickson
100 North 10th Street
Harrisburg, PA 17108

Michael T. Vough, Esquire
Vough & Mecadon
Greater Pittston Professional Center
126 South Main Street
Pittston, PA 18640
for Comm'n on Economic Opportunity

Mary Huwaldt, Esq.
Caplan & Luber, LLP
40 Darby Road
Paoli, PA 19301
for Gilberton Power Company

Richard L. Caplan, Esq.
Caplan & Luber, LLP
40 Darby Road
Paoli, PA 19301
for Schuylkill Energy Resources, Inc.

Alan J. Barak, Esq.
1417 Blue Mountain Parkway
Harrisburg, PA 17112
for Environmentalists

Craig A. Doll, Esq.
214 State Street
Harrisburg, PA 17101
for Delmarva Power & Light Company

David A. McCormick, Esq.
Department Of The Army
Office Of The Judge Advocate General
901 North Stuart Street
Arlington, VA 22203-1837

Billie E. Ramsey, Executive Director
ARIPPA
1300 Market Street, Suite 7
Lemoyne, PA 17043

Scott J. Rubin, Esquire
3 Lost Creek Drive
Selinsgrove, PA 17870-9357
for IBEW, Local 1600

Robert F. Young
Anthony C. Adonizio, Esq.
Deputy General Counsel
Allegheny Electric Cooperative, Inc.
212 Locust Street
P. O. Box 1266
Harrisburg, PA 17108-1266

Eric Epstein
2308 Brandywine Drive
Harrisburg, PA 17110
Pro se

Bruce A. Connell
General Counsel
600 N. Dairy Ashford, ML-1034
Houston, TX 77079
for DuPont Power Marketing

Michael A. Stosser, Esq.
Adelia S. Borrasca, Esq.
Heller Ehrman White & McAuliffe
815 Connecticut Avenue, N.W.
Suite 200
Washington, DC 20006-4004
for Kraft Foods, Inc.

Terrance J. Fitzpatrick, Esq.
David M. DeSalle, Esq.
Ryan, Russell, Ogden & Seltzer, LLP
800 North Third Street
Suite 101
Harrisburg, PA 17102-2025
for GPU Energy

Joan O. Brandeis, Esq.
Schnader, Harrison, Segal & Lewis
Suite 3600
1600 Market Street
Philadelphia, PA 19103-4252
for Bethlehem Steel Corporation

Clinton A. Vince, Esq.
Paul E. Nordstrom, Esq.
Deborah A. Swanstrom, Esq.
Joel D. Newton, Esq.
Verner Lipfert, Bernhard, McPherson
& Hand
901 15th Street, N.W., Suite 700
Washington, DC 20005
for Allegheny Power

Joseph A. Dworetzky
Hangley Aronchick Segal & Pudlin
One Logan Square
Twelfth Floor
Philadelphia, PA 19103-6933
for New Energy Ventures

Gary A. Jeffries, Esquire
CNG Energy Services Corporation
One Park Ridge Center
P.O. Box 15746
Pittsburgh, PA 15244-0746
for CNG

David Cruthirds
Electric Clearinghouse, Inc.
1000 Louisiana
Suite 5800
Houston, TX 77002-5050

David M. Boonin
New Energy Ventures, Inc.
200 S. Broad Street
Suite 800
Philadelphia, PA 19102

John Munsch
Allegheny Power
800 Cabin Hill Drive
Greensburg, PA 15601-1689

Alan Kohler, Esq.
Daniel Clearfield, Esq.
Robert J. Longwell, Esq.
Wolf, Block, Schorr & Solis
305 North Front Street, Suite 401
Harrisburg, PA 17101
for Enron Corporation

Susan M. Shanaman, Esquire
212 North Third Street
Suite 203
Harrisburg, PA 17101-1505
for Center for Energy and Econ. Dev.

Gordon J. Smith, Esq.
John & Hengerer
1200 17th Street, N.W.
Suite 600
Washington, DC 20036-3006
for Electric Clearinghouse, Inc.

Craig R. Burgraff Esq.
James A. Mullins, Esq.
Assistant Consumer Advocate
Office Of Consumer Advocate
1425 Strawberry Square
Harrisburg, PA 17120

Michael L. Kessler, Esq.
American Energy Solutions, Inc.
111 South Alfred Street
Alexandria, VA 22314

William T. Hawke, Esq.
Janet L. Miller, Esq.
Todd S. Stewart, Esq.
Malatesta Hawke & McKeon LLP
Harrisburg Energy Center
100 North Tenth Street
Harrisburg, PA 17101
for Mid-Atlantic Power Supply Assoc.

Gordon Smith, Esq.
John & Hengerer
1200 17th Street, N.W.
Suite 600
Washington, DC 20036-3006
for Duke Energy Trading and Marketing

Usher Fogel, Esq.
Roland, Fogel, Koblenz & Carr, LLP
1 Columbia Place
Albany, NY 12207
for Pennsylvania Petroleum Association

James D. Steffes
Enron Corp.
1400 Smith Street
P.O. Box 4428
Houston, TX 77002

Randall V. Griffin, Esq.
Delmarva Power & Light Company
800 King Street
P.O. Box 231
Wilmington, DE 19899

Robert D. Knecht
Industrial Economics Incorporated
2067 Massachusetts Avenue
Cambridge, MA 02140

Mid-Atlantic Power Supply Association
Suite 200
620 Herndon Parkway
Herndon, VA 20170

Harry S. Geller, Esq.
PA Utility Law Project
118 Locust Street
Harrisburg, PA 17101

Stephen J. Baron
J. Kennedy and Associates, Inc.
Suite 475
35 Glenlake Parkway
Atlanta, GA 30328

Robert P. Haynes, Esq.
Mette, Evans & Woodside
3401 North Front Street
P.O. Box 5950
Harrisburg, PA 17110-0590

Patricia Armstrong, Esq.
Regina L. Matz, Esq.
Thomas, Thomas, Armstrong & Niesen
Suite 500
212 Locust Street
P.O. Box 9500
Harrisburg, PA 17108-9500

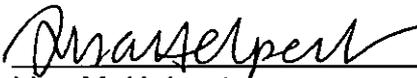
Jerry Mendl
MSB Energy Associates
Suite 200
7507 Hubbard Avenue
Middleton, WI 53562

Andrew Altman, Deputy Director
Clean Air Council Suite 300
135 South 19th Street
Philadelphia, PA 19103

James H. Norris, Esq.
Eckert Seamans Cherin & Mellott
42nd Floor
600 Grant Street
Pittsburgh, PA 15219

Fred Zalcman, Esq.
78 N. Broadway
White Plains, NY 10603
for Environmentalists

Dated: August 11, 1997



Lisa M. Helpert

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Docket No. R-00973954

PENNSYLVANIA POWER & LIGHT COMPANY

Statement No. 11-S

Surrebuttal Testimony of Oliver G. Kasper

1 Q. Please state your name and business address.

2 A. Oliver G. Kasper, Two North Ninth Street, Allentown, Pennsylvania
3 18101.
4

5 Q. By whom are you employed and in what capacity?

6 A. I am employed by Pennsylvania Power & Light Company ("PP&L" or the
7 "Company") as Manager-Pricing and Contract Administration.
8

9 Q. Did you previously submit direct and rebuttal testimony on behalf of
10 PP&L?

11 A. Yes. I submitted my direct testimony (Statement No. 11) on April 1,
12 1997, and my rebuttal testimony (Statement No. 11-R) on August 5,
13 1997.
14

15 Q. Mr. Kasper, what is the purpose of your surrebuttal testimony?

16 A. My surrebuttal testimony addresses several issues related to PP&L's
17 interruptible service option which were belatedly raised by The Quaker
18 Oats Company ("Quaker Oats") and Mount Joy Wire Corporation
19 ("Mount Joy") (collectively, the "Interruptible Intervenors") in their
20 Requests for Admissions – First Set, dated July 16, 1997.
21

1 Q. Are Quaker Oats and Mount Joy currently receiving service under
2 PP&L's interruptible service option?

3 A. Yes. Both customers receive service under Rate Schedule IS-T.
4

5 DESCRIPTION OF THE INTERRUPTIBLE RATE

6 Q. Please describe Rate Schedule IS-T as it currently exists.

7 A. Generally, Rate Schedule IS-T is for interruptible large general service.
8 This rate is available to customers supplied at 69,000 volts or higher. A
9 copy of Rate Schedule IS-T is attached to my surrebuttal testimony as
10 Attachment A.
11

12 Q. Please describe the major current limitations, terms and conditions under
13 Rate Schedule IS-T.

14 A. There are several important limitations, terms and conditions under Rate
15 Schedule IS-T. First, as PP&L's tariff states, the Company will not enter
16 into new contracts for interruptible power if the amount of interruptible
17 power from all customers served under all interruptible service rate
18 schedules exceeds a total of 500 MW. The Company's tariff further
19 states, "[f]or the purpose of determining [the total amount of interruptible
20 load], interruptible power is the twelve month average of each
21 customer's monthly Maximum On-peak Demand less the customer's
22 contract Firm Power level." See Attachment A. For billing purposes,
23 Maximum On-peak Demand is defined in PP&L's tariff as "the average

1 number of kilowatts supplied during the 15 minute period of maximum
2 use during the On-peak Hours of the current billing period." Id. I will
3 discuss the 500 MW cap and the calculation of interruptible power in
4 greater detail later in my testimony.

5 Second, customers must have at least 1,000 KW of year-round
6 interruptible power, and must accept a contract for interruptible service
7 for at least one year.

8 Third, load interruptions may be called by the Company as
9 necessary for system and local emergencies, tests of a customer's ability
10 and willingness to interrupt during an emergency, and economic load
11 control situations. Customers may not be interrupted more than twenty
12 (20) times per calendar year or more than ten (10) hours in any one day.

13 Similarly, customers may not be interrupted for more than 200 total
14 hours per calendar year. Whenever reasonably possible, customers will
15 be notified in advance of a probable interruption and informed of the
16 approximate duration of the interruption. Customers must reduce their
17 demand to their contractual Firm Power level when requested to do so
18 by PP&L in an emergency or emergency test. PP&L may cancel a
19 contract for interruptible service if a customer fails to interrupt during an
20 emergency or emergency test.

21 Fourth, a customer who fails to reduce demand to their Firm
22 Power level during an emergency or emergency test will be assessed an
23 additional charge of approximately \$25 per KW for all KW in excess of its

1 contractual Firm Power level. In addition, the customer's Firm Power
2 level will be adjusted to reflect the level actually achieved by the
3 customer during the emergency or emergency test. This adjusted Firm
4 Power level will be in effect for the remaining term of the contract, or until
5 a new level of Firm Power is achieved during a subsequent emergency
6 or emergency test. The Firm Power level will not be adjusted below the
7 initial Firm Power level stated in the contract.

8 Fifth, customers are not required to reduce demand during an
9 economic load control situation. However, customers electing not to
10 reduce demand to their Firm Power level will be assessed a charge for
11 continued use. This charge equals the sum of the normal charges for
12 interruptible service plus PP&L's estimated PJM Interconnection billing
13 rate applied to all KWH used during the economic load control period.

14

15 HISTORY OF THE INTERRUPTIBLE RATE

16 Q. Please describe the history and underlying purpose of PP&L's
17 interruptible rates.

18 A. PP&L first proposed interruptible service in the mid-1980's. The
19 Company subsequently expanded interruptible service by introducing
20 new interruptible rates in 1992 as part of a larger package of economic
21 development programs referred to as "Economic Development Initiatives

1 -- Phase IV" ("EDI-IV"). The Company explained the purpose of the EDI-
2 IV filing as follows:

3 In this filing, Pennsylvania Power & Light Company
4 (PP&L) proposes to continue and expand the
5 Economic Development Initiatives (EDI) program
6 first instituted in 1983. The overall goal of PP&L's
7 ongoing EDI program is to contribute to an
8 economic environment that attracts and retains
9 businesses in PP&L's service territory.

10
11 In addition to its role in encouraging economic development,
12 PP&L's interruptible rates also were proposed to provide a generation
13 capacity equivalent resource. This generation capacity equivalent
14 resource could be used by the Company to meet its installed generation
15 capacity obligation to the Pennsylvania-New Jersey-Maryland ("PJM")
16 power pool or to permit it to sell installed capacity credits to other PJM
17 members.

18
19 Q. Generation capacity resources typically are characterized as either
20 baseload, intermediate or peaking resources. How is interruptible load
21 properly characterized?

22 A. Interruptible load is properly characterized as being analogous to
23 peaking generation because it is a resource that is available to PP&L to
24 meet customer demand under peak load conditions. As explained
25 above, customers receiving interruptible service are required to reduce
26 their demand to their Firm Power Level when requested during an
27 emergency or emergency test. This reduction in demand reduces the

1 amount of other resources that are required to meet total customer
2 demand. Interruptible load, therefore, is one resource that helps
3 maintain system reliability by providing adequate capacity resources to
4 supply anticipated load.

5

6 Q. Did the interruptible rates, as proposed, achieve the Company's two
7 goals?

8 A. Yes, the interruptible rates generally achieved PP&L's underlying goals.
9 However, a number of serious problems subsequently developed.

10

11 Q. Please describe these problems.

12 A. In order to promote economic development in its service territory, it was
13 necessary to adopt a pricing structure that offered discounts from firm
14 service rates exceeding those that would have been indicated by
15 quantifiable measures of the difference between costs of service for firm
16 and interruptible load. However, PP&L concluded that such discounted
17 pricing was justified in light of the economic development benefits that
18 would result.

19 A number of factors changed following the introduction of the
20 interruptible service option. First, the value of interruptible load
21 significantly declined. As a result, the difference between the discount
22 for interruptible service and the value of that service increased. Second,
23 the substantial discounts available under the interruptible service options

1 encouraged otherwise non-qualifying customers to use on-site
2 generation as a method of capturing marginal net benefits from lower
3 electric rates. This customer response significantly increased the pool of
4 customers that could select the interruptible service options, and
5 resulted in an amount of interruptible load that exceeded expected
6 levels.

7 The excess interruptible load resulting from these changing
8 factors created two significant problems for the Company and its
9 customers. First, the decreased value of interruptible load, the deeply
10 discounted interruptible price structure and the number of customers
11 installing on-site generation to qualify for the rate threatened to severely
12 erode the Company's revenues. This revenue loss would reduce the
13 industrial class' contribution to fixed costs and, thus, shift revenue
14 responsibility to firm service industrial and non-industrial core customers
15 with no corresponding benefit to the regional economy in the form of
16 economic development, business expansion or job growth. This
17 uneconomic cost-shifting had to be funded by PP&L's shareholders
18 initially, and ultimately by other PP&L customers.

19 Second, the greater than expected level of interruptible load
20 provided little value as a capacity resource because it created new
21 peaks on PP&L's system either before or after interruptions to
22 interruptible customers.

1

2 Q. What steps did PP&L take to address the problems you have identified?

3 A. The Company first attempted to correct the aforementioned problems by
4 filing on May 13, 1994, Supplement No. 40 to its tariff, which proposed to
5 close the interruptible rates. Pa. P.U.C. v. Pennsylvania Power & Light
6 Company, Docket No. R-00943081 (Order entered February 15, 1995)
7 (hereinafter referred to as the "Interruptible Rate Closure Case"). On
8 August 18, 1994, the Pennsylvania Public Utility Commission
9 ("Commission") issued an Order suspending Supplement No. 40 for a
10 period of five months and assigning the matter to the Office of
11 Administrative Law Judge for hearings. After evidentiary hearings and
12 briefing by the parties, Administrative Law Judge ("ALJ") Michael C.
13 Schnierle issued a Recommended Decision on November 21, 1994.
14 ALJ Schnierle concluded that PP&L's proposed Supplement No. 40 to
15 close the interruptible rate was in the public interest and should be
16 approved.

17 The Commission's February 9, 1995 Order entered on February
18 15, 1995 (the "February 15, 1995 Order"), adopted ALJ Schnierle's
19 recommendation to approve PP&L's proposal to limit the availability of
20 interruptible service to customers currently receiving such service and
21 those customers that had entered into interruptible service agreements
22 by a certain date.

1

2 Q. Did the Commission make any specific findings in its February 15, 1995
3 Order?

4 A. Yes. In support of its February 15, 1995 Order, the Commission
5 explained, "we find substantial evidence that the interruptible rate
6 provisions have ceased to be in the public interest as an economical
7 alternative for those qualified customers, as such rates now operate to
8 the detriment of PP&L and its other rate classes." Interruptible Rate
9 Closure Case, Order, p. 6. The Commission also directed PP&L to
10 submit evidence in its pending base rate case at Docket No: R-
11 00943271 (the "1995 Base Rate Case") concerning the underlying cost
12 basis for its interruptible rates. Id. at p. 17. As a result of the
13 Commission's Order, PP&L's interruptible service was closed to new
14 customers as of February 15, 1995.

15

16 Q. Did PP&L take any other steps to address the several problems
17 associated with its interruptible rates?

18 A. Yes. On December 30, 1994, the Company filed its 1995 Base Rate
19 Case. PP&L proposed several significant revisions to its interruptible
20 rates. First, PP&L submitted cost data in accordance with the
21 Commission's February 15, 1995 Order and proposed to increase
22 interruptible rates to more closely align such rates with actual cost of
23 service. Second, the Company proposed a 500 MW cap on the total

1 amount of its interruptible load. Both the proposed rate increases and
2 the proposed 500 MW cap were designed to limit the total amount of
3 interruptible load in order to avoid the serious problems I discussed
4 earlier -- i.e., the declining value of interruptible load, revenue losses to
5 the Company, higher rates for firm service customers and the creation of
6 new peaks.

7 After a full investigation, the Commission approved the reopening
8 of restructured interruptible rates by Order dated September 28, 1995,
9 subject to the 500 MW cap proposed by PP&L. As I explained earlier,
10 the Company's tariff currently prohibits it from entering into new
11 contracts for interruptible service if the amount of interruptible power
12 from all customers served under PP&L's interruptible service options
13 exceeds a total of 500 MW.

14

15 INTERPRETATION AND CALCULATION OF THE 500 MW CAP

16 Q. Please explain how the Company interprets and applies the 500 MW cap
17 provision of its interruptible service options.

18 A. As I stated earlier, Rate Schedule IS-T states that, for the purposes of
19 calculating the 500 MW cap, "interruptible power is the twelve month
20 average of each customer's monthly Maximum On-peak Demand less
21 the customer's Firm Power level." As defined in PP&L's tariff, "Maximum
22 On-peak Demand" is "the average number of kilowatts supplied during
23 the 15-minute period of maximum use during the On-peak Hours of the

1 current billing period."

2 Consistent with its tariff, PP&L determines the total amount of
3 interruptible load by taking the sum of each customer's maximum
4 monthly on-peak demand over a twelve-month period, and subtracting
5 the sum of all customers' individual contract firm power levels.

6

7 Q. Have there been some questions raised about the proper interpretation
8 and application of the 500 MW cap?

9 A. Yes, some customers have raised questions concerning the proper
10 interpretation and application of the 500 MW cap provision of PP&L's
11 interruptible service option. Specifically, Interruptible Intervenors
12 contend that the amount of interruptible load should be calculated by
13 determining each customer's average maximum demand per month over
14 a 12-month period, totaling these individual maximum demand averages,
15 and subtracting the sum of all customers' individual contract firm power
16 levels.

17

18 Q. Is Interruptible Intervenors' method appropriate?

19 A. No, it is not.

20

21 Q. Please explain.

22 A. PP&L's interpretation and application of the 500 MW cap are completely
23 consistent with its underlying intent and purpose; Interruptible

1 Intervenor's method is not. First, the Company's interpretation is
2 consistent with the way in which PP&L has always calculated the
3 amount of interruptible load on its system. For example, PP&L witness
4 Richard A. Mazzini explained in the Interruptible Rate Closure Case:

5 Interruptible load is the difference between the
6 customer's maximum level of demand and the firm
7 power level. In other words, "interruptible load" is
8 the maximum number of kilowatts that a customer
9 could interrupt during its peak hour of the year.
10 PP&L's "total interruptible load" is the sum of all
11 customers' interruptible load; however, because all
12 customers do not reach peak demand at the same
13 day and time, and a call for interruption may not
14 necessarily coincide with a customer's peak
15 demand, this sum will always be greater than the
16 amount of load actually available for interruption at
17 any given time. The "available interruptible load" is
18 that portion of the total interruptible load that can be
19 expected to be on the line and ready to be curtailed
20 when called for by PP&L. (Emphasis added).

21
22 A copy of relevant portions from Mr. Mazzini's direct testimony in the
23 Interruptible Rate Closure Case is attached to my testimony as
24 Attachment B.

25 Similarly, I was cross-examined during the 1995 Base Rate Case
26 concerning the amount of interruptible load on PP&L's system relative to
27 the then-proposed 500 MW cap. I accepted, subject to check, 460 MW
28 as the total amount of interruptible load on the Company's system. This
29 460 MW amount was taken directly from information submitted to and
30 reviewed by the Commission in the Interruptible Rate Closure Case, and
31 was determined using PP&L's annual peak demand methodology.

1 Second, Interruptible Intervenors' methodology is totally
2 inconsistent with the nature and underlying purpose of interruptible load.

3 As I explained earlier, interruptible load is analogous to peaking
4 generation because it is only available for limited periods to address
5 customer demand during system peak conditions. In this regard, it is
6 important to note that Rate Schedule IS-T specifically states that PP&L
7 may only require interruptions during "emergencies and emergency
8 tests," with a maximum of twenty (20) interruptions each year for a total
9 of 200 hours.

10 The Company's methodology accurately reflects these limitations
11 by determining interruptible load based on each customer's highest
12 monthly on-peak demand during a twelve month period -- i.e., the peak
13 demand that each customer places on PP&L's system during a twelve
14 month period. In contrast, Interruptible Intervenors' methodology uses
15 the average on-peak maximum demand that a customer places on
16 PP&L's system each month over the course of an entire year, regardless
17 of when PP&L experiences its system peak. Therefore, Interruptible
18 Intervenors' method fails to reflect the fact that interruptible load is only
19 available as a capacity resource during system peak conditions.
20 Instead, Interruptible Intervenors' method effectively treats interruptible
21 load as the equivalent of base load capacity that is available throughout
22 the year. Interruptible Intervenors' method is therefore inconsistent with
23 the nature of interruptible load.

1 Fourth, Interruptible Intervenors' methodology for calculation of
2 the 500 MW cap is wholly inconsistent with the purpose and underlying
3 intent of the cap. As I stated earlier, the purpose of the cap was to
4 ensure that PP&L did not have excessive interruptible load on its
5 system. In the 1995 Base Rate Case, the Company determined that it
6 would need approximately 300 to 350 MW of available interruptible load
7 during system peak demand periods in order to maintain level load
8 across PP&L's system. Because each customer likely would not be
9 operating at its own individual peak at the time of interruption (i.e.,
10 customer peaks are non-coincident), the Company concluded, based on
11 its annual maximum demand method, that 500 MW of contract
12 interruptible load would, on average, produce the required level of
13 interruptible load. Interruptible load in excess of 300 to 350 MW would
14 create new system peaks outside of the interruption periods, completely
15 undermining the utility of interruptible load as a capacity resource and
16 load management tool.

17

18 Q. Has the Company's annual peak demand method in fact allowed PP&L
19 to meet its target of 300 to 350 MW of available interruptible load?

20 A. Yes. PP&L's annual peak demand method has enabled the Company to
21 meet the target of 300-350 MW of available interruptible load consistent
22 with the Commission's September 1995 Order in the 1995 Base Rate
23 Case. Specifically, in May 1996, PJM directed all member utilities,

1 including PP&L, to curtail interruptible customers to meet emergency
2 load conditions produced by extraordinarily high temperatures in the
3 Mid-Atlantic region of the United States. The Company requested all
4 interruptible customers to reduce load to their contract Firm Power
5 levels, and succeeded in reducing demand on its system by
6 approximately 365 MW.

7 By way of comparison, Interruptible Intervenors' average demand
8 methodology would have produced approximately 417 MW of available
9 interruptible load in May, 1996. Therefore, Interruptible Intervenors'
10 average peak demand method is completely at odds with PP&L's and
11 the Commission's previous efforts to address the problems associated
12 with the interruptible service option because it would force the Company
13 to contract for substantial excess interruptible load. This result would
14 create the very same problems the Commission sought to address in its
15 February 15, 1995 Order when it concluded that "the interruptible rate
16 provisions have ceased to be in the public interest as an economical
17 alternative for those qualified customers, as such rates now operate to
18 the detriment of PP&L and its other rate classes." Order, p. 6.

19
20 Q. Please summarize your conclusions regarding Interruptible Intervenors'
21 interpretation of the 500 MW cap provision in Rate Schedule IS-T.

22 A. Interruptible Intervenors' interpretation of the 500 MW cap is completely
23 inconsistent with: (a) its underlying purpose and intent; (b) the way in

1 which PP&L has always calculated interruptible load; and (c) the
2 underlying nature and purpose of interruptible load. Interruptible
3 Intervenors' average demand methodology would exacerbate the
4 revenue erosion and cost shifting problems addressed by the
5 Commission in its February 15, 1995 Order because it would force PP&L
6 to contract for excessive and unnecessary interruptible load. This result
7 would be inconsistent with the Company's and the Commission's efforts
8 to address these concerns.

9
10 Q. Has PP&L dropped below the 500 MW cap since its adoption in
11 September 1995?

12 A. Yes. When properly calculated using PP&L's annual maximum demand
13 methodology, the Company consistently remained above the 500 MW
14 cap until September and October 1996, when it dropped below the cap
15 as a result of certain customer demand changes.

16
17 Q. Aside from September and October 1996, has the Company ever
18 dropped below the 500 MW cap during the period September 1995 to
19 the present?

20 A. No. When properly calculated using PP&L's annual maximum demand
21 methodology, the Company has not dropped below the 500 MW cap in
22 any month, with the exception of the two I have already identified.

1

2

REQUESTS FOR INTERRUPTIBLE SERVICE

3

Q. Does PP&L have any policies or procedures that a customer must follow in order to apply for interruptible service ?

4

5

A. Yes.

6

7

Q. Please describe those policies and procedures.

8

A. PP&L requires each customer to submit a written request for interruptible service. In addition, the Company requires each customer requesting to be placed on the interruptible rate to provide certain information before it will issue a contract for interruptible service. Specifically, PP&L requires the following information:

9

10

11

12

13

· name of customer entering into interruptible service contract;

14

15

16

· three contact names and telephone numbers;

17

18

· contract initial Load Factor and Firm Power level;

19

20

21

· an estimate of revenue lost by adding this interruptible capacity;

22

23

24

· the customer's interruption procedure; and

25

26

· the equipment to be interrupted to reach the

27

Firm Power level.

28

The Company requires this information because it permits PP&L to

29

determine whether a customer will be able to reduce demand to the Firm

1 Power level during an interruption, and whether the customer in fact
2 meets the 1,000 KW eligibility requirement.

3

4 Q. You previously explained that there is a 500 MW cap on the total amount
5 of PP&L's interruptible load. How frequently does the Company
6 calculate the amount of interruptible load it has relative to the 500 MW
7 cap?

8 A. The Company evaluates the availability of the interruptible rate option on
9 or after September 28 of each year.

10

11 Q. Why does PP&L determine the availability of the interruptible rate on an
12 annual basis rather than on a more frequent basis, e.g., monthly?

13 A. This annual determination is necessary for the practical administration of
14 the interruptible rate option. Because the level of PP&L's interruptible
15 load varies monthly with individual customers' load fluctuations, the
16 Company theoretically could be above the 500 MW cap one month and
17 below the cap the next month. The unpredictable and fluctuating
18 availability of the rate would make the interruptible service option difficult
19 to administer and would be confusing to customers.

20

1 Q. How does PP&L handle customer requests received when the rate is
2 "closed" because the Company's total interruptible load exceeds 500
3 MW?

4 A. When the 500 MW cap was adopted in September 1995, PP&L
5 determined that its total interruptible load exceeded the 500 MW cap.
6 Thus, the interruptible service option was deemed closed at least until
7 the next annual availability review on or after September 28, 1996. A
8 number of customers expressed interest in the rate after adoption of the
9 500 MW cap in September 1995. Because the rate was closed to new
10 customers, PP&L created a waiting list. Customers were placed on this
11 waiting list in the order in which the Company received written requests
12 for interruptible service.

13 INTERRUPTIBLE INTERVENORS' REQUESTS FOR ADMISSIONS

14 Q. On July 16, 1997, the Interruptible Intervenors served Requests for
15 Admissions Directed to PP&L ("Requests"). The Requests contain 43
16 questions and include 19 exhibits. Interruptible Intervenors attach as
17 Exhibit D to their Requests a portion of the hearing transcript from the
18 1995 Base Rate Case wherein you were cross-examined by counsel for
19 Bethlehem Steel Corporation. Please describe and discuss your
20 testimony during that cross-examination.

21 A. The portion of my cross-examination testimony attached to the Requests
22 at Exhibit D generally addresses the declining value of interruptible load,
23 interruptible load's use as a capacity resource, and the basis for

1 selection of 500 MW as the appropriate cap on PP&L's total interruptible
2 load. As I explained during cross-examination, PP&L determined that it
3 needed to reduce system load by approximately 300-350 MW at the time
4 of system peak in order to maintain level load. Exhibit D, p. 700. Any
5 load reduction in excess of this level would create new peaks outside of
6 the interruption period. Since each individual customer likely would not
7 be operating at its own individual peak load at the time of interruption,
8 PP&L needed to contract for more than 300-350 MW of interruptible load
9 in order to have 300-350 MW available at the time of interruption. The
10 Company determined that 500 MW of contract interruptible load would,
11 on average, produce the required level of interruptible load. As I noted
12 earlier, the Commission approved the Company's proposed 500 MW cap
13 after extensive hearings and briefing by the parties.

14

15 Q. Interruptible Intervenors also attach as Exhibit F to their Requests
16 PP&L's answer to Office of Trial Staff ("OTS") interrogatory OTS-RS-14D
17 in the Company's 1995 Base Rate Case. Please describe and discuss
18 PP&L's response to this interrogatory.

19 A. PP&L's answer to OTS-RS-14D(f) states that interruptible service "will be
20 available to new customers if the additional interruptible load does not
21 cause the Company's total amount of interruptible load to exceed the
22 500 MW limit." As I explained earlier, PP&L evaluates the availability of
23 the interruptible rate option on or after September 28 of each year. As

1 explained in the response to OTS-RS-14D(f), if PP&L determines that it
2 is below the 500 MW cap, the Company will add additional interruptible
3 load up to the 500 MW cap. By way of example, PP&L determined as a
4 result of its most recent annual availability review that it was below the
5 cap. The Company therefore placed a number of customers, including
6 the Interruptible Intervenors, on the interruptible rate.

7 PP&L's response to OTS-RS-14D(f) also states that "[c]ontracts
8 are negotiated as required, not at set intervals." This statement refers to
9 the fact that contracts for interruptible service are negotiated on an
10 individual, not a class basis. For example, as explained in PP&L's
11 response to OTS-RS-14D(f), the term or duration of each contract is
12 negotiated on a case-by-case basis and not on a standard or "set
13 interval" basis. A contract term could vary from one year to twenty years
14 depending on the customer and the particular circumstances.

15
16 Q. Interruptible Intervenors further attach PP&L's response to the Office of
17 Consumer Advocate's ("OCA") Interrogatory Set V, No. 13 as Exhibit G
18 to their Requests. Please describe and explain the Company's
19 response.

20 A. PP&L's response to OCA Set V, Question 13 explains why it was
21 reasonable and appropriate at the time of the 1995 Base Rate Case to
22 assume that the amount of interruptible load would not increase.
23 Specifically, PP&L conservatively assumed that its then-current level of

1 interruptible load had an equivalent capacity value of approximately 345
2 MW for PJM installed capacity accounting purposes. The Company also
3 assumed that the amount of interruptible load would remain at current
4 levels. PP&L's installed capacity obligation to PJM is the amount of
5 capacity PP&L must provide to meet its allocated share of the PJM
6 power pool's installed capacity requirement needed to meet the
7 established reliability standard. This annual obligation is generally
8 expressed as a megawatt reserve above peak load. The capacity
9 equivalent value of interruptible load is calculated by determining the
10 amount of installed capacity, including a reasonable reserve, that the
11 Company may claim as a capacity resource as a result of its interruptible
12 load. PP&L assumed that its interruptible load would not increase in the
13 future because: (a) at the time that this interrogatory response was
14 prepared, the Company had filed to close the interruptible service option
15 to new customers retroactive to August 18, 1994; and (b) the Company
16 proposed in its 1995 Base Rate Case to increase interruptible rates to
17 lower the discount available under such rates and reducing "the
18 likelihood of adding significant amounts of new interruptible load."
19

1 Q. Interruptible Intervenors attach PP&L's response to OTS interrogatory
2 OTS-RE-46D as Exhibit H to their Requests. Please describe and
3 discuss the Company's response.

4 A. As explained in PP&L's response to OTS-RE-46D(c), "[i]nterruptible
5 service customers are not required to have a portion of their load as
6 firm." Interruptible service customers can designate a contract firm
7 power level of zero MW. If a customer enters into a contract with a firm
8 power level of zero MW, that customer is required to reduce load to zero
9 MW in the event of an emergency or emergency test interruption.
10

11 Q. Interruptible Intervenors attach PP&L's response to OTS interrogatory
12 OTS-RB-50 as Exhibit I to their Requests. Please describe and discuss
13 the Company's response.

14 A. PP&L's response to OTS-RB-50(e) in the 1995 Base Rate Case explains
15 how the Company calculated the capacity equivalent value of 345 MW
16 for interruptible load for PJM installed capacity accounting purposes. As
17 noted in the Company's response, PP&L based its capacity equivalent
18 calculation on the assumption that PP&L had approximately 290 MW of
19 available interruptible load. This 290 MW estimate of the Company's
20 available interruptible load at the time of system peak was used as a
21 conservative projection for PJM installed capacity planning and
22 accounting purposes only. This estimate did not reflect PP&L's actual
23 interruptible load at the time of system peak. As shown by Attachment 2

1 of Exhibit Q to the Requests, PP&L actually had 367 MW of coincident
2 interruptible load during the emergency interruption on August 3, 1995,
3 just over one month before the Commission issued its Final Order in the
4 1995 Base Rate Case. These numbers do not reflect the amount of
5 non-coincident contracted interruptible load needed to obtain 300-350
6 MW of coincident interruptible load.

7

8 Q. At Exhibit J to their Requests, Interruptible Intervenors attach a February
9 15, 1996 e-mail message from Janet M. Hilliard to Paul E. Russell,
10 William A. Dussinger, Jr., John F. Sipics, Michael Getz, Oliver Kasper
11 and Gerald S. Farber. Please summarize and discuss this document.

12 A. This February 15, 1996 e-mail message summarizes a meeting between
13 PP&L and Caradon Mideast Aluminum representatives which included
14 me, Janet Hilliard (PP&L), John Laputka (Caradon) and Caradon's
15 consultant, Joseph McGillian of Commercial Utility Consultants. We first
16 informed Caradon that it had been placed on the interruptible waiting list
17 as of September 19, 1995, the date of their formal, written request for
18 interruptible service.

19 With respect to the 500 MW cap, I did state that at that time,
20 based upon a monthly analysis, PP&L had dropped below the 500 MW
21 cap as a result of the shutdown of certain equipment at Bethlehem Steel.
22 However, PP&L's preliminary "snapshot" analysis used decreased load
23 data from January 1996 for Bethlehem Steel to reflect recent changes in

1 demand for that customer. This "snapshot" calculation therefore was not
2 based on Bethlehem Steel's maximum on-peak demand for the prior 12
3 month period, nor was it based on Bethlehem Steel's 12-month average
4 demand. In sum, PP&L's preliminary analysis was neither based on the
5 Company's annual peak demand method nor the 12-month average
6 method advocated by the Interruptible Intervenors. This preliminary
7 analysis was conducted to identify possible future trends only; it was not
8 intended and does not reflect a complete analysis of the Company's
9 interruptible load.

10 I further explained during the meeting that PP&L then had
11 approximately 363 MW of available interruptible load at the time of
12 system peak. This figure is supported by Attachment 2 of Exhibit Q to
13 the Requests, which shows that PP&L in fact had approximately 367
14 MW of interruptible load as a result of an emergency interruption on
15 August 3, 1995. As PP&L explained to the Commission in the 1995
16 Base Rate Case, PP&L only needs 300-350 MW of available
17 interruptible load. Interruptible load in excess of this 300-350 MW target
18 causes substantial revenue loss to the Company, creates new peaks on
19 PP&L's system, and shifts revenue responsibility to firm customers. For
20 these reasons, interruptible load in excess of 300-350 MW "does not
21 make good business sense," and is totally inconsistent with the
22 Commission's Orders in the Interruptible Rate Closure Case and the
23 1995 Base Rate Case.

1

2 Q. Interruptible Intervenors attached as Exhibit K to their Requests a March
3 19, 1996 e-mail message authored by you to Janet M. Hilliard, Paul E.
4 Russell, Douglas A. Krall, William A. Dussinger, Jr., and James E. Abel.
5 Please summarize and discuss this document.

6 A. This March 19, 1996 e-mail message summarizes my statement to
7 Caradon that the Company had dropped below 500 MW on a monthly
8 basis, but is not required to place customers on the interruptible rate
9 when PP&L is below the 500 MW cap. This latter statement was in
10 error, but did not affect the availability of the interruptible rate. As I
11 explained earlier, based upon a proper 12-month perspective, PP&L in
12 fact was above the 500 MW cap from September 1995 (the month the
13 cap was adopted) to September 1996 (the date of PP&L's most recent
14 annual review of the availability of the rate). As a result of its most
15 recent annual review, the Company determined that it was below the
16 500 MW cap. PP&L therefore placed a number of customers, including
17 the Interruptible Intervenors, on the interruptible rate.

18 My March 19, 1996 e-mail message further discusses the need
19 for an annual determination of the availability of the interruptible rate. As
20 I explained earlier, annual review of the interruptible rate is appropriate
21 because of the variable nature of each customer's interruptible load from
22 month to month.

1 Q. Interruptible Intervenors attach a March 19, 1996 e-mail message from
2 you to James E. Abel and Janet M. Hilliard as Exhibit L to their
3 Requests. Please describe and discuss this document.

4 A. My March 19, 1996 e-mail message references and attaches the
5 February 15, 1996 e-mail message included at Exhibit J to the Requests.
6 I forwarded the February 15, 1996 e-mail to Mr. Abel in response to
7 claims by Caradon's consultant that I stated during the February 15,
8 1996 meeting between PP&L and Caradon that the Buck Company
9 would be placed on the rate. As I explained in my March 19, 1996
10 message, I made no such statement at the February 15, 1996 meeting.

11
12 Q. Interruptible Intervenors attach a March 4, 1996 internal memorandum
13 written by you entitled, "Status And Policy On The Interruptible Rates" as
14 Exhibit M to their Requests. Please summarize and discuss this
15 document.

16 A. The March 4, 1996 memorandum is an earlier draft of a March 22, 1996
17 memorandum I authored entitled, "Status And Policy On The
18 Interruptible Rates, Revision 1, March 21, 1996." A copy of my March
19 22, 1996 memorandum is attached hereto as Attachment C to my
20 surrebuttal testimony. Generally, I explained the proper method for
21 calculating interruptible load, presented the results of a preliminary
22 analysis of the Company's total interruptible load, and described the
23 requirements for formal requests for interruptible service.

1 Specifically, I explained in the March 4, 1996 memorandum that,
2 for purposes of calculating the 500 MW cap, PP&L takes the "highest 15
3 minute demand of each customer in the 12 months of 1995, subtracting
4 their contract Firm KW, then summing all of these capacity values." I
5 further explained in the March 22, 1996 memorandum that:

6 PP&L currently has a 500 MW cap within the
7 Tariff for customer supplied interruptible capacity.
8 This cap was estimated as the maximum amount of
9 non-diversified interruptible capacity that could be
10 signed up to produce 300 to 350 MW of interruptible
11 load at the time of PP&L's monthly system peaks
12 (coincident interruptible load). The 500 MW cap
13 comparison is measured by taking the highest 15
14 minute demand of each customer in the 12 months
15 ending September 28, 1995 (the tariff became
16 effective September 28, 1995), subtracting their
17 contract Firm KW, then summing all of these
18 capacity values. Currently, this results in 483 MW
19 for 1995.

20 Within the past two months, PP&L's interruptible
21 capacity has dropped below the 500 MW level. As
22 stated in the Tariff, PP&L would not enter into any
23 additional interruptible contracts as long as the total
24 interruptible capacity was above 500 MW. With the
25 closure of the basic oxygen furnace at Bethlehem
26 Steel, the capacity has fallen to 483 MW. PP&L will
27 not adjust the interruptible resource based on only
28 one or two months of history. Interruptible capacity
29 will be reviewed annually after the anniversary date
30 of the Tariff, September 28. (Emphasis added).

31
32 I explained in each of these memoranda that a preliminary
33 analysis of the Company's interruptible load showed that PP&L had
34 fallen below the 500 MW cap. This preliminary analysis was based on
35 Bethlehem Steel load data for January 1996 only, and was not
36 calculated using PP&L's annual peak demand methodology or

1 Interruptible Intervenor's 12-month average demand methodology. This
2 preliminary calculation was intended to identify potential future trends
3 only; it was not intended nor does it reflect a complete analysis of
4 PP&L's interruptible load.

5 The March 22, 1996 memorandum also explains that PP&L
6 annually reviews its level of interruptible load relative to the 500 MW cap
7 on or after September 28 of each year. Both the March 4 and March 22,
8 1996 memoranda set forth the requirements that customers must fulfill
9 for a valid written request for interruptible service. I discussed these
10 requirements earlier in my surrebuttal testimony.

11

12 Q. The March 4, 1996 memorandum describes PP&L's annual peak
13 demand method for calculating interruptible load. Is this the first time
14 that the Company formally described its method for calculating
15 interruptible load?

16 A. Absolutely not. PP&L has always calculated interruptible load using an
17 annual peak demand method. This method was described before the
18 March 4, 1996 memorandum. For example, PP&L originally proposed to
19 close the interruptible rate in its 1994 Interruptible Rate Closure Case at
20 Docket No. R-00943081. In that case, PP&L witness Richard A. Mazzini
21 submitted direct testimony in which he explained how the Company

1 determines its interruptible load:

2 "Interruptible load is the difference between the
3 customer's maximum level of demand and the firm
4 power level. In other words, "interruptible load" is
5 the maximum number of kilowatts that a customer
6 could interrupt during its peak hour of the year.
7 PP&L's "total interruptible load" is the sum of all
8 customers' interruptible load; however, because all
9 customers do not reach peak demand at the same
10 day and time, and a call for interruption may not
11 necessarily coincide with a customer's peak
12 demand, this sum will always be greater than the
13 amount of load actually available for interruption at
14 any given time. The "available interruptible load" is
15 that portion of the total interruptible load that can be
16 expected to be on the line and ready to be curtailed
17 when called for by PP&L. (Emphasis added).

18
19 Direct Testimony of Richard A. Mazzini, Pa. P.U.C. v. Pennsylvania
20 Power & Light Company, Docket No. R-00943081 (Order entered
21 February 15, 1997), p. 8.

22
23 Q. Interruptible Intervenors also attach an April 8, 1996 letter from Janet M.
24 Hilliard to John J. Laputka at Exhibit N to their Requests. Please
25 describe and discuss this document.

26 A. This April 8, 1996 letter responds to a March 15, 1996 letter from
27 Caradon to PP&L which purported to summarize the February 15, 1996
28 meeting between representatives for PP&L and Caradon. Ms. Hilliard's
29 April 8, 1996 letter confirms that I stated that PP&L had dropped below
30 the 500 MW cap in recent months. As I explained above, this
31 preliminary calculation of the Company's interruptible load utilized

1 January 1996 load data for Bethlehem Steel Corporation. This
2 preliminary analysis was only designed to examine potential future
3 trends, it was not intended, nor did it reflect, a complete analysis of
4 PP&L's interruptible load. Using the proper 12-month perspective, PP&L
5 consistently exceeded the 500 MW cap from September 1995 to
6 September 1996.

7 Ms. Hilliard's April 8, 1996 letter explains the basis for PP&L's
8 annual review of the availability of the interruptible rate, and
9 acknowledges that Caradon was placed on the waiting list for
10 interruptible service as of September 19, 1995, the date of Caradon's
11 formal written request for interruptible service.

12
13 Q. Request No. 26 asks PP&L to admit or deny that, on May 20, 1996, the
14 Company informed Quaker Oats that PP&L had dropped below the 500
15 MW cap. Please comment.

16 A. PP&L erroneously informed Quaker Oats on or about May 20, 1996 that
17 the Company had dropped below the 500 MW cap. As I explained
18 earlier, PP&L in fact was consistently above the cap from September
19 1995 to September 1996.

20

- 1 Q. At Exhibit P to their Requests, the Interruptible Intervenors attach a
2 revised PP&L interrogatory response. Please describe this document.
- 3 A. The attached interrogatory response provides PP&L's total maximum on-
4 peak demand, total firm power and total interruptible load for the period
5 October 1995 through June 1996. The Company's response also
6 provides data regarding each interruptible customer's maximum on-peak
7 demand, firm power level and interruptible load for the 12-month period
8 ended May 1994 through the 12-month period ended June 1996. This
9 data was calculated in accordance with the tariff using PP&L's annual
10 peak demand method. The data shows that PP&L consistently
11 exceeded 500 MW of total interruptible power from March 1995 through
12 June 1996. As I noted earlier, the Company was above the 500 MW cap
13 until September 1996.
- 14
- 15 Q. Requests 33 through 43 address certain load data provided by PP&L
16 regarding a specific interruptible customer identified by the Company in
17 its responses as either Customer 59 or Customer 60. Specifically, the
18 data submitted by PP&L reflects 26 MW of interruptible load and a Firm
19 Power level of 1,000 KW for Customer 59/60. Interruptible Intervenors
20 contend that this data is false. Please comment.
- 21 A. The data PP&L has previously submitted for Customer 59/60 is
22 completely accurate and appropriate. Customer 59/60 is a new
23 customer who signed a contract for interruptible service in July 1994,

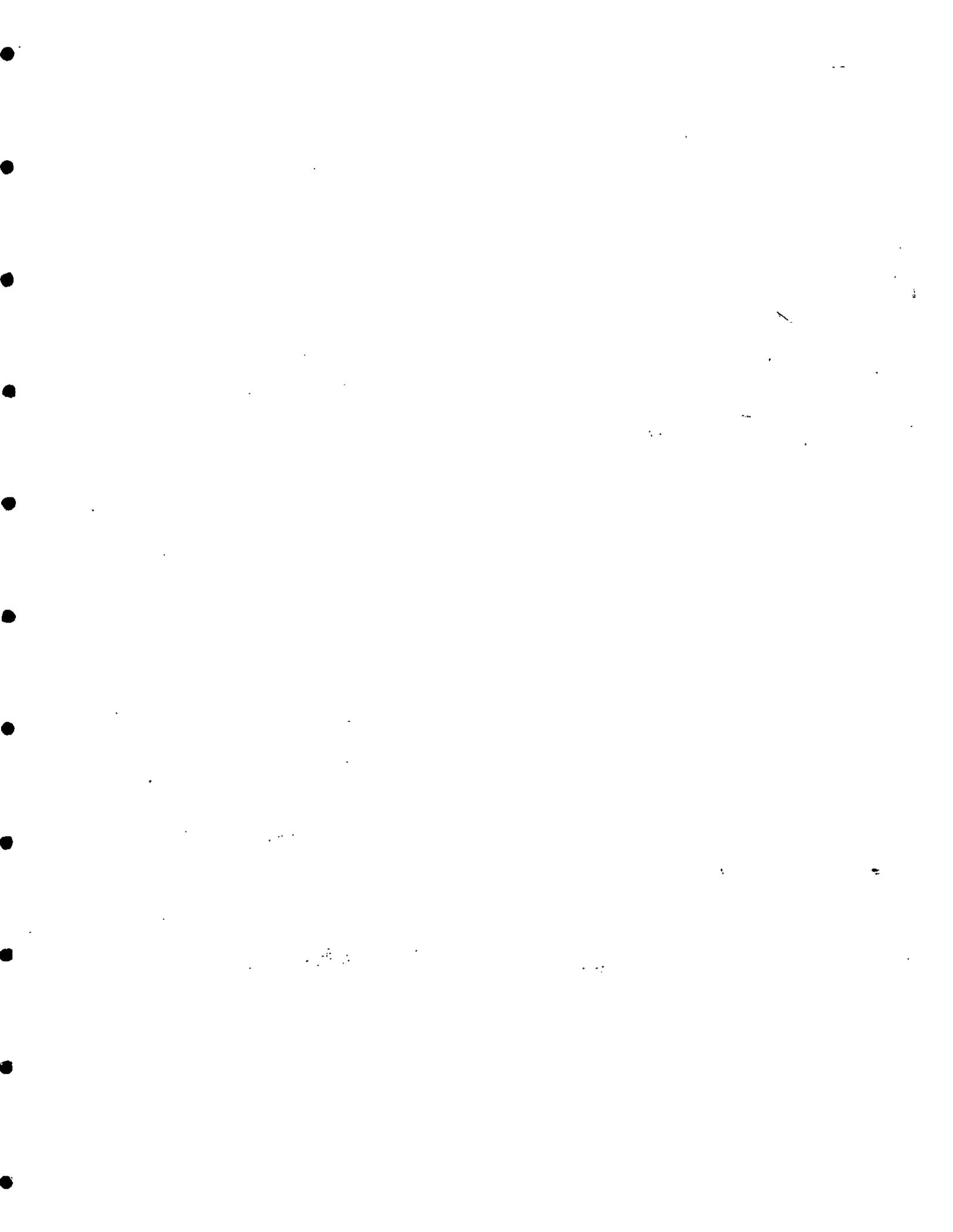
1 requesting service beginning in the fourth quarter of 1995. In connection
2 with this contract for service, based on the customer's anticipated load
3 projection, PP&L became contractually obligated to provide Customer
4 59/60 with approximately 26,000 KW (after subtracting 1,000 KW Firm
5 Power Level) of interruptible power at the time of maximum on-peak
6 demand. The 27,000 KW annual figure reflected in Exhibits P, Q and R
7 of the Requests is the result of the Company's contractual obligation and
8 commitment to provide Customer 59/60 with interruptible service.

9 Although Customer 59/60 experienced some delays in commencing
10 operation, it began taking interruptible service in the spring of 1996 and
11 received its first bill in July of 1996. In the absence of 12 months of
12 actual load data for Customer 59/60, the "reservation" amount of 27,000
13 KW was included in the Company's calculations to provide an accurate
14 portrayal of the Company's contracted interruptible load.

15 A review of Customer 59/60's actual maximum monthly demand
16 data demonstrates that this "reservation" figure is accurate and
17 appropriate. Specifically, Customer 59/60's demand has increased
18 steadily since its first bill in July 1996. In fact, Customer 59/60's most
19 recent meter reading shows a maximum on-peak demand of 20,628 KW
20 in July 1997.

21 Q. Does this conclude your testimony?

22 A. Yes, it does.



ATTACHMENT A

RATE SCHEDULE IS-T

INTERRUPTIBLE LARGE GENERAL SERVICE AT 69,000 VOLTS OR HIGHER (C)

APPLICATION RATE SCHEDULE IS-T

This rate schedule is for interruptible large general service supplied from available lines of 69,000 volts or higher, with customer furnishing and maintaining all equipment necessary to transform the energy from the line voltage. It applies to 3 phase, 60 Hertz service.

INTERRUPTIBLE POWER

Interruptible service under this rate schedule is available to customers with at least 1,000 KW of year-round Interruptible Power who contract to accept interruptible service for at least one year, as detailed in this rate schedule.

The Company will not enter into new contracts for interruptible power if the amount of interruptible power from all customers served under Rate Schedules IS-1, IS-P, IS-T, PR-2, the Competitive Rate Rider, and Interruptible Service by Agreement exceeds a total of 500 MW. For the purpose of determining this amount, interruptible power is the twelve month average of each customer's monthly Maximum On-peak Demand less the customer's contract Firm Power level.

NET MONTHLY RATE (Effective 9-28-95)

\$7.80 per kilowatt for all kilowatts of the Billing KV.

5.00 cts. per KWH for first 400 hours use of Billing KV
3.40 cts. per KWH for all additional KWH.

A credit of \$0.85 is applied to all Billing KV when customer takes service at 230,000 Volts.

The Energy Cost Rate applies to all KWH supplied under this rate.

The Minimum Billing Demand is 300 KV.

The Net Monthly Rate Minimum is \$2,340.00.

BILLING KV

The monthly Billing KV is calculated as:

Billing KV = Firm Power + (Interruptible Power X (1 - Average On-peak Load Factor))

ON-PEAK HOURS

On-peak hours for billing purposes are 7 a.m. to 7 p.m. local time, Mondays to Fridays inclusive except New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

MAXIMUM ON-PEAK DEMAND

Maximum On-peak Demand is the average number of kilowatts supplied during the 15 minute period (1 hr. period for 230,000 volt service) of maximum use during the On-peak Hours of the current billing period, except that where a 1 hour period of maximum use was in effect as of August 28, 1981, it may be continued for that customer.

ON-PEAK LOAD FACTOR

On-peak Load Factor for billing purposes is the ratio of the kilowatt-hours supplied during the On-peak Hours to the product of the Maximum On-peak Demand and the number of On-peak Hours for a billing period.

AVERAGE ON-PEAK LOAD FACTOR

Average On-peak Load Factor is the average of the On-peak Load Factors for the twelve months of the prior calendar year. Average On-peak Load Factor is recalculated annually and applied to service billed on and after April 1 of the current year under the Optional Interruptible Power provision. The Company may modify the On-peak Load Factors for the twelve months of the prior calendar year to reflect operations expected under this provision.

FIRM POWER

Firm Power is the level of KV demand which the customer has no obligation to curtail during an interruption of service called by the Company. The initial level of Firm Power shall be specified in the contract. This initial level will be adjusted by the Company to the level of Firm Power actually achieved by the customer during an emergency or an emergency test interruption period. The adjusted level shall become the level of Firm Power for the remaining term of the contract or until a new level of Firm Power is achieved during a subsequent emergency or an emergency test interruption period. The level of Firm Power shall not be adjusted below the initial level of Firm Power specified in the contract.

INTERRUPTIBLE POWER

Interruptible Power is the Maximum On-Peak Demand less the Firm Power.

(Continued)

(C) Indicates Change

RATE SCHEDULE IS-T (CONTINUED)

HOURS OF INTERRUPTION

Load interruptions may be called by the Company as required for economic load control, for system and local emergencies, and for tests of the customer's ability and readiness to interrupt load during an emergency. The frequency of load interruptions shall be no more than 20 per calendar year with such interruptions being no more than 10 hours in any one day; or more often than five days in any single month; or more than 200 hours in a calendar year. Whenever possible, the customer will be notified in advance of a probable interruption and the estimated duration of the interruption. The customer is obligated to interrupt load during emergencies and emergency tests, but has the option to interrupt, or accept an additional charge for continued use, during periods of economic load control.

The Company may cancel the contract for interruptible service if the customer fails to interrupt during an emergency or an emergency test interruption period.

The charge for continued use (KWH) of interruptible load (KW) during a period of economic load control is the sum of the charges under the rate plus the Company's estimated PJM Interconnection billing rate applied to all KWH used during the interruption period.

The additional charge for not interrupting load (KW) when called for during an emergency or an emergency test interruption period is: \$25.00 per KW for all KW by which the maximum 15 minute (1 hr. for 230,000 volt service) demand (KW) for the period of requested interruption exceeds the Firm Power (KW). This penalty shall be applied separately for each requested interruption, and shall be in addition to all other charges provided for under the rate.

~~ELECTRIC VEHICLE RIDER (EXPERIMENTAL)~~

The Electric Vehicle Rider included in this Tariff applies to eligible customers served under this Rate Schedule.

SPECIAL BASE RATE CREDIT ADJUSTMENT

The Special Base Rate Credit Adjustment included in this Tariff is applied to charges under this rate except for charges made under the Energy Cost Rate and charges made under the State Tax Adjustment Surcharge.

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this rate except for charges made under the Energy Cost Rate.

PAYMENT

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 15 days from the date bill is mailed. When not so paid, the gross rate applies which is the above net rate plus 5% on the first \$200.00 of the then unpaid balance of the monthly bill and 2% on the remainder thereof.

CONTRACT PERIOD

Not less than one year.

ATTACHMENT B

1 load. Under this option, customers agree to interrupt load at PP&L's request for
2 economic load control and for local and system emergencies. Interruptible
3 Service by Agreement (ISA) provides for interruptible service and rates by
4 individual contract. The contract includes the obligations of the customer to
5 interrupt load when requested by PP&L. Appendix 1 provides a more detailed
6 description of these interruptible service options.

7 Q. Why did PP&L initially create the interruptible service provisions in its tariff?

8 A. PP&L's interruptible service provisions are an extension of PP&L's effort to
9 encourage economic development in its service territory, and simultaneously
10 develop a resource of interruptible load. PP&L's large industrial customers had
11 expressed an interest in alternatives to reduce their operating costs and improve
12 their competitive position. The optional interruptible service provisions provide a
13 market choice that customers with interruptible load can exercise. Interruptible
14 service provisions also provide a capacity equivalent resource that can be used to
15 meet the Company's installed capacity obligation to PJM or to permit the
16 Company to sell installed capacity credits to other PJM members.

17 Q. What has been the customer response to these interruptible service tariff
18 provisions?

19 A. In discussing customer response to PP&L's interruptible service provisions, it is
20 helpful to establish several definitions. "Firm power level" is the contractual limit
21 on the customer's demand during periods of interruption. The customer is not

1 permitted to exceed the firm power level during an interruption. "Interruptible
2 load" is the difference between the customer's maximum level of demand and the
3 firm power level. In other words, "interruptible load" is the maximum number of
4 kilowatts that a customer could interrupt during its peak hour of the year.

5 PP&L's "total interruptible load" is the sum of all customers' interruptible load;
6 however, because all customers do not reach peak demand at the same day and
7 time, and a call for interruption may not necessarily coincide with a customer's
8 peak demand, this sum will always be greater than the amount of load actually
9 available for interruption at any given time. The "available interruptible load" is
10 that portion of the total interruptible load that can be expected to be on line and
11 ready to be curtailed when called for by PP&L.

12 The response to PP&L's interruptible service provisions, in terms of
13 customers and total interruptible load, is summarized as follows:

14 IS-1 - 4 customers - approximately 1 MW

15 ISA - 1 customer - approximately 124 MW

16 LP-4 and LP-5 - 58 customers - approximately ³³⁵~~280~~ MW

17 The total interruptible load is about ⁴⁶⁰~~405~~ MW from 63 customers. The available
18 interruptible load varies throughout the year, but is generally estimated at about
19 280 MW.

20 Q. Has this response been consistent with the intent of the tariff and PP&L's
21 projections?

1 A. The amount of interruptible load realized under these tariff provisions has met or
2 exceeded PP&L's projections. Customer polls taken prior to creation and filing of
3 the interruptible service provisions of Rate Schedules LP-4 and LP-5 indicated
4 that large industrial customers with an estimated contribution of approximately
5 160 MW to 200 MW of interruptible load had a strong interest in these options.
6 Since that time, contracts for approximately ³³⁵~~450~~ MW of interruptible load have
7 been signed with customers taking service under Rate Schedules LP-4 and LP-5.

8 The Company also anticipated that these options could facilitate economic
9 growth by, for example, assisting a number of economically-troubled customers;
10 retaining existing industrial load; encouraging plant expansion; and attracting new
11 industries to central-eastern Pennsylvania. Each of these benefits was realized to
12 some degree, as explained in the testimony of Mr. Farber.

13 One customer response that has not been consistent with the intent of the
14 tariff and PP&L's expectations is the desire on the part of some customers to
15 attain the benefits of reduced rates through the installation of on-site generation.
16 This response works against the Company's tariff objectives in two ways. First,
17 customers become eligible for interruptible service even though their processes
18 are not truly interruptible. This provides the potential for many more customers
19 to select interruptible service and can result in amounts of interruptible load well
20 beyond that expected or desired. Second, the tariff was intended to enhance
21 economic growth, such as plant expansion, and not investment in non-productive
22 assets, such as on-site generation that will, for the most part, sit idle.

1 Q. What impact has the customer response to the interruptible service provisions had
2 on PP&L?

3 A. In discussing impact, I will focus on the financial impact of the LP-4 and LP-5
4 interruptible provisions. The unique circumstances of the single ISA customer and
5 the minimal impact of the four IS-1 contracts suggest that a focus on the 58 LP-4
6 and LP-5 customers is appropriate.

7 The impact of LP-4 and LP-5 interruptible load on PP&L can be
8 summarized in three categories. First, the Company and its service area have
9 gained through the acquisition, retention or expansion of customers that might
10 otherwise have been lost. Second, the Company has gained a resource, which has
11 value as a capacity equivalent and contributes to system reliability in emergencies.
12 Third, the rate reductions for interruptible service have reduced PP&L's revenues
13 compared to the revenue that might have been collected if all customers received
14 firm service. The economic benefits of interruptible service will be discussed by
15 Mr. Farber and the capacity and reliability benefits will be discussed by Mr.
16 Sipics.

17 When the interruptible service options were proposed, it was anticipated
18 that the value of the first and second items discussed above would exceed the
19 Company's revenue loss. Since that time, several changes have occurred. The
20 specific load retention goals that were set for these rate provisions have been
21 achieved to the extent possible. However, the value of interruptible load has
22 declined substantially and the expected base of potentially qualifying customers

has expanded by reason of customers' willingness to install on-site generation as a means of qualifying for the rate.

Q. Please summarize PP&L's proposal in this proceeding.

A. If PP&L's filing is approved, interruptible service will be available only to those customers currently receiving such service and customers that entered into agreements with PP&L by August 19, 1994. In addition, PP&L is proposing to add a provision to the interruptible options of Rate Schedules LP-4 and LP-5 stating that firm power levels for existing customers cannot be reduced below levels specified in the customers' contracts as of August 19, 1994.

PP&L's proposal was filed on May 13, 1994, with an initial planned closure date of July 12, 1994. That closure was subsequently deferred twice to the present closure date of August 19, 1994. The "grandfathering" of existing customers on the interruptible service options, and the provision of ample time for customers with truly interruptible load to select that service, are critical components of PP&L's proposal. Although additional interruptible load is of limited value to PP&L, as discussed in the testimony of Mr. Sipics, the Company nonetheless provided further time for those customers who could legitimately benefit from an interruptible service option.

Q. Why did PP&L propose to close the interruptible service provisions to new customers?

ATTACHMENT C

March 22, 1996

J. F. Sipics - TW-15
 W. A. Dussinger - TW-5
 G. S. Farber - A9-4
 R. F. Subocki - A9-4
 D. A. Krall - TW-5
 P. E. Russell - TW-3

STATUS AND POLICY ON THE INTERRUPTIBLE RATES

Revision 1, March 21, 1996

This revision reflects recent discussions with M&ED, OGC, and outside council.

PP&L currently has a 500 MW cap within the Tariff for customer supplied interruptible capacity. This cap was estimated as the maximum amount of non-diversified interruptible capacity that could be signed up to produce 300 to 350 MW of interruptible load at the time of PP&L's monthly system peaks (coincident interruptible load). The 500 MW cap comparison is measured by taking the highest 15 minute demand of each customer in the 12 months ending September 28, 1995 (the tariff became effective September 28, 1995), subtracting their contract Firm KW, then summing all of these capacity values. Currently, this results in 483 MW for 1995.

Within the past two months, PP&L's interruptible capacity has dropped below the 500 MW level. As stated in the Tariff, PP&L would not enter into any additional interruptible contracts as long as the total interruptible capacity was above 500 MW. With the closure of the basic oxygen furnace at Bethlehem Steel, the capacity has fallen to 483 MW. PP&L will not adjust the interruptible resource based on only one or two months of history. Interruptible capacity will be reviewed annually after the anniversary date of the Tariff, September 28.

From this capacity, our current available interruptible resource average for the 12 months ending September 28, 1995, at the time of PP&L's system peak is 353 MW. The 353 MW is the sum of the highest 15 minute demand for each customer at the time of each PP&L system monthly peak in the year ending September 28, 1995, minus the sum of the contract Firm levels of each customer. The results are then averaged for the 12 months to arrive at 353 MW. Resource Planning and Marketing Planning have been requested to review this available resource and determine if PP&L requires additional resources of interruptible capacity. This review will treat all capacity as having the same value to PP&L, in other words, the current value of capacity in the free wholesale market will not be considered. Until this review is completed, the interruptible rates will remain unavailable.

If Resource Planning and Marketing Planning determines that additional interruptible capacity is needed, customers will be considered for the interruptible rates based on their written request date. If the rates become available, all customers will be treated the same. New customers to the

interruptible rates and existing customers on the interruptible rates that want to lower their contract Firm levels will be taken in chronological order until the capacity resource is satisfied.

As in the past, a request for a contract will be required, signed by the consultant, Segment Manager, and the Manager—Pricing & Contract Administration. This request will include:

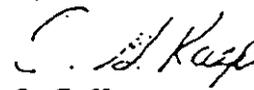
- ⊙ customer name to appear in the contract,
- ⊙ three contact names and phone numbers,
- ⊙ contract initial Load Factor,
- ⊙ contract Firm KW level,
- ⊙ an estimate of revenue lost by adding this interruptible capacity,
- ⊙ the customer's interruption procedure, and
- ⊙ the equipment to be interrupted.

New customers and existing customers that reduce Firm levels must be informed that they will be tested after being placed on the interruptible rates. This is required to confirm the customer's willingness and ability to interrupt. The test will be unannounced.

There will not be any retroactive billing adjustments. The rate application will start with the first meter-read date after the contract is signed. Customers should not be given any indication of their position on our list, or the MWs of interruptible capacity ahead of them. We may still have letters in Division Customer files we are unaware of that could change their current position on the list.

It would be helpful to have the Account Managers review the files of customers that could qualify for either the IS-T or the IS-P Tariffs, looking for any letters that may have been submitted requesting to be placed on these rate options.

Considering the revenue loss potential that exists, please do not actively pursue additional customer interest in the interruptible rates.


O. G. Kasper

ok115.4m
OGK/ab

Attachment

c:	R. A. Blank	- TW-6	J. M. Messner	- TW-6
	G. E. Beam	- TW-6	D. R. Stinner	- TW-6
	E. A. Davis	- TW-6	K. A. Welch	- TW-6
	D. J. Fiorillo	- TW-6	S. Kutoloski	- TW-5
	L. A. Henry	- TW-6	J. M. Kleha	- TW-3
	R. A. Kapo	- TW-6	E. J. Brignole	- Susq. SC
	E. A. Kushma	- TW-6	J. P. Clifford	- East Mtn. Business Ctr.
	W. G. Lieberman	- TW-6	M. M. Geer	- Susq. SC
	W. F. Guerin	- Snowdrift Z5	J. J. Slivka	- A9-4

CERTIFICATE OF SERVICE

I hereby certify that on August 20, 1997, a copy of the within document was served upon the following person(s) by first class U.S. Mail, postage prepaid.

Lisa M. Helpert
Preston Gates Ellis & Rouvelas Meeds LLP
1735 New York Avenue, NW, Suite 500
Washington, D.C. 20006-5209

Paul E. Russell
PA Power & Light Company
2 North Ninth Street
Allentown, PA 18101

Johnnie Simms, Esq.
Office of Trial Staff
PA Public Utility Commission
Third Floor, Pitnick Building
901 N. 7th Street - Rear
Harrisburg, PA 17105-3265

Karen Oill Moury, Esq.
Bernard A. Ryan, Esq.
Office of Small Business Advocate
Suite 1102, Commerce Building
300 N. Second Street
Harrisburg, PA 17101

James H. Norris, Esq.
Eckert Seamans Cherin & Mellott
42nd Floor, 600 Grant Street
Pittsburgh, PA 15219

David B. MacGregor, Esq.
Morgan, Lewis & Bockius LLP
2000 One Logan Square
Philadelphia, PA 19103-6993

Craig R. Burgraff, Esq.
James A. Mullins, Esq.
Assistant Consumer Advocate
Office of Consumer Advocate
1425 Strawberry Square
Harrisburg, PA 17120

David M. Kleppinger, Esq.
Robert A. Weishaar, Jr., Esq.
Pamela C. Polacek, Esq.
McNees, Wallace & Nurick
P.O. Box 1166
Harrisburg, PA 17108

Steve Hunton, Esq.
Assistant General Counsel
PECO Energy Company
2301 Market Street, S 23-1
Philadelphia, PA 19103

Robert P. Haynes, III, Esq.
Mette, Evans & Woodside
3401 N. Front Street
P.O. Box 5950
Harrisburg, PA 17110-0950

Daniel Clearfield, Esq.
Alan Kohler, Esq.
Robert J. Longwell, Esq.
Wolf, Block, Schorr & Solis
305 N. Front Street, Suite 401
Harrisburg, PA 17101

Michael T. Vough, Esq.
Vough & Mecadon
Greater Pittston Professional Center
126 S. Main Street
Pittston, PA 18640

Alan J. Barak, Esq.
1417 Blue Mountain Parkway
Harrisburg, PA 17112

David A. McCormick, Esq.
Dept. of the Army
Office of Judge Advocate General
901 N. Stuart Street
Arlington, VA 22203-1837

Scott J. Rubin, Esq.
3 Lost Creek Drive
Selinsgrove, PA 17870-9357

Eric Epstein
2308 Brandywine Drive
Harrisburg, PA 17110

Michael A. Stosser, Esq.
Adelia S. Borrasca, Esq.
Heller Ehrman White & McAuliffe
815 Connecticut Avenue, N.W., Suite 200
Washington, D.C. 20006-4004

Rhonda Hendrickson
100 North 10th Street
Harrisburg, PA 17108

Richard L. Caplan, Esq.
Mary Huwaldt, Esq.
Caplan & Luber, LLP
40 Darby Road
Paoli, PA 19301

Craig A. Doll, Esq.
214 State Street
Harrisburg, PA 17101

Billie E. Ramsey, Executive Director
ARIPPA
1300 Market Street, Suite 7
Lemoyne, PA 17043

Robert F. Young, Esq.
Anthony C. Adonizio, Esq.
Deputy General Counsel
Allegheny Electric Cooperative, Inc.
212 Locust Street
P.O. Box 1266
Harrisburg, PA 17108-1266

Bruce A. Connell
General Counsel
600 N. Dairy Ashford, ML-1034
Houston, TX 77070

Terrance J. Fitzpatrick, Esq.
David M. DeSalle, Esq.
Ryan, Russell, Ogden & Seltzer, LLP
800 N. Third Street, Suite 101
Harrisburg, PA 17102-2025

Joan O. Brandeies, Esq.
Schnader, Harrison, Segal & Lewis
Suite 3600, 1600 Market Street
Philadelphia, PA 19103-4252

John Munsch
Allegheny Power
800 Cabin Hill Drive
Greensburg, PA 15601-1689

Gary A. Jeffries, Esq.
CNG Energy Services Corporation
One Park Ridge Center
P.O. Box 15746
Pittsburgh, PA 15224-0746

David Cruthirds
Electric Clearinghouse, Inc.
1000 Louisiana, Suite 5800
Houston, TX 77002-5050

David M. Boonin
New Energy Ventures, Inc.
200 S. Broad Street, Suite 800
Philadelphia, PA 19102

Michael L. Kessler, Esq.
American Energy Solutions, Inc.
111 S. Alfred Street
Alexandria, VA 22314

Usher Fogel, Esq.
Roland, Rogel, Koblenz & Carr, LLP
1 Columbia Place
Albany, NY 12207

Clinton A. Vince, Esq.
Paul E. Nordstrom, Esq.
Deborah A. Swanstrom, Esq.
Joel D. Newton, Esq.
Verner & Lipfert, Berhard, McPherson &
Hand
901 15th Street, N.W., Suite 700
Washington, D.C. 20005

Linda C. Smith, Esq.
Dilworth, Paxson, Kalish & Kauffman LLP
305 N. Front Street, Suite 403
Harrisburg, PA 17101-1236

Susan M. Shanaman, Esq.
212 N. Third Street, Suite 203
Harrisburg, PA 17101-1505

Gordon J. Smith, Esq.
John & Hengerer
1200 17th Street, N.W., Suite 600
Washington, D.C. 20036-3006

Joseph A. Dworetzky
Hangley Aronchick Segal & Pudlin
One Logan Square, 12th Floor
Philadelphia, PA 19103-6933

William T. Hawke, Esq.
Janet L. Miller, Esq.
Todd S. Stewart, Esq.
Malatesta Hawke & McKeon LLP
Harrisburg Energy Center
100 N. Tenth Street
Harrisburg, PA 17101

James D. Steffes
Enron Corp.
1400 Smith Street
P.O. Box 4428
Houston, TX 77002

Randall V. Griffin, Esq.
Delmarva Power & Light Company
800 King Street
P.O. Box 231
Wilmington, DE 19899

Mid-Atlantic Power Supply Association
Suite 200
620 Herndon Parkway
Herndon, VA 20170

Stephen J. Baron
J. Kennedy and Associates, Inc.
Suite 475
35 Glenlake Parkway
Atlanta, GA 30328

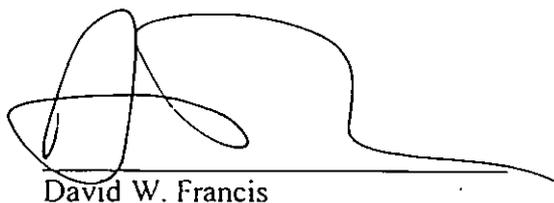
Jerry Mendl
MSB Energy Associates
Suite 200
7507 Hubbard Avenue
Middleton, WI 53562

Robert D. Knecht
Industrial Economics Inc.
2067 Massachusetts Avenue
Cambridge, MA 02140

Harry S. Geller, Esq.
PA Utility Law Project
118 Locust Street
Harrisburg, PA 17101

Patricia Armstrong, Esq.
Regina L. Matz, Esq.
Thomas Thomas Armstrong & Niesen
212 Locust Street, Suite 500
P.O. Box 9500
Harrisburg, PA 17108-9500

Andrew Altman, Deputy Director
Clean Air Council Suite 300
135 S. 19th Street
Philadelphia, PA 19103



David W. Francis

Date: August 19, 1997

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

IN THE MATTER OF PENNSYLVANIA
POWER & LIGHT COMPANY'S
RESTRUCTURING PLAN

DOCKET NO. R-00973954

ORDER

AND NOW, this _____ day of _____, 1997, upon consideration of
CARADON MIDEAST ALUMINUM, A DIVISION OF CARADON AMERICA, INC.'s
Petition to Withdraw with prejudice, the petition is hereby granted.

Administrative Law Judge G. Kashi

RECEIVED
97 AUG -8 PM 2:33
P.A.P.U.C.
PROTHONOTARY'S OFFICE

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

IN THE MATTER OF PENNSYLVANIA
POWER & LIGHT COMPANY'S
RESTRUCTURING PLAN

DOCKET NO. R-00973954

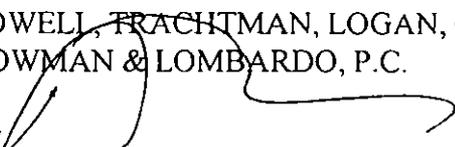
**CARADON MIDEAST ALUMINUM, A DIVISION OF CARADON AMERICA, INC.'S
PETITION TO WITHDRAW WITH PREJUDICE
FROM THE RESTRUCTURING MATTER**

Caradon Mideast Aluminum, A Division of Caradon America, Inc. respectfully petitions as follows:

1. Caradon Mideast Aluminum, a Division of Caradon America, Inc. petitions to withdraw with prejudice from the above-captioned Pennsylvania Power & Light Company restructuring matter effective immediately.
2. This petition applies only to Caradon Mideast Aluminum, a Division of Caradon America, Inc.

WHEREFORE, interruptible intervenor Caradon Mideast Aluminum, A Division of Caradon America, Inc. respectfully requests that the Honorable Administrative Law Judge issue an order allowing it to withdraw with prejudice from Pennsylvania Power & Light Company's restructuring case at Docket No. R-00973954.

POWELL, TRACHTMAN, LOGAN, CARRLE,
BOWMAN & LOMBARDO, P.C.

By 

David W. Francis
I.D. #53718
114 North Second Street
Harrisburg, PA 17101
(717) 238-9300

Date: August 8, 1997

CERTIFICATE OF SERVICE

I hereby certify that on August 8, 1997, a copy of Caradon Mideast Aluminum, A Division of Caradon America, Inc.'s Petition to Withdraw with Prejudice from the Restructuring Matter was served upon the following person(s) by first class U.S. Mail, postage prepaid.

Lisa M. Helpert
Preston Gates Ellis & Rouvelas Meeds LLP
1735 New York Avenue, NW, Suite 500
Washington, D.C. 20006-5209

Paul E. Russell
PA Power & Light Company
2 North Ninth Street
Allentown, PA 18101

Johnnie Simms, Esq.
Office of Trial Staff
PA Public Utility Commission
Third Floor, Pitnick Building
901 N. 7th Street - Rear
Harrisburg, PA 17105-3265

Karen Oill Moury, Esq.
Bernard A. Ryan, Esq.
Office of Small Business Advocate
Suite 1102, Commerce Building
300 N. Second Street
Harrisburg, PA 17101

James H. Norris, Esq.
Eckert Seamans Cherin & Mellott
42nd Floor, 600 Grant Street
Pittsburgh, PA 15219

David B. MacGregor, Esq.
Morgan, Lewis & Bockius LLP
2000 One Logan Square
Philadelphia, PA 19103-6993

Craig R. Burgraff, Esq.
James A. Mullins, Esq.
Assistant Consumer Advocate
Office of Consumer Advocate
1425 Strawberry Square
Harrisburg, PA 17120

David M. Kleppinger, Esq.
Robert A. Weishaar, Jr., Esq.
Pamela C. Polacek, Esq.
McNees, Wallace & Nurick
P.O. Box 1166
Harrisburg, PA 17108

Steve Hunton, Esq.
Assistant General Counsel
PECO Energy Company
2301 Market Street, S 23-1
Philadelphia, PA 19103

Robert P. Haynes, III, Esq.
Mette, Evans & Woodside
3401 N. Front Street
P.O. Box 5950
Harrisburg, PA 17110-0950

Daniel Clearfield, Esq.
Alan Kohler, Esq.
Robert J. Longwell, Esq.
Wolf, Block, Schorr & Solis
305 N. Front Street, Suite 401
Harrisburg, PA 17101

Michael T. Vough, Esq.
Vough & Mecadon
Greater Pittston Professional Center
126 S. Main Street
Pittston, PA 18640

Alan J. Barak, Esq.
1417 Blue Mountain Parkway
Harrisburg, PA 17112

David A. McCormick, Esq.
Dept. of the Army
Office of Judge Advocate General
901 N. Stuart Street
Arlington, VA 22203-1837

Scott J. Rubin, Esq.
3 Lost Creek Drive
Selinsgrove, PA 17870-9357

Eric Epstein
2308 Brandywine Drive
Harrisburg, PA 17110

Michael A. Stosser, Esq.
Adelia S. Borrasca, Esq.
Heller Ehrman White & McAuliffe
815 Connecticut Avenue, N.W., Suite 200
Washington, D.C. 20006-4004

Rhonda Hendrickson
100 North 10th Street
Harrisburg, PA 17108

Richard L. Caplan, Esq.
Mary Huwaldt, Esq.
Caplan & Lubert, LLP
40 Darby Road
Paoli, PA 19301

Craig A. Doll, Esq.
214 State Street
Harrisburg, PA 17101

Billie E. Ramsey, Executive Director
ARIPPA
1300 Market Street, Suite 7
Lemoyne, PA 17043

Robert F. Young, Esq.
Anthony C. Adonizio, Esq.
Deputy General Counsel
Allegheny Electric Cooperative, Inc.
212 Locust Street
P.O. Box 1266
Harrisburg, PA 17108-1266

Bruce A. Connell
General Counsel
600 N. Dairy Ashford, ML-1034
Houston, TX 77070

Terrance J. Fitzpatrick, Esq.
David M. DeSalle, Esq.
Ryan, Russell, Ogden & Seltzer, LLP
800 N. Third Street, Suite 101
Harrisburg, PA 17102-2025

Joan O. Brandeies, Esq.
Schnader, Harrison, Segal & Lewis
Suite 3600, 1600 Market Street
Philadelphia, PA 19103-4252

John Munsch
Allegheny Power
800 Cabin Hill Drive
Greensburg, PA 15601-1689

Gary A. Jeffries, Esq.
CNG Energy Services Corporation
One Park Ridge Center
P.O. Box 15746
Pittsburgh, PA 15224-0746

David Cruthirds
Electric Clearinghouse, Inc.
1000 Louisiana, Suite 5800
Houston, TX 77002-5050

David M. Boonin
New Energy Ventures, Inc.
200 S. Broad Street, Suite 800
Philadelphia, PA 19102

Michael L. Kessler, Esq.
American Energy Solutions, Inc.
111 S. Alfred Street
Alexandria, VA 22314

Usher Fogel, Esq.
Roland, Rogel, Koblenz & Carr, LLP
1 Columbia Place
Albany, NY 12207

Clinton A. Vince, Esq.
Paul E. Nordstrom, Esq.
Deborah A. Swanstrom, Esq.
Joel D. Newton, Esq.
Verner & Lipfert, Berhard, McPherson &
Hand
901 15th Street, N.W., Suite 700
Washington, D.C. 20005

Linda C. Smith, Esq.
Dilworth, Paxson, Kalish & Kauffman LLP
305 N. Front Street, Suite 403
Harrisburg, PA 17101-1236

Susan M. Shanaman, Esq.
212 N. Third Street, Suite 203
Harrisburg, PA 17101-1505

Gordon J. Smith, Esq.
John & Hengerer
1200 17th Street, N.W., Suite 600
Washington, D.C. 20036-3006

Joseph A. Dworetzky
Hangley Aronchick Segal & Pudlin
One Logan Square, 12th Floor
Philadelphia, PA 19103-6933

William T. Hawke, Esq.
Janet L. Miller, Esq.
Todd S. Stewart, Esq.
Malatesta Hawke & McKeon LLP
Harrisburg Energy Center
100 N. Tenth Street
Harrisburg, PA 17101

James D. Steffes
Enron Corp.
1400 Smith Street
P.O. Box 4428
Houston, TX 77002

Randall V. Griffin, Esq.
Delmarva Power & Light Company
800 King Street
P.O. Box 231
Wilmington, DE 19899

Mid-Atlantic Power Supply Association
Suite 200
620 Herndon Parkway
Herndon, VA 20170

Stephen J. Baron
J. Kennedy and Associates, Inc.
Suite 475
35 Glenlake Parkway
Atlanta, GA 30328

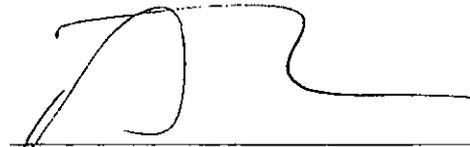
Jerry Mendl
MSB Energy Associates
Suite 200
7507 Hubbard Avenue
Middleton, WI 53562

Robert D. Knecht
Industrial Economics Inc.
2067 Massachusetts Avenue
Cambridge, MA 02140

Harry S. Geller, Esq.
PA Utility Law Project
118 Locust Street
Harrisburg, PA 17101

Patricia Armstrong, Esq.
Regina L. Matz, Esq.
Thomas Thomas Armstrong & Niesen
212 Locust Street, Suite 500
P.O. Box 9500
Harrisburg, PA 17108-9500

Andrew Altman, Deputy Director
Clean Air Council Suite 300
135 S. 19th Street
Philadelphia, PA 19103



David W. Francis

Date: August 8, 1997

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

IN THE MATTER OF PENNSYLVANIA
POWER & LIGHT COMPANY'S
RESTRUCTURING PLAN

DOCKET NO. R-00973954

ORDER

AND NOW, this _____ day of _____, 1997, upon consideration of
METAL INDUSTRIES, INC.'s Petition to Withdraw with prejudice, the petition is hereby
granted.

Administrative Law Judge G. Kashi

RECEIVED
97 AUG -8 PM 2:40
PAPPU'S OFFICE
PROthonotary's OFFICE

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

IN THE MATTER OF PENNSYLVANIA
POWER & LIGHT COMPANY'S
RESTRUCTURING PLAN

DOCKET NO. R-00973954

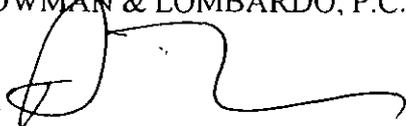
**METAL INDUSTRIES'
PETITION TO WITHDRAW WITH PREJUDICE
FROM THE RESTRUCTURING MATTER**

Metal Industries, Inc. respectfully petitions as follows:

1. Metal Industries, Inc. petitions to withdraw with prejudice from the above-captioned Pennsylvania Power & Light Company restructuring matter effective immediately.
2. This petition applies only to Metal Industries, Inc.

WHEREFORE, interruptible intervenor Metal Industries, Inc. respectfully requests that the Honorable Administrative Law Judge issue an order allowing it to withdraw with prejudice from Pennsylvania Power & Light Company's restructuring case at Docket No. R-00973954.

POWELL, TRACHTMAN, LOGAN, CARRLE,
BOWMAN & LOMBARDO, P.C.

By 

David W. Francis
I.D. #53718
114 North Second Street
Harrisburg, PA 17101
(717) 238-9300

Date: August 8, 1997

CERTIFICATE OF SERVICE

I hereby certify that on August 8, 1997, a copy of Metal Industries, Inc.'s Petition to Withdraw with Prejudice from the Restructuring Matter was served upon the following person(s) by first class U.S. Mail, postage prepaid.

Lisa M. Helpert
Preston Gates Ellis & Rouvelas Meeds LLP
1735 New York Avenue, NW, Suite 500
Washington, D.C. 20006-5209

Paul E. Russell
PA Power & Light Company
2 North Ninth Street
Allentown, PA 18101

Johnnie Simms, Esq.
Office of Trial Staff
PA Public Utility Commission
Third Floor, Pitnick Building
901 N. 7th Street - Rear
Harrisburg, PA 17105-3265

Karen Oill Moury, Esq.
Bernard A. Ryan, Esq.
Office of Small Business Advocate
Suite 1102, Commerce Building
300 N. Second Street
Harrisburg, PA 17101

James H. Norris, Esq.
Eckert Seamans Cherin & Mellott
42nd Floor, 600 Grant Street
Pittsburgh, PA 15219

David B. MacGregor, Esq.
Morgan, Lewis & Bockius LLP
2000 One Logan Square
Philadelphia, PA 19103-6993

Craig R. Burgraff, Esq.
James A. Mullins, Esq.
Assistant Consumer Advocate
Office of Consumer Advocate
1425 Strawberry Square
Harrisburg, PA 17120

David M. Kleppinger, Esq.
Robert A. Weishaar, Jr., Esq.
Pamela C. Polacek, Esq.
McNees, Wallace & Nurick
P.O. Box 1166
Harrisburg, PA 17108

Steve Hunton, Esq.
Assistant General Counsel
PECO Energy Company
2301 Market Street, S 23-1
Philadelphia, PA 19103

Robert P. Haynes, III, Esq.
Mette, Evans & Woodside
3401 N. Front Street
P.O. Box 5950
Harrisburg, PA 17110-0950

Daniel Clearfield, Esq.
Alan Kohler, Esq.
Robert J. Longwell, Esq.
Wolf, Block, Schorr & Solis
305 N. Front Street, Suite 401
Harrisburg, PA 17101

Michael T. Vough, Esq.
Vough & Mecedon
Greater Pittston Professional Center
126 S. Main Street
Pittston, PA 18640

Alan J. Barak, Esq.
1417 Blue Mountain Parkway
Harrisburg, PA 17112

David A. McCormick, Esq.
Dept. of the Army
Office of Judge Advocate General
901 N. Stuart Street
Arlington, VA 22203-1837

Scott J. Rubin, Esq.
3 Lost Creek Drive
Selinsgrove, PA 17870-9357

Eric Epstein
2308 Brandywine Drive
Harrisburg, PA 17110

Michael A. Stosser, Esq.
Adelia S. Borrasca, Esq.
Heller Ehrman White & McAuliffe
815 Connecticut Avenue, N.W., Suite 200
Washington, D.C. 20006-4004

Rhonda Hendrickson
100 North 10th Street
Harrisburg, PA 17108

Richard L. Caplan, Esq.
Mary Huwaldt, Esq.
Caplan & Luber, LLP
40 Darby Road
Paoli, PA 19301

Craig A. Doll, Esq.
214 State Street
Harrisburg, PA 17101

Billie E. Ramsey, Executive Director
ARIPPA
1300 Market Street, Suite 7
Lemoyne, PA 17043

Robert F. Young, Esq.
Anthony C. Adonizio, Esq.
Deputy General Counsel
Allegheny Electric Cooperative, Inc.
212 Locust Street
P.O. Box 1266
Harrisburg, PA 17108-1266

Bruce A. Connell
General Counsel
600 N. Dairy Ashford, ML-1034
Houston, TX 77070

Terrance J. Fitzpatrick, Esq.
David M. DeSalle, Esq.
Ryan, Russell, Ogden & Seltzer, LLP
800 N. Third Street, Suite 101
Harrisburg, PA 17102-2025

Joan O. Brandeies, Esq.
Schnader, Harrison, Segal & Lewis
Suite 3600, 1600 Market Street
Philadelphia, PA 19103-4252

John Munsch
Allegheny Power
800 Cabin Hill Drive
Greensburg, PA 15601-1689

Gary A. Jeffries, Esq.
CNG Energy Services Corporation
One Park Ridge Center
P.O. Box 15746
Pittsburgh, PA 15224-0746

David Cruthirds
Electric Clearinghouse, Inc.
1000 Louisiana, Suite 5800
Houston, TX 77002-5050

David M. Boonin
New Energy Ventures, Inc.
200 S. Broad Street, Suite 800
Philadelphia, PA 19102

Michael L. Kessler, Esq.
American Energy Solutions, Inc.
111 S. Alfred Street
Alexandria, VA 22314

Usher Fogel, Esq.
Roland, Rogel, Koblenz & Carr, LLP
1 Columbia Place
Albany, NY 12207

Clinton A. Vince, Esq.
Paul E. Nordstrom, Esq.
Deborah A. Swanstrom, Esq.
Joel D. Newton, Esq.
Verner & Lipfert, Berhard, McPherson &
Hand
901 15th Street, N.W., Suite 700
Washington, D.C. 20005

Linda C. Smith, Esq.
Dilworth, Paxson, Kalish & Kauffman LLP
305 N. Front Street, Suite 403
Harrisburg, PA 17101-1236

Susan M. Shanaman, Esq.
212 N. Third Street, Suite 203
Harrisburg, PA 17101-1505

Gordon J. Smith, Esq.
John & Hengerer
1200 17th Street, N.W., Suite 600
Washington, D.C. 20036-3006

Joseph A. Dworetzky
Hangley Aronchick Segal & Pudlin
One Logan Square, 12th Floor
Philadelphia, PA 19103-6933

William T. Hawke, Esq.
Janet L. Miller, Esq.
Todd S. Stewart, Esq.
Malatesta Hawke & McKeon LLP
Harrisburg Energy Center
100 N. Tenth Street
Harrisburg, PA 17101

James D. Steffes
Enron Corp.
1400 Smith Street
P.O. Box 4428
Houston, TX 77002

Randall V. Griffin, Esq.
Delmarva Power & Light Company
800 King Street
P.O. Box 231
Wilmington, DE 19899

Mid-Atlantic Power Supply Association
Suite 200
620 Herndon Parkway
Herndon, VA 20170

Stephen J. Baron
J. Kennedy and Associates, Inc.
Suite 475
35 Glenlake Parkway
Atlanta, GA 30328

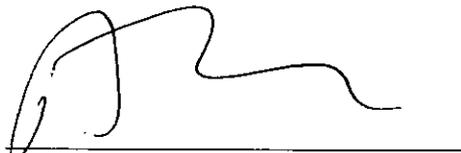
Jerry Mendl
MSB Energy Associates
Suite 200
7507 Hubbard Avenue
Middleton, WI 53562

Robert D. Knecht
Industrial Economics Inc.
2067 Massachusetts Avenue
Cambridge, MA 02140

Harry S. Geller, Esq.
PA Utility Law Project
118 Locust Street
Harrisburg, PA 17101

Patricia Armstrong, Esq.
Regina L. Matz, Esq.
Thomas Thomas Armstrong & Niesen
212 Locust Street, Suite 500
P.O. Box 9500
Harrisburg, PA 17108-9500

Andrew Altman, Deputy Director
Clean Air Council Suite 300
135 S. 19th Street
Philadelphia, PA 19103



David W. Francis

Date: August 8, 1997

ORIGINAL
RECEIVED

Commonwealth of Pennsylvania

JUL 25 1997

PENNSYLVANIA PUBLIC UTILITY COMMISSION
PA PUBLIC UTILITY COMMISSION OFFICE

PENNSYLVANIA POWER & LIGHT COMPANY

Docket No. R-00973954

Application for Approval of Restructuring Plan

**PETITION TO INTERVENE OF THE
PENNSYLVANIA ASSOCIATION OF PLUMBING,
HEATING, COOLING CONTRACTORS, INC.**

Pursuant to the Rules and Practice of Procedure of the Pennsylvania Public Utility Commission (Commission), 52 Pa. Code §5.71, et. seq., the Pennsylvania Association of Plumbing, Heating, Cooling Contractors, Inc. ("PHCC"), through its attorneys, hereby petitions to intervene as a party in the captioned docket. In support thereof, the PHCC respectfully shows as follows:

1. The names and addresses of the individuals to whom notices, pleadings and other communications in this docket should be directed are as follows:

Usher Fogel
Roland, Fogel, Koblenz & Carr, LLP
1 Columbia Place
Albany, New York 12207
TEL: (518) 434-8112
FAX: (518) 434-3232

John Haucke, Executive Vice President
Pennsylvania Association of Plumbing,
Heating, Cooling Contractors, Inc.
4015 Jonestown Road
Harrisburg, PA 17109-9109
TEL: (717) 541-9109
FAX: (717) 541-9823

DOCKETED
JUL 31 1997

**DOCUMENT
FOLDER**

2. The PHCC is a statewide trade association representing independent equipment contractors located throughout the Commonwealth and in the service territory of the Pennsylvania Power & Light Company (PP&L). The members of PHCC are engaged in the installation, distribution, sale, maintenance and repair of heating, cooling, plumbing and electrical equipment to residential and commercial customers, and desire to participate in the sale of electricity and related services to residential and commercial customers when retail access is authorized within the service territory of PP&L. The members of PHCC represent an important segment of the economic infrastructure of the Commonwealth and have a significant interest in maintaining a vibrant, healthy and effective competitive market for the provision of all energy products and services.

3. On or about April 1, 1997, an Application for Approval of Restructuring Plan was submitted on behalf of PP&L seeking approval of the proposal to restructure its corporate organization, separate generation, transmission and distribution functions, unbundle electric rates, and implement retail access for electric consumers. The restructuring plan, if approved, will determine to what extent and in what manner utility rates are unbundled and the various services included in rates are delineated and made transparent. Additionally, this proceeding will address in what manner and at what cost electric retail service is supplied to utility ratepayers. Accordingly, the ability of the members of PHCC to effectively compete in the sale of electricity and related equipment will be directly impacted by the Commission's resolution of the matters raised in this proceeding.

4. When operating their businesses, the members of the PHCC depend upon the receipt of safe and adequate electricity, which is currently provided by PP&L. As the proposed restructuring will substantially impact upon the cost and the manner by which such electric service is provided, the economic viability of the businesses of PHCC's members is directly impacted by the ultimate outcome of this proceeding.

5. PHCC's interest as a consumer, customer and competitor will be directly affected by the outcome of this proceeding, and petitioner will be bound by the actions of the Commission in this proceeding.

6. PHCC has an interest which may be substantially and directly affected by the Commission's action in this proceeding. In order to protect such unique interest, PHCC requests permission to participate fully as a party in all aspects of this proceeding.

7. The outcome of this proceeding will fundamentally alter the electric distribution market in the Commonwealth, allowing for the transition from a regulated monopoly structure to a competitive environment. During this crucial transitional period, it is vitally necessary that independent vendors, distributors and users of electricity and energy equipment be authorized to participate in regulatory proceedings which will determine the contours and structure of the new competitive environment. Therefore, participation by PHCC in this proceeding will serve the public interest.

8. PHCC only recently was apprised of the pendency of this proceeding and has sought intervention as quickly as possible.

9. Granting intervention will in no way prejudice or burden any party or the record as PHCC does not seek to modify and will be bound by the schedule and record established by the presiding Administrative Law Judges.

WHEREFORE, the Pennsylvania Association of Plumbing, Heating, Cooling Contractors, Inc. requests that the Commission grant its petition to intervene as a party in this proceeding.

Respectfully submitted,

**Pennsylvania Association of Plumbing,
Heating, Cooling Contractors, Inc.**

By: 

Usher Fogel, Esq.
Roland, Fogel, Koblenz & Carr, LLP
1 Columbia Place
Albany, New York 12207
(518) 434-8112

Dated: July 25, 1997
Albany, New York

COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITIES COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION)
v.)
PENNSYLVANIA POWER & LIGHT COMPANY)

Docket No. R-00973954

RECEIVED

MOTION TO APPEAR PRO HAC VICE ON BEHALF OF INTERVENOR PENNSYLVANIA ASSOCIATION OF PLUMBING, HEATING, COOLING CONTRACTORS, INC. PA PUBLIC UTILITY COMMISSION PROTHONOTARY'S OFFICE

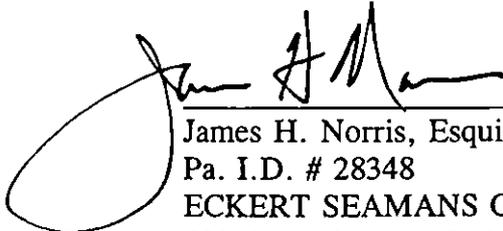
JUL 25 1997

The undersigned, James H. Norris, a member in good standing of the Pennsylvania Bar, respectfully moves that the following attorney be permitted to appear *pro hac vice* on behalf of the Pennsylvania Association of Plumbing, Heating, Cooling Contractors, Inc. ("PAPHCC"), an intervenor in the above-captioned proceeding:

Usher Fogel

In support of this Motion and attached hereto is an affidavit filed by Usher Fogel stating that he is a member in good standing of the Bar of the State of New York which grants like privileges to members in good standing of the Bar of this Commonwealth. See 52 Pa. Code § 1.22. Mr. Fogel has advised PAPHCC concerning the issues raised in the subject proceeding and he has special knowledge regarding such matters.

Respectfully submitted,



James H. Norris, Esquire
Pa. I.D. # 28348
ECKERT SEAMANS CHERIN & MELLOTT
600 Grant Street, 42nd Floor
Pittsburgh, PA 15219
(412) 566-6159

DATED: July 23, 1997

DOCKETED
JUL 31 1997

DOCUMENT
FOLDER

COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITIES COMMISSION

AFFIDAVIT OF USHER FOGEL

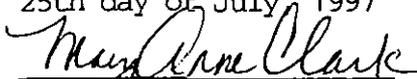
I, Usher Fogel, hereby depose and say as follows:

1. I am an attorney with the law firm of Roland, Fogel, Koblenz & Carr, LLP, which has an office in Albany, New York.
2. I am a member in good standing of the Bar of the State of New York, which is the location of my principal office for the practice of law, and have been licensed to practice before the highest judicial court in the State of New York since 1977.
3. There are no disciplinary proceedings pending against me as a member of the bar in any jurisdiction.
4. I have advised The Pennsylvania Association of Plumbing, Heating, Cooling Contractors, Inc., an intervenor in the above-captioned matter, with respect to the matters in issue before the Pennsylvania Public Utility Commission and have special knowledge regarding such matters.

I understand the statements herein are subject to the penalties of 18 Pa. C.S.A. § 4904, relating to the unsworn falsification to authorities.


Usher Fogel

Sworn to before me this
25th day of July, 1997


Notary Public
MARY ANNE CLARK
NOTARY PUBLIC, State of New York
No. 4728130
Qualified in Albany County
Commission Expires: 10/31/98

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission
v.
Pennsylvania Power & Light Company
(Application for Approval of a Restructuring Plan)
Docket No. R-00973954

I hereby certify that I have this day served the foregoing documents,
"Petition to Intervene of Pennsylvania Association of Plumbing, Heating, Cooling Contractors,
Inc.", together with a "Motion To Appear Pro Hac Vice On Behalf Of Intervenor Pennsylvania
Association of Plumbing, Heating, Cooling Contractors, Inc." by first class mail, postage
prepaid, upon the active parties of record in this proceeding.

Dated at Albany, New York, this 25th day of July, 1997.

Paul E. Russell, Esq.
Pennsylvania Power & Light Co.
Two North Ninth Street
Allentown, PA 18101

Lisa M. Helpert
Donald A. Kaplan
Preston Gates Ellis &
Rouvelas Meeds, LLP
Suite 500
1735 New York Avenue, N.W.
Washington, D.C. 20006

Scott J. Rubin, Esq.
Public Utility Consulting
3 Lost Creek Drive
Selinsgrove, PA 17870-9357

Randall V. Griffen, Esq.
Delmarva Power & Light Company
800 King Street, P.O. 231
Wilmington, DE 19899

Gene Stilp, Coordinator
G Stilp & PP&L Ratepayers Association
1550 FCVR
Harrisburg, PA 17112-9240

Irwin A. Popowsky, Esq.
C.R. Burgraff, B. Sheridan,
J.A. Mullins, T. McCloskey
Office of Consumer Advocate
1425 Strawberry Square
Harrisburg, PA 17120

Bernard A. Ryan, Esq.
Small Business Advocate
Suite 1102 Commerce Building
300 North Second Street
Harrisburg, PA 17101

Charles F. Hoffman
Johnnie E. Simms
Scott H. DeBroff
PA PUC Office of Trial Staff
P.O. Box 3265
Harrisburg, PA 17105-3265

David M. Kleppinger, Esq.
Pamela C. Polacek, Esq.
McNees Wallace and Nurick
P.O. Box 1166
100 Pine Street
Harrisburg, PA 17108

Daniel Clearfield, Esq.
Alan Kohler, Esq.
Robert Longwell, Esq.
Wolf, Block, Shorr and Solis-Cohen
305 North Front Street
Harrisburg, PA 17101-1236

Craig A. Doll, Esq.
214 State Street
Harrisburg, PA 17101

Gordon E. Goodman, President
Bruce A. Connell, Esq.
Legal Department
600 N. Dairy Ashford, ML-1034
Houston, TX 77079

Richard L. Caplan, Esq.
Stephen M. Hladik
Caplan and Lubner, LLP
40 Darby Road
Paoli, PA 19301

Billie E. Ramsey
Executive Director
ARIPPA
Suite 7
1300 Market Street
LeMoyne, PA 17043

W.T. Hawke, J.L. Miller, Esqs.
T.S. Stewart, Esq.
Mid-Atlantic Power Supply
Association
P.O. Box 1778
Harrisburg Energy Center
Harrisburg, PA 17105-1778

David W. Francis, Esq.
Powell, Trachtman, Logan,
Carrle, Bowman & Lombardo
114 North Second Street
Harrisburg, PA 17101

Michael L. Kessler, Esq.
American Energy Solutions, Inc.
111 South Alfred Street
Alexandria, VA 22314

Harry S. Geller, Esq.
PA Utility Law Project
118 Locust Street
Harrisburg, PA 17101

Robert F. Young, Esq.
Anthony C. Adonizio, Esq.
Allegheny Electric
Cooperative, Inc.
212 Locust Street
P.O. Box 1266
Harrisburg, PA 17108-1266

Michael A. Stosser, Esq.
Adelia S. Borrasca, Esq.
Heller, Ehrman, White &
McAuliffe
Suite 200
815 Connecticut Avenue, N.W.
Washington, D.C. 20006-4004

Terrance J. Fitzpatrick, Esq.
David M. DeSalle, Esq.
Ryan, Russell, Ogden & Seltzer, LLP
Suite 101
800 North Third Street
Harrisburg, PA 17102-2025

Patricia Armstrong, Esq.
Regina L. Matz, Esq.
Thomas, Thomas, Armstrong
& Niesen
Suite 500
212 Locust Street
P.O. Box 9500
Harrisburg, PA 17108-9500

Michael T. Vough, Esq.
Vough & Mecedon
Greater Pittston Professional
Center
126 South Main Street
Pittston, PA 18640-1793

John H. Koch
428 Robin Road
Allentown, PA 18104-6724

Gary A. Jeffries, Sr. Attorney
One Park Ridge Center
P.O. Box 15646
Pittsburgh, PA 15244-0746

John Gallagher
Duquesne Light Co.
200 N. 3rd Street, Suite 300
P.O. Box 12105
Harrisburg, PA 17108-2105

George F. Denardo
Lucent Technologies
555 Union Blvd.
Allentown, PA 18103

Susan M. Shanaman, Esq.
Center for Energy & Econ.
Development
212 N. Third Street, Suite 203
Harrisburg, PA 17101-1505

Stephen J. Baron
J. Kennedy & Associates, Inc.
Suite 475
35 Glenlake Parkway
Atlanta, GA 30328

Brian A. Rider, President
Pennsylvania Retailers' Assoc.
224 Pine Street
Harrisburg, PA 17101-1325

David A. McCormick, Esq.
Department of the Army
Office of the Judge Advocate
General - Room 713
901 North Stuart Street
Arlington, VA 22203-1837

Joan O'Brandeis, Esq.
Schnader, Harrison, Segal
and Lewis
Suite 3600
1600 Market Street
Philadelphia, PA 19103-4252

Alan J. Barak, Esq.
Mid-Atlantic Energy Project
3700 Vartan Way
Harrisburg, PA 17110

Robert P. Haynes, III, Esq.
Mette Evans and Woodside
3401 North Front Street
P.O. Box 5950
Harrisburg, PA 17110-0950

Eric J. Epstein
2308 Brandywine Drive
Harrisburg, PA 17110

Noel H. Trask, Esq.
Stephen L. Hunton, Esq.
Mary McFall Hopper, Esq.
PECO Gas Supply Company
2301 Market Street
Philadelphia, PA 19101-8699

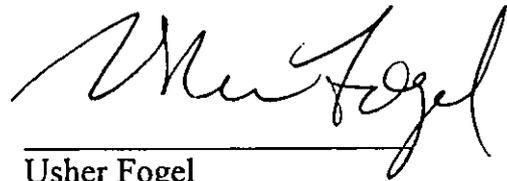
Joel D. Newton, Esq.
Paul E. Nordstrom, Esq.
Verner and Liipfert
Bernard McPherson and Hand
901 15th Street, N.W.
Washington, D.C. 20005

John L. Munsch, Esq.
Allegheny Power
800 Cabin Hill Drive
Greensburg, PA 15601

Joseph A. Dworetzky, Esq.
New Energy Ventures
Hangley, Aronchick, Segal & Pudlin
One Logan Square, 12th Floor
Philadelphia, PA 19103

Linda C. Smith, Esq.
AARP
Dilworth, Paxson, Kalish & Kaufman
305 N. Front Street
Suite 403
Harrisburg, PA 17101-1236

Frederick Bruce Zalcman, Esq.
The Environmentalists
Pace University School of Law
78 North Broadway
White Plains, NY 10603



Usher Fogel
*Counsel for Pennsylvania
Petroleum Association*
Roland, Fogel, Koblenz & Carr, LLP
1 Columbia Place
Albany, New York 12207
TEL: (518) 434-8112
FAX: (518) 434-3232

ORIGINAL

RECEIVED

JUL 23 1997

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PA PUBLIC UTILITY COMMISSION
PROTHONOTARY'S OFFICE

Metropolitan Edison Company)	
Restructuring Plan Filing)	Docket No. R-00974008
)	
PECO Energy Company)	
Restructuring Plan Filing)	Docket No. R-00973953
)	
Pennsylvania Electric Company)	
Restructuring Plan Filing)	Docket No. R-00974009
)	
Pennsylvania Power & Light)	
Restructuring Plan Filing)	Docket No. R-00973954

**ERI SERVICES, INC.'S
MOTION FOR LEAVE TO INTERVENE**

Pursuant to 52 Pa. Code § 5.71 and various Commission orders, ERI Services, Inc. (ERI) hereby files this Petition to Intervene Out of Time in the above captioned proceedings on the matter of the restructuring plans of PECO Energy, Metropolitan Edison Company, Pennsylvania Electric Company and Pennsylvania Power & Light.

**I.
Communications**

Communications regarding these dockets should be sent to:

Craig G. Goodman, Esq.
Senior Vice President
Law, Regulation and Public Policy
ERI Services, Inc.
3333 K Street, NW, Ste. 425
Washington, DC 20007

**II.
The Intervenor**

ERI is the marketing division of Equitable Resources, Inc., a Pittsburgh, Pennsylvania based corporation. ERI markets a full line of energy and energy-related products, services, technology and business solutions to all sizes of industrial, commercial and residential customers. Equitable Resource's consolidated group of corporations is

JUL 30 1997

DOCUMENT
FOLDER

engaged in all aspects of the production, transportation, processing, storage, transmission, distribution and marketing of energy in liquid, gaseous and electrical forms throughout North America.

III.
Background

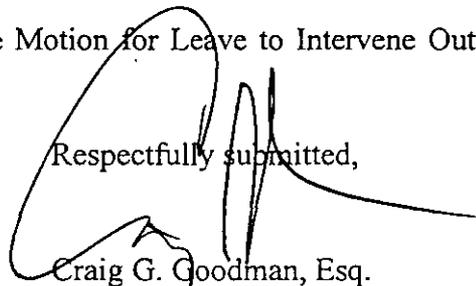
On December 3, 1996, the Electricity Generation Customer Choice and Competition Act was signed into law. The Act requires electric utilities to file restructuring plans. Pennsylvania Power & Light and PECO Energy filed plans on April 1, 1997, Metropolitan Edison and Pennsylvania Electric filed plans on June 2, 1997. ERI seeks to intervene in each of these proceedings.

Good cause exists for granting this petition as ERI has a significant interest in these proceedings as a Pennsylvania utility which will, and whose ratepayers will, be directly or indirectly impacted by the outcome of these proceedings. ERI's interest cannot be adequately represented by any other party. Finally, ERI's out of time petition will not harm any party's interest nor delay these proceedings as ERI does not seek special treatment or to change or delay any procedural schedule currently established. Therefore, ERI submits that its intervention in this proceeding is in the public interest.

IV.
Conclusion

ERI respectfully requests that the Motion for Leave to Intervene Out of Time be granted.

Respectfully submitted,



Craig G. Goodman, Esq.
Senior Vice President,
Law, Regulation & Public Policy

Anthony Wilson, Esq.
Manager, State Regulatory Affairs &
Public Policy

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of Pennsylvania Power & :
Light Company For Approval of Its :
Restructuring Plan Under Section 2806 :
of the Public Utility Code :

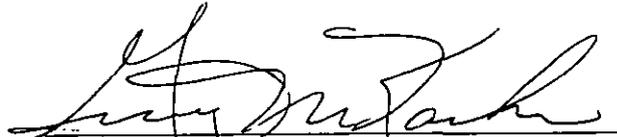
Docket No. R-00973954

ORDER

AND NOW, this 15th day of August, 1997, upon consideration of the additional filed Petitions to Intervene listed below, together with the lack of opposition from Pennsylvania Power & Light Company, said Petitions are hereby granted.

29. York County Solid Waste & Refuse Authority
Merrill L. Kramer, Esquire
30. Pennsylvania Association of Plumbing, Heating,
Cooling Contractors, Inc.
Usher Fogel, Esquire
31. Electric Clearinghouse, Inc.
Gordon J. Smith, Esquire
32. NorAm Energy Management, Inc.
Gordon J. Smith, Esquire
33. Duke Energy Trading and Marketing, L.L.C.
Gordon J. Smith, Esquire
34. Vastar Power Marketing, Inc.
Gordon J. Smith, Esquire
35. Pennsylvania Retailers' Association
Robert A. Mills, Esquire

36. ERI Services, Inc.
Craig G. Goodman, Esquire



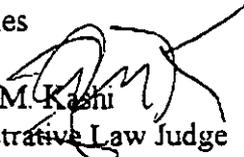
GEORGE M. KASHI
Administrative Law Judge

COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION

DATE: August 14, 1997

SUBJECT: Proposed Party Grouping and Lead Counsel

TO: All Parties

FROM:  George M. Kashi
Administrative Law Judge

The attached is my proposed grouping of parties by interest group. To date the parties have been lax about notifying me as to who will be lead counsel for their group. I am, therefore, nominating the following counsel as lead counsel for each interest group.

The statutory parties need not list lead counsel.

Designated lead counsel:

William T. Hawke	MAPSA	Alternate Supplier
Mary McFall Hopper	PECO	Electricity Distributor
Scott J. Rubin	IBEW	Labor
David M. Kleppinger	PPLICA	Large Customer
Richard L. Caplan	SER	Non-utility Generator
Alan J. Barak	Environmentalists	Public Interest

GMK/ad

PROPOSED PARTY GROUPING

GROUP	PARTY	COUNSEL
<i>Alternate Supplier</i>	Enron	Alan Kohler
	MAPSA	William T. Hawke
	NEV	Joseph A. Dworetzky
	Conectiv	Craig A. Doll
	PPA	Usher Fogel
	DuPont	Bruce A. Connell
	Electric Clearinghouse	Gordon J. Smith
	CNG	Gary A. Jeffries
	Duke	Gordon Smith
	AES	Michael L. Kessler
<i>Electricity Distributor</i>	PECO	Mary McFall Hopper
	GPU	Terrance J. Fitzpatrick
	Allegheny	Clinton A. Vince
	Allegheny Elec. Coop.	Robert F. Young
<i>Labor</i>	IBEW	Scott J. Rubin
<i>Large Customer</i>	PPLICA	David M. Kleppinger
	Army	David A. McCormick
	Quaker Oats	David W. Francis
	Kraft	Michael A. Stosser
	Bethlehem	Joan O. Brandeis
<i>Non-utility Generator</i>	SER	Richard L. Caplan
	Gilberton	Mary Huwaldt
	ARIPPA	Billie E. Ramsey
<i>Public Interest</i>	Environmentalists	Alan J. Barak
	AARP	Linda C. Smith
	CEO	Michael T. Vough
	Epstein	Eric Epstein
	PaULP	Harry S. Geller
	PaECC	Robert P. Haynes, III
	CEED	Susan M. Shanaman
<i>Statutory</i>	OTS	Johnnie Simms
	OCA	Craig R. Burgraff
	OSBA	Karen Oill Moury

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

IN THE MATTER OF PENNSYLVANIA POWER & LIGHT COMPANY'S RESTRUCTURING PLAN	DOCKET NO. R-00973954
--	-----------------------

**THE QUAKER OATS COMPANY AND MOUNT JOY WIRE CORPORATION'S
MOTION TO RECONSIDER THE DENIAL OF THEIR PETITIONS TO INTERVENE**

The Quaker Oats Company ("Quaker") and Mount Joy Wire Corporation ("Mount Joy") respectfully move this tribunal to reconsider its denial of Quaker's and Mount Joy's petitions to intervene. In support of this motion, Quaker and Mount Joy state as follows:

1. On October 5, 1995, Pennsylvania Power and Light Company ("PP&L") filed with the commission Supplement No. 56 to Tariff Electric Pa. P.U.C. 200 at Docket No. R-00943271 in compliance with a Commission Order of September 27, 1995 ("PP&L's October 5, 1995 compliance filing"). PP&L's October 5, 1995 compliance filing created several rate schedules that provided interruptible service to eligible customers.

2. PP&L's October 5, 1995 compliance filing placed a 500 MW cap on the amount of interruptible power that PP&L would be required to carry. The tariff defined the 500 MW cap as follows:

The Company will not enter into new contracts for interruptible power if the amount of interruptible power for all customers served under Rates IS-I, IS-P, IS-T, PR-2, the competitive Rate Rider, and Interruptible Service by Agreement exceeds a total of 500 MW. For the purpose of determining this amount, interruptible power is the twelve month average of each customer's monthly on-peak demand less the customer's contract firm power level.

(emphasis supplied).

3. In or about October, 1995 the following four customers, among others, requested service under PP&L's interruptible rate schedules: Caradon Mideast Aluminum, a division of Caradon America Inc. ("Caradon"), Metal Industries Inc. ("M.I."); Quaker and Mount Joy.

4. Notwithstanding these requests, PP&L refused to timely place these customers on the interruptible rate.

5. On May 30, 1996, Caradon, and on August 21, 1996, M.I. filed complaints against PP&L before the Commission seeking, *inter alia*, retroactive application of the interruptible rate to October 1995. These matters are presently pending before ALJ Cynthia Williams Fordham at docket nos. C-00968031 and C-0096827.

6. On April 1, 1997, Pennsylvania Power and Light Company ("PP&L") filed its restructuring plan ("PP&L's Plan") pursuant to the provisions of the Electricity Generator Customer Choice and Competition Act.

7. PP&L's plan called for a change in the way that PP&L would be required to calculate interruptible power of all customers served on the interruptible rate. Specifically, PP&L's plan calls for the complete deletion of the definition of interruptible power from each interruptible rate schedule.

8. In the direct testimony of Mr. Oliver Kasper submitted to the Commission, he stated,

The Company consistently has calculated the amount of available interruptible load as a customer's maximum actual annual demand (in any 12-month period) and the customer's firm contract demand. This is consistent with the underlying purpose of interruptible load (to reduce peak demand) and how the Company calculates interruptible load as a capacity reserve obligation in the Pennsylvania-New Jersey-Maryland Interconnection.

Unfortunately, the definition of the cap in the Company's tariff has

created some confusion and has led some customers to propose a substantially different method for calculating interruptible load based upon 12-month monthly average data. This alternative definition is inconsistent with how the Company has always calculated interruptible load, completely at odds with the purpose of and need for interruptible load, and substantially understates the amount of interruptible load on the Company's system. If this alternative definition were adopted, it would force the Company to contract for excessive amounts of interruptible load to the detriment of the Company and its other customers. To avoid continued controversy, the Company seeks to remove the definition from the tariff.

9. Upon information and belief, the customers who have allegedly proposed a substantially different method for calculating interruptible load include Caradon, M.I., Quaker and Mount Joy.

10. On April 29, 1997, Caradon and M.I. each filed a petition to intervene in this restructuring matter. These petitions were granted on June 17, 1997.

11. On July 14, 1997, Quaker Oats filed a complaint against PP&L seeking retroactive application of the interruptible rate. Thereafter, on July 15, 1997, Quaker Oats filed a petition to join the intervention of Caradon and M.I.

12. The specific basis for Quaker's petition was to address the exact situation presently encountered: that PP&L would resolve its differences with Caradon and M.I. before evidentiary hearings. Specifically, in paragraph 15 of Quaker's petition, this rationale was set forth as follows:

Quaker Oats' petition is to join Caradon and Metal Industries' intervention, in so far as they have similar interests in this case. However, in the event Caradon and Metal Industries were to resolve their differences with PP&L between now and trial, Quaker Oats' interests would not be adequately represented by the existing participants in the proceedings.

(emphasis supplied) The clear intent of Quaker's petition was to address the scenario of

Caradon and M.I. withdrawing from the proceedings, thereby allowing PP&L to proceed to modify the language of the tariff without challenge. As such, it should be treated as a petition to intervene.

13. PP&L did not object to Quaker's petition. Accordingly, pursuant to 52 Pa. Code § 5.66, PP&L is deemed to have waived any objection not filed within twenty days. This twenty day period expired on August 4, 1997.

14. 52 Pa. Code § 5.75 provides "As soon as practicable after the expiration of the time for filing answers to petitions as provided in § 5.66 (relating to answers to petitions to intervene), the Commission or presiding officer will grant or deny the petition in whole or in part..."

15. On July 28, 1997, Mount Joy filed a petition to join as a party of the intervention of Caradon, M.I., and Quaker. Mount Joy's petition also requested, in the alternative, that it be treated as a separate petition to intervene. PP&L never objected to Mount Joy's petition.

16. As explained on page 9 of PP&L's recent Answer of Pennsylvania Power and Light Company to Interruptible Intervenors' Motion to Compel Responses to Requests for Admissions, "Caradon and MI reached an agreement in principle to settle [their] claims."

17. On August 11, 1997, Caradon and M.I. each filed a petition to withdraw with prejudice from the restructuring matter.

18. On August 15, 1997, this tribunal granted the petitions to intervene of the following entities:

- a. York County Solid Waste & Refuse Authority (petition date unknown)
- b. Pennsylvania Association of Plumbing, Heating, Cooling Contractors

(petition filed on July 23, 1997):

- c. Electric Clearinghouse, Inc (petition filed June 25, 1997)
- d. NorAm Energy Management, Inc (petition filed (June 27, 1997)
- e. Duke Energy Trading and Marketing L.L.C. (petition filed June 18, 1997)
- f. Vastar Power Marketing, Inc. (petition filed June 26, 1997)
- g. Pennsylvania Retailers' Association (petition filed June 25, 1997)
- h. ERI Services, Inc (petition filed July 23, 1997)

However, no action was taken upon Quaker Oats or Mount Joy's petitions.

19. On August 15, 1997, the Honorable ALJ Kaski granted Caradon's and M.I.'s petitions to withdraw with prejudice from the restructuring case.

20. On August 18, 1997, the Honorable ALJ Kashi denied Quaker Oats and Mount Joy's petitions for intervention on the basis that Caradon's and M.I.'s petitions were withdrawn with prejudice.

21. Quaker Oats and Mount Joy respectfully submit that their petitions should be considered as separate petitions to intervene, and should not have been tied to Caradon's and M.I.'s continued participation in the case. This is evident from the fact that the very basis of Quaker's and M.I.'s petitions to intervene was to deal with the scenario of Caradon and M.I. resolving their dispute with PP&L. Accordingly, Quaker and Mount Joy respectfully request that this motion for reconsideration be granted, and that they be allowed to participate in these proceedings.

22. In the alternative, Quaker and Mount Joy respectfully submit that your Honor's failure to act upon Quaker Oats' and Mount Joy's petitions to intervene, despite no objection

from PP&L, until after granting Caradon's and M.I.'s petitions to withdraw, constitutes an abuse of discretion.

23. In the alternative, Quaker Oats and Mount Joy respectfully submit that this tribunal's failure to act upon Quaker Oats' and Mount Joy's petitions at the same time it acted upon the petitions of York County Solid Waste & Refuse Authority, Pnnsylvania Association of Plumbing, Heating, Cooling Contractors, Electric Clearinghouse, Inc., NorAm Energy Management, Inc., Duke Energy Trading and Marketing L.L.C., Vastar Power Marketing, Inc., Pennsylvania Retailers' Association, and ERI Services, Inc., amounts to an abuse of discretion.

24. In the alternative, Quaker Oats respectfully submits that this tribunal's failure to grant its petition, despite the fact that it was filed prior to the petitions of the Pennsylvania Association of Plumbing, Heating and Cooling Contractors, Inc., and ERI Services, Inc.'s petitions amounts to an abuse of discretion.

25. In the alternative Mount Joy respectfully submits that this tribunal's failure to grants its petition, notwithstanding that it was filed only five days after the Pennsylvania Association of Plumbing, Heating and Cooling Contractors, Inc., and ERI Services, Inc.'s petitions amounts to an abuse of discretion.

26. Quaker Oats and Mount Joy's interests will not be adequately protected by the current parties. Pursuant to the comments made by the Honorable ALJ George M. Kashi at the third prehearing conference regarding the need for "lead counsel," counsel for Quaker and Mount Joy telephoned counsels for PPLICA and the Office of Small Business Advocate to ascertain whether they would perform any cross-examination relating to the proposed change to the 500 MW cap. It was mutually agreed that Quaker Oats and Mount Joy would perform this

cross-examination.

27. There will be no prejudice to PP&L in granting Quaker's and Mount Joy's petitions. In fact, PP&L has apparently anticipated that Quaker and Mount Joy would be allowed to participate, and has submitted surrebuttal testimony of Mr. Oliver G. Kasper. This surrebuttal testimony is dedicated specifically to addressing issues raised by Quaker and Mount Joy in certain outstanding Requests for Admissions. A copy of this surrebutall testimony is attached hereto as exhibit A and incorporated by reference.

28. In the event Quaker and Mount Joy are not permitted to participate in this hearing, this tribunal and the Commission will be required to rule upon PP&L's request to delete the definition of interruptible power without a complete evidentiary record. A cursory review of Mr. Kasper's surrebuttal testimony underscores the need for the development of a complete record. A substantial portion of Mr. Kasper's surrebuttal testimony is dedicated to explaining away prior statements made by PP&L which apparently contradict his direct testimony. Two significant examples are as follows:

a. Page 24, line 8 through page 27, line 10. In this testimony, Mr. Kasper discusses request for admission exhibits J and K and L, which are PP&L internal e-mail messages discussing a meeting between PP&L and another customer (Caradon).¹ Each of these e-mail messages reference PP&L's admissions to Caradon that PP&L was below the 500 MW cap for serveral months as of Febraury 1996. Mr. Kasper's surrebuttal

¹A copy of the Requests for Admission are attached to Interruptible Intervenors Motion to Compel Responses to Requests for Admission, which was previously filed with the Commission. Because of their bulk and size, another copy is not being attached here. However, they are incorporated by reference.

testimony suggests that this admission was based upon an alternate methodology for calculating interruptible power, however the alternate methodology is not described. Moreover, the use of a so-called alternate methodology undermines PP&L's claim that they have always calculated interruptible power according to the annual demand method.

In addition, the e-mail messages set forth a different basis for rejecting Caradon's request for interruptible power -- "the tariff does not state that we must sign contracts when below 500 MW and this gives me the ability to make business decisions for PP&L." In his surrebuttal testimony Mr. Kasper admits this was "in error." (See P. 26, lines 9-10).

b. Page 32, line 15 through page 33, line 22. In this testimony, Mr. Kasper discusses requests for admission nos. 33 through 43 which relate to a specific customer alternatively identified as customer 59 or 60 ("customer 59/60"). In the requests for admission, Quaker and Mount Joy pointed out that PP&L credited itself with 26 MW worth of interruptible power for customer no. 59/60 since May, 1994, even though that customer did not begin receiving interruptible power until 1996, and has never obtained an on-peak maximum demand of 26 MW. Mr. Kasper explains in his surrebuttal testimony that PP&L "reserved" the 26 MW of interruptible power for this customer. This contradicts the assertion that PP&L utilizes the actual annual demand method since they used an *anticipated* demand for this customer.

Based upon these two examples, it is clear that some evidentiary record should be established before ruling upon PP&L's proposal.

Wherefore Quaker and Mount Joy request the Honorable ALJ George M. Kashi
reconsider the ruling upon Quaker Oats and Mount Joy's petitions to intervene.

Respectfully Submitted,

POWELL, TRACHTMAN, LOGAN, CARRLE,
BOWMAN & LOMBARDO, P.C.

By



David W. Francis
Pa. I.D. No. 53718
114 North Second Street
Harrisburg, PA 17101
(717) 238-9300

Date: August 19, 1997