



PRESTON GATES ELLIS &  
ROUVELAS MEEDS LLP  
ATTORNEYS

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JUL 28 1997

PA PUBLIC UTILITY COMMISSION  
PROTHONOTARY'S OFFICE

ORIGINAL

July 28, 1997

KJR

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JUL 29 1997

**Via Federal Express**

James J. McNulty, Prothonotary  
Pennsylvania Public Utility Commission  
North Office Building  
North Street and Commonwealth Avenue  
Harrisburg, PA 17105-3265

**Re: Pennsylvania Power & Light Company  
Restructuring Plan  
Docket No. R-00973954**

Dear Mr. McNulty:

Enclosed for filing in the above-referenced proceeding are an original and three copies of Pennsylvania Power & Light Company's Objections to the Requests for Admissions—First Set of Caradon Mideast Aluminum, Metal Industries, Inc. and Quaker Oats Company. Also enclosed is an additional copy of this cover letter which we request that you date stamp as of July 28, 1997 and return in the enclosed postage-paid envelope.

As shown below and on the attached Certificate of Service, a copy of these documents has been served via Federal Express on Administrative Law Judge George M. Kashi and counsel for Caradon Mideast Aluminum, Metal Industries, Inc. and Quaker Oats Company and via U.S. mail on all other parties of record.

Very truly yours,

Lisa M. Helpert

DOCUMENT  
FOLDER

Enclosures

cc: The Honorable George M. Kashi  
Certificate of Service (w/o attachments)

124

**ORIGINAL**

**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

**RECEIVED**

JUL 28 1997

PA PUBLIC UTILITY COMMISSION  
PROTHONOTARY'S OFFICE

**OBJECTIONS OF  
PENNSYLVANIA POWER & LIGHT COMPANY  
TO REQUESTS FOR ADMISSIONS—FIRST SET OF  
CARADON MIDEAST ALUMINUM, METAL INDUSTRIES, INC.  
AND QUAKER OATS COMPANY**

Pennsylvania Power & Light Company ("PP&L" or the "Company"), pursuant to 52 Pa. Code § 5.350, hereby files with the Pennsylvania Public Utility Commission ("PUC" or the "Commission") these objections to the Requests for Admissions—First Set of Caradon Mideast Aluminum ("Caradon"), Metal Industries, Inc. ("MI") and Quaker Oats Company ("Quaker Oats") (hereinafter collectively referred to as "Intervenors"). In support thereof, PP&L avers as follows:

1. By letter dated July 16, 1997, Intervenors served their Requests for Admissions ("RFA's") directed to PP&L, First Set. The RFA's contain 43 requests. A copy of Intervenors' RFA's is attached hereto as Exhibit 1.

2. PP&L objects to each of Intervenors' 43 RFA's in their entirety because they are completely inappropriate and are outside the scope of the instant proceeding. Intervenors' RFA's address the calculation of PP&L's contracted

**DOCKETED**  
AUG 04 1997

**DOCUMENT  
FOLDER**

interruptible load, the calculation of the 500 MW cap on the total amount of PP&L's interruptible load, and information related to a particular interruptible customer. As explained below, the Company's objections to Intervenors' RFA's should be sustained for three reasons.

3. First, the Company objects to Intervenors' RFA's because they are untimely and improper. Intervenors have not participated actively in this proceeding and failed to file any direct testimony. However, as noted above, Intervenors served their RFA's on July 16, 1997, almost four months *after* PP&L filed its direct testimony, two weeks *after* all opposing parties in the instant case were required to serve direct testimony, and less than three weeks before PP&L must file rebuttal testimony on August 5, 1997. Intervenors' RFA's raise a number of issues for the first time related to PP&L's interruptible tariff provisions. Thus, Intervenors effectively have introduced these issues into the case two weeks after all opposing parties were required to submit direct testimony. If the RFA's are allowed, PP&L will be forced to address the issues raised in its rebuttal testimony despite the fact that Intervenors failed to file any direct testimony. Intervenors' attempt to introduce new issues at this late date is completely improper. Intervenors' untimely RFA's threaten PP&L's ability to submit rebuttal testimony in accordance with the carefully considered schedule established by Administrative Law Judge Kashi. PP&L's objections to Intervenors' RFA's, therefore, should be sustained.

4. Second, the issues raised by Intervenors' RFA's are outside the proper scope of this proceeding. Intervenors currently receive interruptible service. The Commission's adoption of PP&L's proposed revision to the tariff for interruptible rates will not effect Intervenors' right to remain on interruptible service (unless they elect to receive service from an alternative supplier). Intervenors' participation in this proceeding is based solely on their contention that certain proposed changes to the interruptible rate provisions of PP&L's tariff will impact the Commission's resolution of Complaint proceedings initiated by Intervenors at Docket Nos. C-00960831, C-00968275 and C-00970537. In their Complaints, Intervenors dispute the method used by PP&L to calculate its level of interruptible power, and allege that the Company overstates the amount of interruptible power on its system. Based on these allegations, Intervenors' Complaints request *retroactive* application of the interruptible rate. Thus, Intervenors' interest in the interruptible rate relates solely to their request for *retroactive* application. Intervenors' RFA's are not designed or intended to address the *prospective* issues in this case (*i.e.*, the restructuring of PP&L and the transition to full retail competition). On this basis, the Company respectfully submits that Intervenors' RFA's are completely outside the proper scope of these proceedings.

5. Third, Intervenors' RFA's are improper because they specifically raise the same issues that are being fully litigated by the same parties in Complaint proceedings at Docket Nos. C-00960831, C-00968275 and C-00970537. The first two matters currently are set for hearings September 8 through 12, 1997, before

Administrative Law Judge Cynthia Williams Fordham. As explained above, Intervenor's RFA's are outside the scope of this proceeding. Indeed, it appears that Intervenor seeks to use this restructuring proceeding to serve RFA's directed to issues in the Complaint proceedings where they should have done so in a timely manner months ago in those proceedings. As such, PP&L submits that its objections to Intervenor's RFA's should be sustained. Intervenor will not be prejudiced if PP&L's objections are sustained in this proceeding because Intervenor had a full opportunity to take discovery on these issues in their Complaint proceedings.

THEREFORE, for the reasons set forth above, Pennsylvania Power & Light Company's objections to the Requests for Admissions, First Set, of Caradon Mideast Aluminum, Metal Industries, Inc. and Quaker Oats Company should be sustained.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Paul E. Russell", is written over a horizontal line.

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

Donald A. Kaplan  
Lisa M. Helpert  
Preston Gates Ellis & Rouvelas Meeds LLP  
1735 New York Avenue, NW  
Suite 500  
Washington, DC 20006-5209

Counsel for Pennsylvania Power & Light  
Company

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

**NOTICE**  
This page of the Tariff never went into effect.

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.

**CANCELLED**  
by  
14<sup>th</sup> 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.

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.

BILLING KW CREDIT (Effective 2-28-95)

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)

**SUSPENDED**  
SEP 28 1995  
R-943271  
SUSPENSION VACATED  
EFFECTIVE SEP 28 1995

(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 brought into effect:

(I) Indicates Increase  
 (C) Indicates Change

<p><b>SUSPENDED</b>                  SEP 28 1995                  TO: R-943271</p>	<p><b>CANCELLED</b>                  6th by                  Revised Page No. 27A                  SEP 28 1995</p>
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SUSPENSION VACATED

**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

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## 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.

Present

\$10.95 per month plus  
\$ 5.80 per KW on-peak  
Billing KW in excess  
of 2 KW  
2.84¢ per KWH all KWH use

Proposed

\$15.00 per month plus  
\$ 6.50 per KW on-peak Billing  
KW in excess of 2 KW  
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

Proposed

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

\$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

Proposed

\$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

\$ 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	
5.70¢ per KWH first 150 KWH/KW	6.70¢ per KWH first 200 KWH/KW
4.79¢ per KWH next 100 KWH/KW	6.00¢ per KWH next 200 KWH/KW
4.41¢ per KWH next 150 KWH/KWH	5.10¢ per KWH for all additional KWH
3.90¢ 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:

<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 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

<u>Present</u>	<u>Proposed</u>
\$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
2.24¢ per KWH for additional KWH	Average On-peak Load Factor]
	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.

Present

None.

Proposed

\$6.00 per KW for all KW  
 5.50¢ per KWH first 400  
 KWH/KW  
 3.20¢ per KWH next 200  
 KWH/KW  
 2.60¢ 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.

Present

\$293.00 per month plus  
\$8.90 per billing KW

3.91¢ per KWH first 730  
KWH/KW

2.91¢ per KWH all additional  
KWH

Proposed

\$360.00 per month plus  
\$10.90 per billing KW

5.50¢ per KWH first 730  
KWH/KW

3.60¢ 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>
7.81c per KWH plus 1% of facility investment	9.60c 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
8.02c per KWH first 150 KWH/KW (Max 2,500 KWH)	9.80c per KWH first 150 KWH/KW (Max 4,500 KWH)
6.43c per KWH next 250 KWH/KW	8.60c per KWH all additional KWH/KW
6.33c 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>Wattage</u>	<u>Lamp Size</u> <u>Minimum Initial Lumens</u>	<u>Customer Owns and</u> <u>Company Operates &amp; Maintains</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>Wattage</u>	<u>Lamp Size</u> <u>Minimum Initial Lumens</u>	<u>Customer Owns and</u> <u>Company Operates &amp; Maintains</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	1,496,385,000	\$ 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)	\$ 45,612,984	\$ 274,121,304	
7	LP-5	119	5,687,275,000	\$ 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	\$ (164,013)	\$ (34,138)	\$ 1,496,131	\$ 8,428,979	
9	ISA	1	540,441,000	\$ 16,433,000	\$ (872,000)	\$ 0	\$ (377,959)	\$ (74,397)	\$ 5,429,270	\$ 20,537,914	
10	IS-1	4	3,828,000	\$ 152,000	\$ 0	\$ 0	\$ (3,496)	\$ (728)	\$ 38,915	\$ 186,892	
11	BL	24	5,508,000	\$ 438,000	\$ 0	\$ 0	\$ (10,074)	\$ (2,097)	\$ 55,894	\$ 481,823	
12	SA	0	29,113,000	\$ 4,115,000	\$ 0	\$ 0	\$ (94,645)	\$ (19,700)	\$ 295,963	\$ 4,296,618	
13	SM	121	9,875,000	\$ 1,583,000	\$ 0	\$ 0	\$ (35,949)	\$ (7,483)	\$ 100,389	\$ 1,619,958	
14	SHS	809	58,745,000	\$ 14,595,000	\$ 0	\$ 0	\$ (335,685)	\$ (69,871)	\$ 597,202	\$ 14,786,646	
15	SE	58	9,120,000	\$ 263,000	\$ 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	\$ (504,708)	\$ (105,051)	\$ 4,353,270	\$ 25,687,257	
33											
34	FERC SALES FOR RESALE										
35	Munl.	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

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 pge 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	\$ (968,131)	\$ (722,681)	\$ 18,214,828	\$ 165,484,015
5	GS-3	18,944	6,709,042,000	\$ 455,826,000	\$ 0	\$ 0	\$ (2,917,288)	\$ (2,188,109)	\$ 72,899,179	\$ 523,441,784
6	LP-4	843	4,521,059,000	\$ 248,872,000	\$ 0	\$ 0	\$ (1,591,501)	\$ (1,125,204)	\$ 48,990,195	\$ 294,945,490
7	LP-5	119	5,587,275,000	\$ 223,703,000	\$ 0	\$ 0	\$ (1,431,899)	\$ (1,006,479)	\$ 60,543,712	\$ 281,808,534
8	LPEP	1	148,928,000	\$ 7,131,000	\$ 0	\$ 0	\$ (45,838)	\$ (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	\$ 482,785
12	SA	0	29,113,000	\$ 4,115,000	\$ 0	\$ 0	\$ (28,338)	\$ (19,700)	\$ 315,468	\$ 4,384,433
13	SM	121	9,875,000	\$ 1,563,000	\$ 0	\$ 0	\$ (10,003)	\$ (7,483)	\$ 107,008	\$ 1,652,520
14	SMS	809	58,745,000	\$ 14,595,000	\$ 0	\$ 0	\$ (93,408)	\$ (69,871)	\$ 836,581	\$ 15,068,282
15	SE	58	9,120,000	\$ 283,000	\$ 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	SJ-1(R)	5	367,000	\$ 68,000	\$ 0	\$ 0	\$ (435)	\$ (326)	\$ 3,977	\$ 71,216
18	GM-1(R)	1,570	462,090,000	\$ 32,374,000	\$ 0	\$ 0	\$ (207,194)	\$ (154,984)	\$ 5,007,207	\$ 37,019,030
19	GM-2(R)	2,903	97,758,000	\$ 6,743,000	\$ 0	\$ 0	\$ (43,155)	\$ (32,281)	\$ 1,059,284	\$ 7,726,848
20	STANDBY	9	11,800,000	\$ 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	\$ (12,675,708)	\$ (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	Muni.	19	1,392,478,000	\$ 86,753,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 86,753,000
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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
LINE NO.	RATE SCHEDULE	PRESENT RATE REVENUE ROLLED-IN	ECONOMIC DEVELOPMENT INITIATIVE CREDIT	INDUSTRIAL DEVELOPMENT INITIATIVE CREDIT	SPECIAL BASE RATE CREDIT ADJ. -1.66%	STAS 0.0%	ENERGY COST RATE *	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	\$ (6,195)	\$ 0	\$ (3,138)	\$ 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	\$ (1,964,000)	\$ (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)	\$ (4,896,095)	\$ 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)	\$ 259,612,850
8	LPEP	\$ 8,865,007	\$ 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	SM	\$ 1,652,520	\$ 0	\$ 0	\$ (27,432)	\$ 0	\$ (6,806)	\$ 1,618,482
14	SMS	\$ 15,068,282	\$ 0	\$ 0	\$ (250,133)	\$ 0	\$ (39,300)	\$ 14,778,848
15	SE	\$ 358,882	\$ 0	\$ 0	\$ (5,957)	\$ 0	\$ (6,101)	\$ 346,823
16	TS(R)	\$ 56,032	\$ 0	\$ 0	\$ (930)	\$ 0	\$ (348)	\$ 54,756
17	SI-1(R)	\$ 71,216	\$ 0	\$ 0	\$ (1,182)	\$ 0	\$ (248)	\$ 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	\$ (66,398)	\$ 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	Munf.	\$ 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)	\$2,767,041,602
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-1M	(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	(9) TOTAL REVENUE (\$) cols(8)-(8)p.4	(10) CHANGE (%) %	(11) BASE REVENUE (\$) cols(2)-(4)p.2	(12) CHANGE (%) %
1	RS	\$1,048,697,094	\$ 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)	\$ 418,268	\$ 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	\$ (1,984,000)	\$ (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	10.16	\$ 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	UL	\$ 538,944	\$ 0	\$ 0	\$ (8,913)	\$ 0	\$ (3,685)	\$ 524,348	\$ 43,427	9.03	\$ 98,944	22.59
12	SA	\$ 4,968,863	\$ 0	\$ 0	\$ (82,483)	\$ 0	\$ (19,477)	\$ 4,866,903	\$ 574,728	13.39	\$ 853,862	20.75
13	SM	\$ 1,877,632	\$ 0	\$ 0	\$ (31,189)	\$ 0	\$ (6,606)	\$ 1,839,857	\$ 221,375	13.68	\$ 314,632	20.13
14	SMS	\$ 17,241,074	\$ 0	\$ 0	\$ (286,202)	\$ 0	\$ (39,300)	\$ 16,915,571	\$ 2,136,723	14.46	\$ 2,646,074	18.13
15	SE	\$ 431,138	\$ 0	\$ 0	\$ (7,157)	\$ 0	\$ (6,101)	\$ 417,878	\$ 71,054	-20.49	\$ 168,138	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	\$ (1,416)	\$ 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)	\$ 8,985,493	\$ 0	\$ 0	\$ (148,827)	\$ 0	\$ (85,399)	\$ 8,751,267	\$ 1,218,083	16.17	\$ 2,222,493	32.96
20	STANDBY	\$ 1,184,820	\$ 0	\$ 0	\$ (19,668)	\$ 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	\$ (486,773)	\$ 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		\$3,125,564,768	\$ (28,323,181)	\$ (3,394,000)	\$ (42,943,215)	\$ 0	\$ (22,228,003)	\$3,028,676,370	\$261,634,767	8.15		
43												

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

**Pennsylvania Power & Light Company**  
**Response to Interrogatories of**  
**the Office of Trial Staff**  
**Dated January 13, 1995**  

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**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&amp;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**

**Statement 9**

**Direct Testimony of John F. Sipics**

**Docket No. R-00943271**

1 **Q. Please state your name and business address.**

2 A. John F. Sipics, Two North Ninth Street, Allentown, Pennsylvania, 18101.

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

4 A. I am employed by Pennsylvania Power & Light Company (PP&L or the  
5 Company) in its Power Systems Support Department as General Manager-  
6 Power Systems Support.

7 **Q. What are your responsibilities as General Manager-Power Systems  
8 Support?**

9 A. I am responsible for power supply planning, day-to-day operations, and the  
10 contract sales of electricity. I also have responsibility for the Company's  
11 Environmental Management and Document Management functions.

12 **Q. What is your educational background?**

13 A. I was graduated from Lehigh University in 1970, with a Bachelor of Science  
14 Degree in electrical engineering. I received a Master of Science Degree in  
15 electrical engineering from Lehigh University in 1977. From 1976 through 1981,  
16 I was an adjunct lecturer in the Electrical Engineering Department at Lehigh  
17 University. I am a registered professional engineer in the Commonwealth of  
18 Pennsylvania.

19 **Q. How long have you been employed by PP&L and in what capacities?**

20 A. I was employed by PP&L in 1970 as an Engineer in the System Planning  
21 Department. I progressed to Project Engineer before transferring to the System  
22 Operating Department in 1974. After a promotion to Operations Coordinator in  
23 1976, I returned to System Planning as a Senior Project Engineer and served in  
24 various sections of System Planning until my appointment as Manager-Resource  
25 Planning in May, 1989. In September of 1993, I was promoted to the position of  
26 Manager-System Operation. In November of 1994, I was promoted to my  
27 present position of General Manager-Power Systems Support.

28 **Q. Have you previously testified in regulatory proceedings on behalf of PP&L?**

29 A. Yes, I testified in the following regulatory proceedings on behalf of PP&L:

30 1994 Electric Energy Emergency Investigation - Docket No. I-00940031

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**Q. Mr. Sipics, would you please provide a summary of your testimony?**

**A. My testimony will include:**

- 1) A brief description of PP&L's electrical system and the Company's responses to Regulations I-B-1, I-B-2 and I-B-3,
- 2) A discussion of PP&L's Reserve Margin and Capacity Plan, and
- 3) A discussion of interruptible rates and their relationship to the cost of peaking capacity.

**Q. Mr. Sipics, are you familiar with the PP&L electrical system?**

**A. Yes, I am.**

**Q. Do you have before you the Company's response to Regulation I?**

**A. Yes, I do.**

**Q. Mr. Sipics, were the responses to Regulation I-B-1, I-B-2, and I-B-3 prepared by you or under your supervision and direction?**

**A. Yes, these responses were prepared under my direction.**

**Q. Please briefly describe the corporate history and service territory as discussed in Regulation I-B-1.**

**A. PP&L is an investor-owned electric utility headquartered in Allentown, Pa. It was founded in 1920 through the consolidation of eight electric companies. The Company provides electric service to approximately 1.2 million homes and businesses throughout a 10,000-square mile area in 29 counties of Central Eastern Pennsylvania. Principal cities in the PP&L service area are Allentown, Bethlehem, Harrisburg, Hazleton, Lancaster, Wilkes-Barre and Williamsport.**

**Q. Please explain and describe PP&L's electric resources discussed in Regulation I-B-2.**

**A. The Company's total owned and leased generation resources at September 30, 1994 were 8543 MW (winter ratings). These resources include a diversified mix of plants. About 49% of the resources are coal-fired, 23% nuclear-fueled, 19% 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  
previously described. As shown, PP&L's reserve margins are 11.1 percent, 9.1  
percent and 10.8 percent above forecasted peak loads for the winters of 1994-  
1995, 1995-1996 and 1996-1997, respectively. Reserve margins increase  
gradually to a high of 14.9 percent above the forecasted 2000-2001 peak load  
as a result of reductions in the amount of capacity sold to JCP&L under the  
terms of its capacity purchase agreement with PP&L. However, beyond 2000-  
2001, reserve margins decline, reaching only 10.4 percent above the forecasted  
peak load for 2003-2004.

The next two columns show: (1) the capacity equivalence of the  
interruptible load anticipated to be available for PJM installed capacity purposes;  
and (2) PP&L's reserve margins reflecting the capacity equivalence of such  
interruptible load. The capacity equivalence of interruptible load recognizes the  
amount of capacity, including a reserve margin, that would be required to supply  
the interruptible load on a firm basis. For example, at a 20 percent reserve  
margin, 100 megawatts of available interruptible load has a capacity equivalence  
of 120 megawatts.

As shown, assuming that all indicated interruptible load were shed at the  
time of the peak, PP&L's reserve margins would increase by approximately five  
percentage points for the periods 1994-1995 through 1997-1998 and by a range  
of 4.8 (1998-1999) to 4.5 (2003-2004) percentage points during the remainder of  
the 10-year planning period. At the time of the forecasted winter peaks for 1994-  
1995, 1995-1996, 1996-1997, PP&L's reserve margins reflecting interruptible  
load are 16.4 percent, 14.2 percent and 15.9 percent, respectively. Reserve  
margins increase to a high of 19.6 percent above the forecasted 2000-2001  
peak load, then decline to 14.9 percent above the forecasted peak load for  
2003-2004.

The next two columns show: (1) the generation expected to be available  
from non-utility generators at the time of each forecasted peak; and (2) PP&L's  
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.

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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.

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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.

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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,

2 and not merely depend on the capacity of the pool to meet its native load  
3 requirement. This entails assigning an installed capacity obligation to each  
4 member and requiring a member to make an installed capacity deficiency  
5 payment when its available capacity falls below its obligation. To avoid such a  
6 payment, a member can also purchase installed capacity credits from other  
7 member companies who have available capacity above their installed capacity  
8 obligation.

9 PJM also establishes reserve requirements necessary to meet the  
10 reliability standard for the pool. These reserve requirements are the basis for,  
11 but from time to time have differed from, the installed capacity obligation used for  
12 pool accounting purposes.

13 **Q. What is the basis for the PJM reserve requirement?**

14 A. PJM measures reliability by the one-day-in-ten-years loss of load probability  
15 standard. As its name suggests, this standard defines the requisite level of  
16 reserves needed to assure that, on a probabilistic basis, demand will exceed  
17 available capacity on average only one day out of every ten years. The one-  
18 day-in-ten-years standard is a well-accepted measure of minimum system  
19 reliability and is the standard adopted by MAAC.

20 **Q. What reserve requirement is needed by PJM overall to meet the one-day-in-  
21 ten-years standard?**

22 A. Giving consideration to such factors as PJM's load characteristics, unit forced  
23 outage rates, unit maintenance requirements and transmission ties with  
24 neighboring power systems, a minimum reserve requirement of 22 percent is  
25 currently necessary for PJM to meet its stated reliability standard. This figure  
26 will decrease to 21.5% in June 1995 and 21.0% in June 1996.

27 **Q. How does PJM determine each member's responsibility for providing  
28 resources necessary to meet the pool's 22 percent reserve margin  
29 requirement?**

30 A. Responsibility for maintaining the 22 percent minimum reserve requirement is  
allocated to PJM's members based on their adjusted peaks over a defined

1 planning period, which reflects, among other things, the timing of each member's  
2 peak relative to the pool's peak. Other factors affecting the allocation include  
3 members' load shapes, maintenance requirements and forced outage rates.  
4 Based on this allocation, PP&L is currently obligated to have resources that,  
5 expressed in terms of PP&L's winter peak, provide an approximately 12 percent  
6 reserve margin.

7 The principal reason that PP&L's obligation is below the 22 percent  
8 minimum reserve margin for PJM overall is PP&L's peak load diversity relative to  
9 the pool. PP&L is a winter-peaking utility, while PJM experiences its overall  
10 peak in the summer. If PP&L were not a member of PJM, its minimum reserve  
11 requirement, on a stand-alone basis, would be substantially above 22 percent.

12 **Q. Mr. Sipics, if 12 percent establishes the low end of the appropriate reserve**  
13 **margin range, what factors should be considered in assessing the upper**  
14 **end of the range?**

15 **A.** In assessing the upper limits of the range, consideration must be given to the  
16 practical aspects of capacity planning. Capacity cannot be added (or  
17 subtracted) megawatt by megawatt to match the changing demands of  
18 customers. This "lumpiness" of capacity will cause reserve margins to increase  
19 when capacity is added and then shrink over time as customer demand grows.

20 Additionally, practicality dictates that a utility recognize the limitations  
21 inherent in the projections that go into predicting future reserve margins. Peak  
22 demand is the most obvious example of a variable that could differ materially  
23 from forecasted levels. Also, the level of control the utility has over its planned  
24 resources affects the appropriate reserve level. In PP&L's case, interruptible  
25 service contracts are renewable annually. Changes in customers' cost  
26 structures or industrial processes, to cite only two examples, could cause  
27 existing interruptible service customers to seek the higher reliability of firm  
28 service. In the same vein, non-utility generators may not renew their  
29 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 interruption – one to two hours under current interruptible service agreements – to stop or modify their industrial processes).

2  
3  
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,

2 because those credits are actively traded based on current market prices that  
3 are well below the PJM payment rate.

4 As I explained before, a PJM member would not incur a PJM deficiency  
5 payment if it could purchase installed capacity credits at a lower price from  
6 another member that has capacity credits available for sale. Recent market  
7 transactions indicate that installed capacity credits have been purchased and  
8 sold for as low as 15% to 20% of the PJM deficiency payment rate. These  
9 discounts will likely decline over time as loads and capacity on PJM become  
10 more closely aligned, and the value of installed capacity will move closer to the  
11 PJM installed capacity deficiency rate.

12 **Q. What is shown by Attachment I-B-3?**

13 **A.** Attachment I-B-3 contains a map of the PP&L electric system. The map is a  
14 detailed electric system diagram. It shows the arrangement of all PP&L  
15 generating and transmission facilities, 69 kV and above. It is representative of  
16 the system at December 31, 1993.

17 **Q. Does this conclude your direct testimony?**

**A.** Yes.

# PENNSYLVANIA POWER & LIGHT COMPANY LOAD AND CAPACITY FORECAST 1994-2003

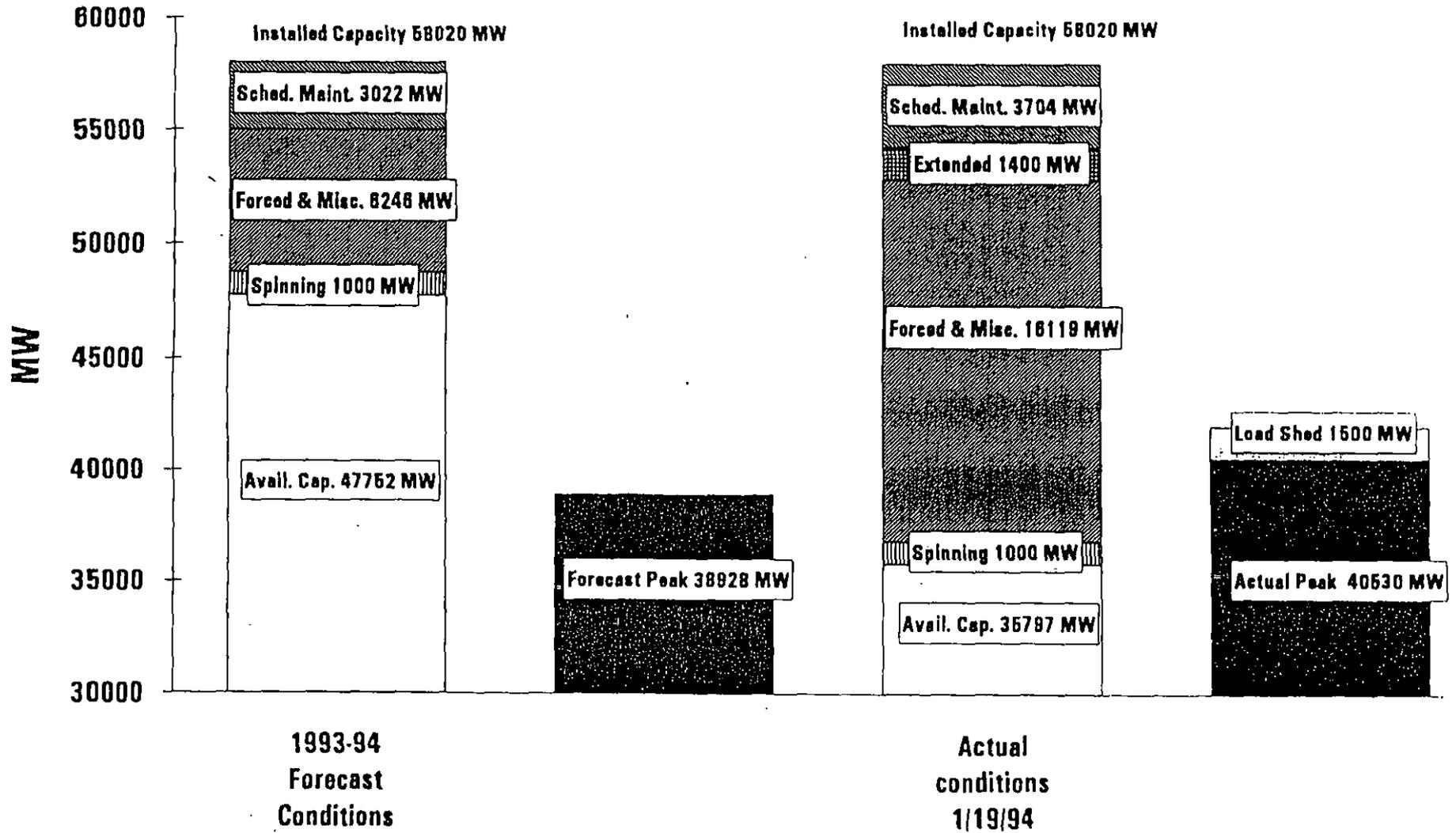
## Winter Capacity & Loads

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 The 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)	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)	BQ&E (MW) (5)	JCP&L (MW) (6)		w/o NUG, IL, & CC Sales (MW) (%)	w/ IL (MW) (%)		w/ IL & NUG (MW) (%)	G&P (MW) (8)		BQ&E (MW) (9)	PEP (MW) (10)	w/ IL, NUG, & CC Sales (MW) (%)				
																			(MW)	(MW)	(MW)	(MW)
94/96	6605	8543				-129	-129	-845	7340	736	11.1%	345	1080	18.4%	504	1084	24.0%	-300	-60	-147	907	18.1%
96/98	6725	8540	Derate MC 3 & 4 (-13 & -35 MW) (8)	1/1/98		-129	-132	-845	7334	809	8.1%	345	954	14.2%	474	1428	21.2%		-183		1246	18.8%
			Buequehanna 1 Uprate (46MW) (2)	8/1/98																		
96/97	6790	8540				-129	-132	-768	7823	733	10.8%	345	1078	18.9%	474	1082	22.9%				1552	22.9%
97/98	6815	8588	Uprate MC 3 & 4 (13 & 36 MW) (8)	8/97		-129	-132	-587	7780	845	12.2%	345	1190	17.2%	474	1084	24.1%				1664	24.1%
98/99	7050	8588				-129	-132	-378	7948	809	12.8%	345	1244	17.9%	474	1718	24.4%				1718	24.4%
99/00	7185	8570	Montour 1 Scrubber (-18 MW) (3)	8/1/99		-129	-132	-189	8120	836	13.0%	345	1280	17.9%	474	1754	24.4%				1754	24.4%
00/01	7330	8552	Montour 2 Scrubber (-18 MW) (3)	8/1/00				-132	8420	1090	14.8%	345	1435	18.9%	474	1909	26.0%				1909	26.0%
01/02	7465	8552							8552	1087	14.8%	345	1432	18.3%	474	1908	26.8%				1908	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	1182	14.9%	474	1826	21.0%				1826	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 80 MW uprate in Buequehanna BES Unit 1. Allegheny Electric Cooperative owns the remaining 10% (8 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. (AEC) to purchase 128MW (Summer Capacity) of PP&L's wholly owned east third capacity and energy from 10/1/91 to 8/30/00.
- (5) Reflects agreements for Baltimore Gas & Electric Co. (BQ&E) to purchase 9.9% of PP&L's share of Buequehanna capacity and energy from 10/1/91 to 5/31/01.
- (6) Reflects agreements for Jersey Central Power & Light Co. (JCP&L) to purchase 948 MW (Winter Capacity) of PP&L's average system capacity and energy. This purchase is proportionately reduced beginning in 1/1/98 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 AEP's Load Management Report. The values shown above are PP&L's estimate of the capacity value of this interruptible load.
- (8) Derate of Martins Creek 3 & 4 by 13 and 35 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 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**

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**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

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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.

PENNSYLVANIA POWER AND LIGHT COMPANY  
RATES AND MARKET RESEARCH

METHOD 1 PEAK FORECAST

----- SEASON=WINTER TIME=8-9 AM -----

Forward Selection Procedure for Dependent Variable MHER

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.83060569 C(p) = 29.85143177

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	1331412.5436296	1331412.5436296	68.65	0.0001
Error	14	271529.20637038	19394.94331217		
Total	15	1602941.7500000			

Electrically Heated Homes

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	12.48419519	180.96967692	92.29921189	0.00	0.9460
MHER	0.35799174	0.04320768	1331412.5436296	68.65	0.0001

Bounds on condition number: 1, 1

Step 1 Variable MTHR Entered R-square = 0.94730230 C(p) = 3.00000000

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	2	1518598.6455118	759299.32275588	117.03	0.0001
Error	13	84343.10448823	6487.93111448		
Total	15	1602941.7500000			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	-20.62750263	104.84955297	251.11136333	0.04	0.8471
MHER	0.36210699	0.02500195	1360919.4988944	209.76	0.0001
MTHR	14.47470726	2.69479730	187186.10188215	28.85	0.0001

Bounds on condition number: 1.000%, 4.00376

No other variable met the 0.1000 significance level for entry into the model.

Summary of Forward Selection Procedure for Dependent Variable MHER

Step	Variable Entered	Number In	Partial R <sup>2</sup>	Model R <sup>2</sup>	C(p)	F	Prob>F	Label
1	MTHR	2	0.1168	0.9474	3.0000	28.8514	0.0001	

PENNSYLVANIA POWER AND LIGHT COMPANY  
RATES AND MARKET RESEARCH

METHOD 1 PEAK FORECAST

----- SEASON=HINTER TIME=8-9 AM -----

Forward Selection Procedure for Dependent Variable MMGR

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.41207022 C(p) = 10.00559431

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	43727.74371455	43727.74371455	8.41	0.0133
Error	12	62389.47057117	5199.12254760		
Total	13	106117.21428572			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	-235.55579237	365.63753831	2157.82429126	0.42	0.5315
MMGR	0.21596301	0.07446735	43727.74371455	8.41	0.0133

General Residential

Bounds on condition number: 1, 1

Step 1 Variable MTHR Entered R-square = 0.67672904 C(p) = 3.00000000

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	2	71812.60100836	35906.30050418	11.51	0.0020
Error	11	34304.61327735	3118.60120703		
Total	13	106117.21428572			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	-714.75698098	325.10162886	15074.34197042	4.83	0.0502
MMGR	0.31579751	0.06658115	70157.59456994	22.50	0.0006
MTHR	10.02541590	3.34076717	28084.85729381	9.01	0.0121

Bounds on condition number: 1.332726, 5.330906

No other variable met the 0.1000 significance level for entry into the model.

Summary of Forward Selection Procedure for Dependent Variable MMGR

Step	Variable Entered	Number In	Partial R <sup>2</sup>	Model R <sup>2</sup>	C(p)	F	Prob>F	Label
1	MTHR	2	0.2647	0.6767	3.0000	9.0056	0.0121	

PENNSYLVANIA POWER AND LIGHT COMPANY  
RATES AND MARKET RESEARCH

METHOD 1 PEAK FORECAST

----- SEASON=WINTER TIME=8-9 AM -----

Forward Selection Procedure for Dependent Variable MNGS1

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.01797113 C(p) = 8.70054973

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	106.04624058	106.04624058	0.20	0.6624
Error	11	5796.87683634	526.80698512		
Total	12	5900.92307692			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	248.83830134	53.34142992	11464.54104783	21.76	0.0007
MNGS1	-0.02093230	0.04665466	106.04624058	0.20	0.6624

GS-1

Bounds on condition number: 1, 1

-----  
Step 1 Variable NTHR Entered R-square = 0.44519866 C(p) = 3.00000000

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	2	2627.08304022	1313.54152011	4.01	0.0526
Error	10	3273.84003670	327.38400367		
Total	12	5900.92307692			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	199.75925142	45.61818095	6277.62446431	19.18	0.0014
MNGS1	0.02438829	0.04024191	120.24387043	0.37	0.5580
NTHR	2.87670514	1.03665557	2521.03679964	7.70	0.0196

Bounds on condition number: 1.197185, 4.788739

-----  
No other variable met the 0.1000 significance level for entry into the model.

Summary of Forward Selection Procedure for Dependent Variable MNGS1

Step	Variable Entered	Number In	Partial R^2	Model R^2	C(p)	F	Prob>F	Label
1	NTHR	2	0.4272	0.4452	3.0000	7.7005	0.0196	

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METHOD 1 PEAK FORECAST

----- SEASON=WINTER TIME=8-9 AM -----

Forward Selection Procedure for Dependent Variable MMGS3

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.81950746 C(p) = 1.82430606

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	222077.56881006	222077.56881006	49.94	0.0001
Error	11	48911.50811302	4446.50073755		
Total	12	270989.07692308			

GS-3

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	271.84675946	88.93408114	41546.09834203	9.34	0.0109
MMGS3	0.13238789	0.01873290	222077.56881006	49.94	0.0001

Bounds on condition number: 1, 1

-----  
 No other variable met the 0.1000 significance level for entry into the model.

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METHOD 1 PEAK FORECAST

----- SEASON=WINTER TIME=8-9 AM -----

Forward Selection Procedure for Dependent Variable MHLPA

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.79840007 C(p) = 2.00000000

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	44971.41400690	44971.41400690	39.60	0.0001
Error	10	11355.50265976	1135.55026598		
Total	11	56326.91666667			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	165.26895170	63.64431571	7657.19426343	6.74	0.0266
MHLPA	0.11755117	0.01867935	44971.41400690	39.60	0.0001

LP-4

Bounds on condition number: 1, 1

-----  
 No other variable met the 0.1000 significance level for entry into the model.

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METHOD 1 PEAK FORECAST

----- SEASON=WINTER TIME=8-9 AM -----

Forward Selection Procedure for Dependent Variable MHLPS

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.51528245 C(p) = 2.00000000

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	21983.44826575	21983.44826575	9.57	0.0129
Error	9	20679.46082516	2297.71786946		
Total	10	42662.90909091			

LP-5

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	99.34734340	190.56404933	624.49256642	0.27	0.6147
MHLPS	0.11787877	0.03810975	21983.44826575	9.57	0.0129

Bounds on condition number: 1, 1

-----  
 No other variable met the 0.1000 significance level for entry into the model.

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METHOD 1 PEAK FORECAST

----- SEASON=WINTER TIME=8-9 AM -----

Forward Selection Procedure for Dependent Variable MHGH

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.95901575 C(p) = 6.11391473

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	59914.07334244	59914.07334244	210.60	0.0001
Error	9	2560.47211211	284.49690135		
Total	10	62474.54545455			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	38.93183325	17.26495152	1446.62685499	5.08	0.0506
MHGH	0.28834572	0.01986954	59914.07334244	210.60	0.0001

GH-1

Bounds on condition number: 1, 1

Step 1 Variable MTHR Entered R-square = 0.97499801 C(p) = 3.00000000

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	2	60912.55749586	30456.27874793	155.99	0.0001
Error	8	1561.98795869	195.24849484		
Total	10	62474.54545455			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	52.88196678	15.57638455	2250.45105379	11.53	0.0094
MHGH	0.27499631	0.01748701	48284.80195510	247.30	0.0001
MTHR	1.87653995	0.82981460	998.48415342	5.11	0.0536

Bounds on condition number: 1.128613, 4.514452

No other variable met the 0.1000 significance level for entry into the model.

Summary of Forward Selection Procedure for Dependent Variable MHGH

Step	Variable Entered	Number In	Partial R**2	Model R**2	C(p)	F	Prob>F	Label
1	MTHR	2	0.0160	0.9750	3.0000	5.1139	0.0536	

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METHOD 1 PEAK FORECAST

----- SEASON=WINTER TIME=8-9 AM -----

Forward Selection Procedure for Dependent Variable MNGH2

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.86721276 C(p) = 5.31939313

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	672.64175507	672.64175507	58.78	0.0001
Error	9	102.99460856	11.44384540		
Total	10	775.63636364			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	-3.74210221	5.51603730	5.26682496	0.46	0.5146
MNGH2	0.40600633	0.05295743	672.64175507	58.78	0.0001

GH-2

Bounds on condition number: 1, 1

Step 1 Variable MTHR Entered R-square = 0.91377027 C(p) = 3.00000000

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	2	708.75345309	354.37672654	42.39	0.0001
Error	8	66.88291055	8.36036382		
Total	10	775.63636364			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	0.90323432	5.21768570	0.25053604	0.03	0.8669
MNGH2	0.36606916	0.06917412	463.31693421	55.42	0.0001
MTHR	0.36494028	0.17559431	36.11169801	4.32	0.0713

Bounds on condition number: 1.180229, 4.720916

No other variable met the 0.1000 significance level for entry into the model.

Summary of Forward Selection Procedure for Dependent Variable MNGH2

Step	Variable Entered	Number In	Partial R <sup>2</sup>	Model R <sup>2</sup>	C(p)	F	Prob>F	Label
1	MTHR	2	0.0466	0.9138	3.0000	4.3194	0.0713	

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----- SEASON=WINTER TIME=8-9 AM -----

Forward Selection Procedure for Dependent Variable MWSTL

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.38780438 C(p) = 1.55724282

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	143.55813228	143.55813228	5.70	0.0407
Error	9	226.62368590	25.18040954		
Total	10	370.18181818			

Street Lighting

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	38.93198884	14.59429774	179.18826560	7.12	0.0257
MWSTL	-0.29183197	0.12188723	143.55813228	5.70	0.0407

Bounds on condition number: 1, 1

-----  
 No other variable met the 0.1000 significance level for entry into the model.

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----- SEASON=WINTER TIME=8-9 AM -----

Forward Selection Procedure for Dependent Variable MHR12

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.81085371 C(p) = 1.52835506

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	154.14328953	154.14328953	34.30	0.0004
Error	8	35.95671047	4.49458881		
Total	9	190.10000000			

Resale 12 KV

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	-3.34262513	6.97238534	1.03300530	0.23	0.6445
MHR12	0.21334711	0.03643086	154.14328953	34.30	0.0004

Bounds on condition number: 1, 1

-----  
 No other variable met the 0.1000 significance level for entry into the model.

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----- SEASON=WINTER TIME=8-9 AM -----

Forward Selection Procedure for Dependent Variable MWR66

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.92683601 C(p) = 4.25498103

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	5885.40868822	5885.40868822	101.34	0.0001
Error	8	464.59131178	58.07391397		
Total	9	6350.00000000			

Resale 66 KV

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	13.45394357	9.48445485	120.35733346	2.07	0.1879
MWR66	0.18884674	0.01875909	5885.40868822	101.34	0.0001

Bounds on condition number: 1, 1

-----  
 No other variable met the 0.1000 significance level for entry into the model.

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METHOD 1 PEAK FORECAST

----- SEASON=WINTER TIME=10-11 AM -----

Forward Selection Procedure for Dependent Variable MHER

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.64721769 C(p) = 87.95387840

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	734793.84753447	734793.84753447	25.68	0.0002
Error	14	400517.90246553	28608.42160468		
Total	15	1135311.7500000			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	270.03864966	219.79029022	43184.58472681	1.51	0.2395
MHER	0.26594966	0.05247635	734793.84753447	25.68	0.0002

Electrically Heated Homes

Bounds on condition number: 1, 1

-----

Step 1 Variable MTHR Entered R-square = 0.95411714 C(p) = 3.00000000

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	2	1083220.3973131	541610.19865655	135.17	0.0001
Error	13	52091.35268690	4007.02712976		
Total	15	1135311.7500000			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	223.91807099	82.40552895	29586.11004641	7.38	0.0176
MHER	0.27336730	0.01965549	775082.35241051	193.43	0.0001
MTHR	19.09087958	2.04729987	348426.54977863	86.95	0.0001

Bounds on condition number: 1.001641, 4.006562

-----

No other variable met the 0.1000 significance level for entry into the model.

Summary of Forward Selection Procedure for Dependent Variable MHER

Step	Variable Entered	Number In	Partial R <sup>2</sup>	Model R <sup>2</sup>	C(p)	F	Prob>F	Label
1	MTHR	2	0.3069	0.9541	3.0000	86.9539	0.0001	

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METHOD 1 PEAK FORECAST

----- SEASON=WINTER TIME=10-11 AM -----

Forward Selection Procedure for Dependent Variable MHGR

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.04061650 C(p) = 39.31637165

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	4369.99985081	4369.99985081	0.59	0.4542
Error	14	103221.75014919	7372.90215351		
Total	15	107591.75000000			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	522.06657764	378.02081940	14062.53207700	1.91	0.1889
MHGR	0.05892783	0.07654227	4369.99985081	0.59	0.4542

General Residential

Bounds on condition number: 1, 1

Step 1 Variable MTHR Entered R-square = 0.75695894 C(p) = 3.00000000

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	2	81442.53662345	40721.26831172	20.24	0.0001
Error	13	26149.21337655	2011.47795204		
Total	15	107591.75000000			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	440.85629414	197.88616569	9969.81799539	4.96	0.0443
MHGR	0.07396615	0.04005325	6859.70875174	3.41	0.0877
MTHR	8.98803121	1.45201928	77072.53677264	38.32	0.0001

Bounds on condition number: 1.003693, 4.014771

No other variable met the 0.1000 significance level for entry into the model.

Summary of Forward Selection Procedure for Dependent Variable MHGR

Step	Variable Entered	Number In	Partial R <sup>2</sup>	Model R <sup>2</sup>	C(p)	F	Prob>F	Label
1	MTHR	2	0.7163	0.7570	3.0000	38.3164	0.0001	

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----- SEASON=WINTER TIME=10-11 AM -----

Forward Selection Procedure for Dependent Variable MNGS1

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.42356843 C(p) = 1.58473939

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	4812.58451151	4812.58451151	10.29	0.0063
Error	14	6549.41548849	467.81539203		
Total	15	11362.00000000			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	111.86008073	45.41883956	2837.60993367	6.07	0.0274
MNGS1	0.12524292	0.03904822	4812.58451151	10.29	0.0063

GS-1

Bounds on condition number: 1, 1

-----  
 No other variable met the 0.1000 significance level for entry into the model.

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----- SEASON=WINTER TIME=10-11 AM -----

Forward Selection Procedure for Dependent Variable MMGS3

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.94545560 C(p) = 4.35791744

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	454115.89897191	454115.89897191	208.00	0.0001
Error	12	26198.45817095	2183.20484758		
Total	13	480314.35714286			

GS-3

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	167.70263812	58.48796757	17949.03960589	8.22	0.0142
MMGS3	0.17046888	0.01181977	454115.89897191	208.00	0.0001

Bounds on condition number: 1, 1

Step 1 Variable MTHR Entered R-square = 0.95821202 C(p) = 3.00000000

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	2	460242.98948014	230121.49474007	126.12	0.0001
Error	11	20071.36766272	1824.66978752		
Total	13	480314.35714286			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	179.22735919	53.83875282	20221.01311965	11.08	0.0067
MMGS3	0.16863512	0.01085196	440619.52934040	241.48	0.0001
MTHR	-2.55027836	1.39172228	6127.09050823	3.36	0.0941

Bounds on condition number: 1.008576, 4.034306

No other variables met the 0.1000 significance level for entry into the model.

Summary of Forward Selection Procedure for Dependent Variable MMGS3

Step	Variable Entered	Number In	Partial R#2	Model R#2	C(p)	F	Prob>F	Label
1	MTHR	2	0.0128	0.9582	3.0000	3.3579	0.0941	

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----- SEASON=WINTER TIME=10-11 AM -----

Forward Selection Procedure for Dependent Variable MMLP4

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.61002052 C(p) = 2.00000000

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	67130.63763917	67130.63763917	46.90	0.0001
Error	11	15744.59313006	1431.32664819		
Total	12	82875.23076923			

LP-4

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	125.64261166	67.53553827	4953.90799179	3.46	0.0898
MMLP4	0.12903298	0.01884125	67130.63763917	46.90	0.0001

Bounds on condition number: 1, 1

-----  
 No other variable met the 0.1000 significance level for entry into the model.

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----- SEASON=WINTER TIME=10-11 AM -----

Forward Selection Procedure for Dependent Variable PQLPB

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.06973688 C(p) = 2.00000000

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	3462.97084221	3462.97084221	0.75	0.4069
Error	10	46194.69582446	4619.46958245		
Total	11	49657.66666667			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	471.75460258	250.71886271	16354.99386153	3.54	0.0893
PHLPS	0.04197964	0.04848533	3462.97084221	0.75	0.4069

LP-5

Bounds on condition number: 1, 1

-----  
 No other variable met the 0.1000 significance level for entry into the model.

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----- SEASON=WINTER TIME=10-11 AM -----

Forward Selection Procedure for Dependent Variable MHGH

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.80744399 C(p) = 12.58093774

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	19632.27380653	19632.27380653	33.55	0.0004
Error	8	4681.82619347	585.22827418		
Total	9	24314.10000000			

GH-1

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	84.12944588	29.09232941	4894.00449641	0.36	0.0201
MHGH	0.22175768	0.03828741	19632.27380653	33.55	0.0004

Bounds on condition number: 1, 1

Step 1 Variable MTHR Entered R-square = 0.92745834 C(p) = 3.00000000

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	2	22550.31477981	11275.15738991	44.75	0.0001
Error	7	1763.78522019	251.96931717		
Total	9	24314.10000000			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	87.85907128	19.12072033	5320.00911828	21.11	0.0025
MHGH	0.22442963	0.02513502	20088.60039256	79.73	0.0001
MTHR	2.50609199	0.73641927	2918.04097328	11.58	0.0114

Bounds on condition number: 1.000977, 4.003907

No other variable met the 0.1000 significance level for entry into the model.

Summary of Forward Selection Procedure for Dependent Variable MHGH

Step	Variable Entered	Number In	Partial R**2	Model R**2	C(p)	F	Prob>F	Label
1	MTHR	2	0.1200	0.9275	3.0000	11.5809	0.0114	

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----- SEASON=WINTER TIME=10-11 AM -----

Forward Selection Procedure for Dependent Variable MNGH2

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.63846247 C(p) = 10.83742779

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	348.36833870	348.36833870	15.89	0.0032
Error	9	197.26802493	21.91866944		
Total	10	545.63636364			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	5.82854219	7.65374288	12.71119377	0.58	0.4658
MNGH2	0.29853940	0.07488406	348.36833870	15.89	0.0032

GH-2

Bounds on condition number: 1, 1

Step 1 Variable MTHR Entered R-square = 0.83785217 C(p) = 3.00000000

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	2	457.16260957	228.58130479	20.67	0.0007
Error	8	88.47375407	11.05921926		
Total	10	545.63636364			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	11.71759500	5.75171703	45.89933687	4.15	0.0760
MNGH2	0.24762612	0.05561354	219.25842012	19.83	0.0021
MTHR	0.48142543	0.15349288	108.79427087	9.84	0.0139

Bounds on condition number: 1.09313, 4.372522

No other variable met the 0.1000 significance level for entry into the model.

Summary of Forward Selection Procedure for Dependent Variable MNGH2

Step	Variable Entered	Number In	Partial R**2	Model R**2	C(p)	F	Prob>F	Label
1	MTHR	2	0.1994	0.8379	3.0000	9.8374	0.0139	

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----- SEASON=WINTER TIME=10-11 AM -----

Forward Selection Procedure for Dependent Variable MHSTL

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = . C(p) = .

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	0.00000000	0.00000000	.	.
Error	7	0.00000000	0.00000000		
Total	8	0.00000000			

Street Lighting

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	0.00000000	0.00000000	0.00000000	.	.
MHSTL	0.00000000	0.00000000	0.00000000	.	.

Bounds on condition number: 1, 1

-----  
 No other variable met the 0.1000 significance level for entry into the model.

PENNSYLVANIA POWER AND LIGHT COMPANY  
RATES AND MARKET RESEARCH

METHOD 1 PEAK FORECAST

----- SEASON=WINTER TIME=10-11 AM -----

Forward Selection Procedure for Dependent Variable MHR12

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.64904951 C(p) = 33.24834324

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	73.27047769	73.27047769	12.95	0.0088
Error	7	39.61841120	5.65977303		
Total	8	112.88888889			

Resale 12 KV

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	8.42516472	8.84209890	5.13860316	0.91	0.3724
MHR12	0.15712040	0.04366843	73.27047769	12.95	0.0088

Bounds on condition number: 1, 1

Step 1 Variable WTHR Entered R-square = 0.94494656 C(p) = 3.00000000

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	2	106.67396696	53.33698348	51.49	0.0002
Error	6	6.21492193	1.03582032		
Total	8	112.88888889			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	6.91020269	3.79206258	3.43965634	3.32	0.1182
MHR12	0.16710065	0.01876392	82.14733059	79.31	0.0001
WTHR	0.27484230	0.04839827	33.40348927	32.25	0.0013

Bounds on condition number: 1.00885, 4.035401

No other variable met the 0.1000 significance level for entry into the model.

Summary of Forward Selection Procedure for Dependent Variable MHR12

Step	Variable Entered	Number In	Partial R**2	Model R**2	C(p)	F	Prob>F	Label
1	WTHR	2	0.2959	0.9449	3.0000	32.2483	0.0013	

PENNSYLVANIA POWER AND LIGHT COMPANY  
RATES AND MARKET RESEARCH

METHOD 1 PEAK FORECAST

----- SEASON=WINTER TIME=10-11 AM -----

Forward Selection Procedure for Dependent Variable MHR66

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.88388731 C(p) = 13.59391689

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	2342.49779800	2342.49779800	53.29	0.0002
Error	7	307.72442423	43.96063203		
Total	8	2650.22222222			

Resale 66 KV

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	29.38924421	12.68301932	236.04535309	5.37	0.0536
MHR66	0.16241029	0.02224877	2342.49779800	53.29	0.0002

Bounds on condition number: 1, 1

Step 1 Variable MTHR Entered R-square = 0.96253204 C(p) = 3.00000000

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	2	2550.92380348	1275.46190174	77.07	0.0001
Error	6	99.29841875	16.54973646		
Total	8	2650.22222222			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	21.80230225	8.07023702	120.78783993	7.30	0.0355
MHR66	0.17824617	0.01436198	2549.19337804	154.03	0.0001
MTHR	0.71910964	0.20263511	208.42600548	12.59	0.0121

Bounds on condition number: 1.106852, 4.42741

No other variable met the 0.1000 significance level for entry into the model.

Summary of Forward Selection Procedure for Dependent Variable MHR66

Step	Variable Entered	Number In	Partial R**2	Model R**2	C(p)	F	Prob>F	Label
1	MTHR	2	0.0786	0.9625	3.0000	12.5939	0.0121	

PENNSYLVANIA POWER AND LIGHT COMPANY  
RATES AND MARKET RESEARCH

METHOD 1 PEAK FORECAST

----- SEASON=WINTER TIME=6-8 PM -----

Forward Selection Procedure for Dependent Variable MHER

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.01441209 C(p) = 29.74147580

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	1182472.4062894	1182472.4062894	61.44	0.0001
Error	14	269461.34371063	19247.23883647		
Total	15	1451933.7500000			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	2.97382803	180.27926198	5.23731378	0.00	0.9871
MHER	0.33737445	0.04304284	1182472.4062894	61.44	0.0001

Electrically Heated Homes

Bounds on condition number: 1, 1

Step 1 Variable MTHR Entered R-square = 0.94220035 C(p) = 3.00000000

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	2	1368012.4846036	684006.24230181	105.96	0.0001
Error	13	83921.26539638	6455.48195357		
Total	15	1451933.7500000			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	-112.91700249	106.62048266	7240.45843254	1.12	0.3089
MHER	0.37052555	0.02568315	1343595.3455799	208.13	0.0001
MTHR	12.63120497	2.35608118	185540.07831425	28.74	0.0001

Bounds on condition number: 1.061535, 4.246141

No other variable met the 0.1000 significance level for entry into the model.

Summary of Forward Selection Procedure for Dependent Variable MHER

Step	Variable Entered	Number In	Partial R**2	Model R**2	C(p)	F	Prob>F	Label
1	MTHR	2	0.1278	0.9422	3.0000	28.7415	0.0001	

PENNSYLVANIA POWER AND LIGHT COMPANY  
RATES AND MARKET RESEARCH

METHOD 1 PEAK FORECAST

----- SEASON=WINTER TIME=6-8 PM -----

Forward Selection Procedure for Dependent Variable MHGR

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.54614785 C(p) = 12.39148522

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	74658.26612793	74658.26612793	15.64	0.0016
Error	13	62041.46720540	4772.42055426		
Total	14	136699.73333333			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	-120.32832169	309.67466715	720.54824905	0.15	0.7039
MHGR	0.24873442	0.06288778	74658.26612793	15.64	0.0016

General Residential

Bounds on condition number: 1, 1

Step 1 Variable MTHR Entered R-square = 0.76717059 C(p) = 3.00000000

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	2	104872.01485466	52436.00742733	19.77	0.0002
Error	12	31827.71847868	2652.30987322		
Total	14	136699.73333333			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	-292.22725140	236.41120586	4052.56110601	1.53	0.2401
MHGR	0.28554502	0.04813421	93339.57029159	35.19	0.0001
MTHR	5.09322856	1.50904778	30213.74872673	11.39	0.0055

Bounds on condition number: 1.054119, 4.216475

No other variable met the 0.1000 significance level for entry into the model.

Summary of Forward Selection Procedure for Dependent Variable MHGR

Step	Variable Entered	Number In	Partial R**2	Model R**2	C(p)	F	Prob>F	Label
1	MTHR	2	0.2210	0.7672	3.0000	11.3915	0.0055	

PENNSYLVANIA POWER AND LIGHT COMPANY  
 RATES AND MARKET RESEARCH

METHOD 1 PEAK FORECAST

----- SEASON=WINTER TIME=6-8 PM -----

Forward Selection Procedure for Dependent Variable MHGS1

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.87706909 C(p) = 1.49189921

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	16395.67906053	16395.67906053	85.62	0.0001
Error	12	2298.03522518	191.50293543		
Total	13	18693.71428571			

GS-1

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	-78.22217101	30.09611313	1293.64270743	6.76	0.0233
MHGS1	0.23887821	0.02581663	16395.67906053	85.62	0.0001

Bounds on condition number: 1, 1

-----  
 No other variable met the 0.1000 significance level for entry into the model.

PENNSYLVANIA POWER AND LIGHT COMPANY  
 RATES AND MARKET RESEARCH

METHOD 1 PEAK FORECAST

----- SEASON=WINTER TIME=6-8 PM -----

Forward Selection Procedure for Dependent Variable MHGS3

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.91855075 C(p) = 1.00394630

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	330495.40629838	330495.40629838	124.05	0.0001
Error	11	29305.51677855	2664.13788896		
Total	12	359800.92307692			

GS-3

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	59.91793996	65.96109093	2198.33961609	0.83	0.3831
MHGS3	0.15211896	0.01365774	330495.40629838	124.05	0.0001

Bounds on condition number: 1, 1

-----  
 No other variable met the 0.1000 significance level for entry into the model.

PENNSYLVANIA POWER AND LIGHT COMPANY  
 RATES AND MARKET RESEARCH

METHOD 1 PEAK FORECAST

----- SEASON=WINTER TIME=6-8 PM -----

Forward Selection Procedure for Dependent Variable MMLP4

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.80798485 C(p) = 2.00000000

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	68455.08662083	68455.08662083	46.29	0.0001
Error	11	16268.14414840	1478.92219531		
Total	12	84723.23076923			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	63.94508120	67.79783595	1315.61237383	0.89	0.3658
MMLP4	0.13183681	0.01937789	68455.08662083	46.29	0.0001

LP-4

Bounds on condition number: 1, 1

-----  
 No other variable met the 0.1000 significance level for entry into the model.

PENNSYLVANIA POWER AND LIGHT COMPANY  
 RATES AND MARKET RESEARCH

METHOD 1 PEAK FORECAST

----- SEASON=WINTER TIME=6-8 PM -----

Forward Selection Procedure for Dependent Variable MNLP5

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.65053127 Clp) = 2.00000000

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	27113.92633612	27113.92633612	18.61	0.0015
Error	10	14565.74033055	1456.57403306		
Total	11	41679.66666667			

LP-5

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	99.53701562	135.95077626	780.79749356	0.54	0.4809
MNLP5	0.11556610	0.02678555	27113.92633612	18.61	0.0015

Bounds on condition number: 1, 1

-----  
 No other variable met the 0.1000 significance level for entry into the model.

PENNSYLVANIA POWER AND LIGHT COMPANY  
RATES AND MARKET RESEARCH

METHOD 1 PEAK FORECAST

----- SEASON=WINTER TIME=6-8 PM -----

Forward Selection Procedure for Dependent Variable MHGH

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.85204919 C(p) = 14.85430068

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	37091.12135065	37091.12135065	57.59	0.0001
Error	10	6440.54531601	644.05453160		
Total	11	43531.66666667			

GH-1

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	15.26324706	24.26762392	254.77804257	0.40	0.5435
MHGH	0.21713295	0.02861225	37091.12135065	57.59	0.0001

Bounds on condition number: 1, 1

Step 1 Variable NTHR Entered R-square = 0.94173712 C(p) = 3.00000000

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	2	40995.38657432	20497.69328716	72.74	0.0001
Error	9	2536.28009235	281.80889915		
Total	11	43531.66666667			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	28.89955916	16.46527352	868.15893622	3.08	0.1131
MHGH	0.20742292	0.01910535	33216.84719808	117.87	0.0001
NTHR	1.89174852	0.50824264	3904.26522367	13.85	0.0048

Bounds on condition number: 1.018999, 4.075994

No other variable met the 0.1000 significance level for entry into the model.

Summary of Forward Selection Procedure for Dependent Variable MHGH

Step	Variable Entered	Number In	Partial R**2	Model R**2	C(p)	F	Prob>F	Label
1	NTHR	2	0.0897	0.9417	3.0000	13.8543	0.0048	

PENNSYLVANIA POWER AND LIGHT COMPANY  
RATES AND MARKET RESEARCH

METHOD 1 PEAK FORECAST

----- SEASON=WINTER TIME=6-8 PM -----

Forward Selection Procedure for Dependent Variable MHGH2

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.68078295 C(p) = 35.82164106

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	551.60438752	551.60438752	21.33	0.0010
Error	10	258.64561248	25.86456125		
Total	11	810.25000000			

GH-2

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	-3.18216129	7.81168912	4.29199878	0.17	0.6923
MHGH2	0.34994727	0.07577768	551.60438752	21.33	0.0010

Bounds on condition number: 1, 1

Step 1 Variable MTHR Entered R-square = 0.93443985 C(p) = 3.00000000

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	2	757.12988729	378.56494364	64.14	0.0001
Error	9	53.12011271	5.90223475		
Total	11	810.25000000			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	2.03094509	3.83479365	1.65549869	0.28	0.6092
MHGH2	0.31165298	0.03677613	423.86454621	71.81	0.0001
MTHR	0.43682632	0.07402598	205.52549976	34.82	0.0002

Bounds on condition number: 1.032138, 4.128554

No other variable met the 0.1000 significance level for entry into the model.

Summary of Forward Selection Procedure for Dependent Variable MHGH2

Step	Variable Entered	Number In	Partial R**2	Model R**2	C(p)	F	Prob>F	Label
1	MTHR	2	0.2537	0.9344	3.0000	34.8216	0.0002	

PENNSYLVANIA POWER AND LIGHT COMPANY  
 RATES AND MARKET RESEARCH

METHOD 1 PEAK FORECAST

----- SEASON=WINTER TIME=6-8 PM -----

Forward Selection Procedure for Dependent Variable MHSTL

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.94086689 C(p) = 1.05345810

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	108.12128713	108.12128713	159.11	0.0001
Error	10	6.79537954	0.67953795		
Total	11	114.91666667			

Street Lighting

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	-0.36427393	2.45181889	0.01500006	0.02	0.8848
MHSTL	0.25866337	0.02050625	108.12128713	159.11	0.0001

Bounds on condition number: 1, 1

-----  
 No other variable met the 0.1000 significance level for entry into the model.

PENNSYLVANIA POWER AND LIGHT COMPANY  
 RATES AND MARKET RESEARCH

METHOD 1 PEAK FORECAST

----- SEASON=WINTER TIME=6-8 PM -----

Forward Selection Procedure for Dependent Variable MHR12

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.66659564 C(p) = 2.70242146

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	129.09735581	129.09735581	19.99	0.0012
Error	10	64.56931085	6.45693109		
Total	11	193.66666667			

Resale 12 KV

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	-1.06286070	9.02688692	0.08951645	0.01	0.9086
MHR12	0.20934706	0.04681891	129.09735581	19.99	0.0012

Bounds on condition number: 1, 1

-----  
 No other variable met the 0.1000 significance level for entry into the model.

PENNSYLVANIA POWER AND LIGHT COMPANY  
RATES AND MARKET RESEARCH

METHOD 1 PEAK FORECAST

----- SEASON=WINTER TIME=6-8 PM -----

Forward Selection Procedure for Dependent Variable MHR66

The first 1 variables are forced into the model because of the INCLUDE= option.

Step 0 The First 1 Vars Entered R-square = 0.91779545 C(p) = 19.58594753

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	1	6572.33324957	6572.33324957	111.65	0.0001
Error	10	588.66675043	58.86667504		
Total	11	7161.00000000			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	7.39612922	9.54507851	35.34430754	0.60	0.4564
MHR66	0.19264383	0.01823182	6572.33324957	111.65	0.0001

Resale 66 KV

Bounds on condition number: 1, 1

Step 1 Variable MTHR Entered R-square = 0.97318051 C(p) = 3.00000000

	DF	Sum of Squares	Mean Square	F	Prob>F
Regression	2	6968.94566699	3484.47283350	163.29	0.0001
Error	9	192.05433301	21.33937033		
Total	11	7161.00000000			

Variable	Parameter Estimate	Standard Error	Type II Sum of Squares	F	Prob>F
INTERCEP	2.68669819	5.84982541	4.50125438	0.21	0.6569
MHR66	0.20561051	0.01138166	6964.03359294	326.35	0.0001
MTHR	0.61931225	0.14365387	396.61241742	18.59	0.0020

Bounds on condition number: 1.075076, 4.300303

No other variable met the 0.1000 significance level for entry into the model.

Summary of Forward Selection Procedure for Dependent Variable MHR66

Step	Variable Entered	Number In	Partial R**2	Model R**2	C(p)	F	Prob>F	Label
1	MTHR	2	0.0554	0.9732	3.0000	18.5859	0.0020	

PENNSYLVANIA POWER AND LIGHT COMPANY  
 RATES AND MARKET RESEARCH

METHOD 2 PEAK FORECAST

----- SEASON=WINTER TIME=ALL HRS -----

Model: MODEL1  
 Dependent Variable: MHPPLXMA

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Prob>F
Model	1	6169824.3852	6169824.3852	1668.894	0.0001
Error	14	52069.36477	3719.24034		
C Total	15	6221893.75			

Root MSE	60.98557	R-square	0.9916
Dep Mean	5290.62500	Adj R-sq	0.9910
C.V.	1.15271		

Total Company

Parameter Estimates

Variable	DF	Parameter Estimate	Standard Error	T for H0: Parameter=0	Prob >  T
INTERCEP	1	215.926378	125.52446926	1.720	0.1074
MHPPLXMA	1	0.200989	0.00493472	40.730	0.0001

PENNSYLVANIA POWER AND LIGHT COMPANY  
 RATES AND MARKET RESEARCH

AVERAGE OF BOTH METHODS PEAK FORECAST  
 AVERAGE OF PEAKS PRODUCED BY BOTH FORECASTING METHODS

YEAR	SUMMER			WINTER		
	METHOD 1 PEAK	METHOD 2 PEAK	AVERAGE PEAK	METHOD 1 PEAK	METHOD 2 PEAK	AVERAGE PEAK
1994	5,497	5,458	5,480	6,437	6,511	6,470
1995	5,611	5,576	5,590	6,541	6,639	6,590
1996	5,698	5,655	5,680	6,649	6,724	6,690
1997	5,818	5,777	5,800	6,772	6,856	6,810
1998	5,936	5,897	5,920	6,899	6,987	6,940
1999	6,060	6,022	6,040	7,028	7,121	7,070
2000	6,183	6,146	6,160	7,159	7,256	7,210
2001	6,303	6,269	6,290	7,285	7,389	7,340
2002	6,430	6,395	6,410	7,414	7,526	7,470
2003	6,556	6,522	6,540	7,547	7,664	7,610
2004	6,681	6,647	6,660	7,677	7,800	7,740
2005	6,802	6,769	6,790	7,801	7,932	7,870
2006	6,924	6,893	6,910	7,928	8,067	8,000
2007	7,051	7,022	7,040	8,058	8,206	8,130
2008	7,175	7,148	7,160	8,185	8,342	8,260
2009	7,301	7,272	7,290	8,310	8,478	8,390
2010	7,428	7,401	7,410	8,442	8,617	8,530
2011	7,554	7,527	7,540	8,572	8,754	8,660
2012	7,679	7,653	7,670	8,698	8,890	8,790
2013	7,809	7,785	7,800	8,835	9,034	8,930
2014	7,934	7,914	7,920	8,964	9,173	9,070

NOTE : METHOD 1 IS RATE CLASS CONTRIBUTION TO PEAK REGRESSIONS.  
 METHOD 2 IS TOTAL PEAK REGRESSION.

PENNSYLVANIA POWER AND LIGHT COMPANY  
RATES AND MARKET RESEARCH

AVERAGE OF BOTH METHODS PEAK FORECAST  
FORECAST OF SUPPLY TO UGI AND COMPANY LOAD PEAKS

YEAR	WINTER			SUMMER		
	PL COMPANY	UGI	PL SYSTEM	PL COMPANY	UGI	PL SYSTEM
1994	6470	135	6605	5480	90	5570
1995	6590	135	6725	5590	90	5680
1996	6690	100	6790	5680	95	5775
1997	6810	105	6915	5800	65	5855
1998	6940	110	7050	5920	60	5980
1999	7070	115	7185	6040	65	6105
2000	7210	120	7330	6160	65	6225
2001	7340	125	7465	6290	70	6360
2002	7470	130	7600	6410	70	6480
2003	7610	135	7745	6540	75	6615
2004	7740	135	7875	6660	80	6740
2005	7870	140	8010	6790	80	6870
2006	8000	145	8145	6910	85	6995
2007	8130	150	8280	7040	90	7130
2008	8260	155	8415	7160	90	7250
2009	8390	160	8550	7290	95	7385
2010	8530	165	8695	7410	100	7510
2011	8660	170	8830	7540	100	7640
2012	8790	175	8965	7670	105	7775
2013	8930	180	9110	7800	110	7910
2014	9070	185	9255	7920	115	8035

**Pennsylvania Power & Light Company**  
**Owned and Leased Generation Resources**

Net Megawatts Capability  
 Winter

Station	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04
<b>Owned &amp; Leased</b>										
Susquehanna 1 & 2 (PP&L Share)	1950	1995	1995	1995	1995	1995	1995	1995	1995	1995
Montour 1 & 2	1525	1525	1525	1525	1525	1507	1489	1489	1489	1489
Martins Creek 3 & 4	1640	1592	1592	1640	1640	1640	1640	1640	1640	1640
Brunner Island 1,2,&3	1469	1469	1469	1469	1469	1469	1469	1469	1469	1469
Sunbury 1,2, & 3	389	389	389	389	389	389	389	389	389	389
Martins Creek 1 & 2	300	300	300	300	300	300	300	300	300	300
Keystone 1 & 2 (PP&L Share)	210	210	210	210	210	210	210	210	210	210
Conemaugh 1 & 2 (PP&L Share)	194	194	194	194	194	194	194	194	194	194
Safe Harbor HES (PP&L Share)	139	139	139	139	139	139	139	139	139	139
Holtwood HES	102	102	102	102	102	102	102	102	102	102
Wallenpaupack HES	44	44	44	44	44	44	44	44	44	44
Holtwood 17	73	73	73	73	73	73	73	73	73	73
Diesels	22	22	22	22	22	22	22	22	22	22
Combustion Turbines	486	486	486	486	486	486	486	486	486	486
<b>Total PP&amp;L Owned or Leased Resources</b>	<b>8543</b>	<b>8540</b>	<b>8540</b>	<b>8588</b>	<b>8588</b>	<b>8570</b>	<b>8552</b>	<b>8552</b>	<b>8552</b>	<b>8552</b>

Winter capacity of PP&L's wholly owned and share of joint owned units as of December 1st of the winter period.

PENNSYLVANIA POWER AND LIGHT COMPANY  
 AVAILABILITY OF INTERRUPTIBLE LOAD  
 AT THE HOUR OF DAILY SYSTEM PEAK  
 FOR WEEKDAYS DURING THE PERIOD 01JUN94 TO 30SEP94

AVAILABLE INTERRUPTIBLE LOAD (ABOVE FIRM LOAD LEVELS)  
 (MW)

CUSTOMER	N	Mean
CUSTOMER A	88	11.0
CUSTOMER B	88	13.0
CUSTOMER C	88	1.5
CUSTOMER D	88	2.5
CUSTOMER E	88	32.1
CUSTOMER F	88	2.0
CUSTOMER G	88	2.5
CUSTOMER H	88	4.2
CUSTOMER I	88	23.2
CUSTOMER J	88	7.8
CUSTOMER K	88	11.6
CUSTOMER L	88	3.4
CUSTOMER M	88	14.6
CUSTOMER N	88	0.9
CUSTOMER O	88	1.0
CUSTOMER P	88	4.5
CUSTOMER Q	88	2.6
CUSTOMER R	88	0.0
CUSTOMER S	88	0.0
CUSTOMER T	88	0.0
CUSTOMER U	88	3.4
CUSTOMER V	88	0.0
CUSTOMER W	88	0.9
CUSTOMER X	88	45.0
CUSTOMER Y	88	0.4
CUSTOMER Z	88	2.9
CUSTOMER AA	88	19.0
CUSTOMER BB	88	9.9
CUSTOMER CC	88	4.7
CUSTOMER DD	88	0.9
CUSTOMER EE	88	0.3
CUSTOMER FF	88	0.6
CUSTOMER GG	88	0.9
CUSTOMER HH	88	1.0
CUSTOMER II	88	0.5
CUSTOMER JJ	88	0.0
CUSTOMER KK	88	1.0
CUSTOMER LL	88	0.2
CUSTOMER MM	88	0.0
CUSTOMER NN	88	0.9
CUSTOMER OO	88	1.8
CUSTOMER PP	88	0.9
CUSTOMER QQ	88	0.9
CUSTOMER RR	88	0.6
CUSTOMER SS	88	2.7
CUSTOMER TT	88	0.2
CUSTOMER UU	88	2.0

PENNSYLVANIA POWER AND LIGHT COMPANY  
 AVAILABILITY OF INTERRUPTIBLE LOAD  
 AT THE HOUR OF DAILY SYSTEM PEAK  
 FOR WEEKDAYS DURING THE PERIOD 01JUN94 TO 30SEP94

AVAILABLE INTERRUPTIBLE LOAD (ABOVE FIRM LOAD LEVELS)  
 (MW)

CUSTOMER	N	MEan
CUSTOMER VV	88	12.3
CUSTOMER WW	88	1.0
CUSTOMER XX	88	3.9
CUSTOMER YY	88	10.6
CUSTOMER ZZ	88	1.7
CUSTOMER AAA	88	2.7
CUSTOMER BBB	88	4.0
CUSTOMER CCC	88	3.0
CUSTOMER DDD	88	1.0
CUSTOMER EEE	88	1.0
CUSTOMER FFF	88	0.0
CUSTOMER GGG	88	0.5
CUSTOMER HHH	88	0.9
CUSTOMER III	88	1.0
CUSTOMER JJJ	88	5.0
CUSTOMER KKK	88	1.9
TOTAL	88	290.2

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 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.

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.



- 2 -

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:

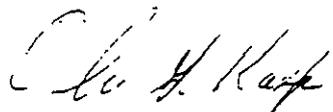
- ⊖ customer name to appear in the contract,
- ⊖ three contact names and phone numbers,
- ⊖ contract initial Load Factor,
- ⊖ contract Firm KW level,
- ⊖ an estimate of revenue lost by adding this interruptible capacity,
- ⊖ the customer's interruption procedure, and
- ⊖ the equipment to be interrupted.

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.daw  
OGK/cb

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

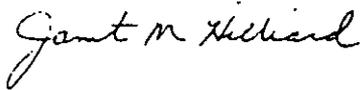
Page 2

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.

Docket No. C-00968031

PENNSYLVANIA POWER & LIGHT  
COMPANY

METAL INDUSTRIES, INC.

v.

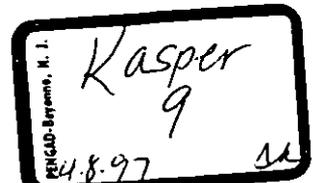
Docket No. C-00968275

PENNSYLVANIA POWER & LIGHT  
COMPANY

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:

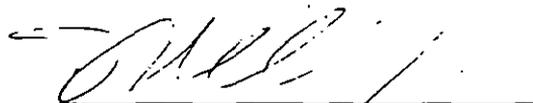
1. On January 8, 1997, Caradon and MI filed a Consolidated Motion for Partial Summary Judgment ("Motion") in the above-referenced matter.
2. In their Consolidated Motion, Caradon and MI request that the Pennsylvania Public Utility Commission ("Commission") issue an Order "directing PP&L to place each 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. :

Docket No. C-00968031

PENNSYLVANIA POWER & LIGHT :  
COMPANY :

METAL INDUSTRIES, INC. :

v. :

Docket No. C-00968275

PENNSYLVANIA POWER & LIGHT :  
COMPANY :

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.<sup>1</sup> 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

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<sup>1/</sup> 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):<sup>2/</sup>

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

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<sup>2/</sup> 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):<sup>3/</sup>

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

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<sup>3/</sup> 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. Schierle 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.<sup>4/</sup>

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<sup>4/</sup> 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.<sup>5/</sup> 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.<sup>6/</sup> The memorandum is authored by Oliver Kasper and is dated March 22, 1996.<sup>7/</sup> 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.

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<sup>5/</sup> 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.

<sup>6/</sup> 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.

<sup>7/</sup> 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.<sup>8</sup> 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

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<sup>8/</sup> 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.<sup>9</sup>

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.

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<sup>9/</sup> 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.<sup>10/</sup> 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.<sup>11/</sup> 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.

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<sup>10/</sup> A copy of this document is attached to Complainants' Memorandum as Exhibit F.

<sup>11/</sup> 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,



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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	1500	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	112800	7500	105300
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	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	522
Customer 28	23	20	3
Customer 29	87	79	8
Customer 30	5	5	0
Customer 31	7944	2140	5944
Customer 32	8264	2000	6264
Customer 33	4840	925	3915
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	36
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	500	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	1974	1291
Customer 68			0
Customer 69	1854	500	1254
Customer 70			
Customer 71			
Customer 72			
Customer 73			
Customer 74			
Customer 75			
Customer 76			
Customer 77			
Customer 78			

Customer	Maximum Demand Twelve Months Ended Jun-94	Firm Power Level Jun-94	Interruptible Load (KW) Jun-94
Customer 1			0
Customer 2	20398	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	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	8554	7000	1554
Customer 19	1756	700	1056
Customer 20	1633	108	1525
Customer 21	4573	500	3973
Customer 22	7750	1892	5858
Customer 23	5098	3000	2098
Customer 24	1879	148	1731
Customer 25			0
Customer 26	976	125	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	8254	2000	6254
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	900	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	Firm Power Level	Interruptible Load
	Twelve Months Ended		(KW)
	Jul-94	Jul-94	Jul-94
Customer 1			0
Customer 2	20398	324	20074
Customer 3	3192	1600	1592
Customer 4	25834	10000	15834
Customer 5	4298	500	1798
Customer 6			0
Customer 7	4666	1000	3666
Customer 8	21669	1750	13919
Customer 9			0
Customer 10	64286	19100	45196
Customer 11	131175	1500	123675
Customer 12	1544	481	1063
Customer 13	3123	550	2573
Customer 14	1159	568	601
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	622
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	3056	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			

553 854

08 197

447 657



Customer	Maximum Demand	Firm Power Level	Interruptible Load
	Twelve Months Ended Sep-94	Sep-94	(KW) Sep-94
Customer 1			0
Customer 2	22160	324	19835
Customer 3	3192	1500	1592
Customer 4	27921	10000	17321
Customer 5	4298	500	3798
Customer 6	6653	1800	4853
Customer 7	4594	1000	3594
Customer 8	21669	7750	19169
Customer 9			0
Customer 10	63203	19100	44103
Customer 11	131175	7500	123675
Customer 12	1544	481	1064
Customer 13	3214	550	2664
Customer 14	1169	568	901
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	12881	250	12631
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	667	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	7900	780
Customer 65	3940	500	3440
Customer 66	14377	130	14247
Customer 67	3165	1974	1291
Customer 68	4190	7900	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 Twelve Months Ended Oct-94	Firm Power Level Oct-94	Interruptible Load (KW) Oct-94
Customer 1			0
Customer 2	19754	324	19440
Customer 3	3192	1600	1692
Customer 4	27821	10000	17921
Customer 5	4298	500	3798
Customer 6	5825	1800	5025
Customer 7	4594	1000	3594
Customer 8	22136	1150	14186
Customer 9			0
Customer 10	53203	19150	14103
Customer 11	131175	1500	129675
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	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	1685	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	387
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	2104	1000	1104
Customer 63	2785	1000	1785
Customer 64	8580	1800	7780
Customer 65	3940	500	3440
Customer 66	14377	130	14247
Customer 67	3165	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			

Customer	Maximum Demand	Firm Power Level	Interruptible Load
	Twelve Months Ended Nov-94	Nov-94	(KW) Nov-94
Customer 1			0
Customer 2	19800	324	19498
Customer 3	3152	1500	1592
Customer 4	2792	10000	1792
Customer 5	4298	500	3798
Customer 6	5825	1900	5025
Customer 7	4594	1000	3594
Customer 8	22136	1750	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	501
Customer 15	34862	907	33955
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	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	858
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	46
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			
	607117	115943	491174

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	1500	1592
Customer 4	27827	10000	17827
Customer 5	4153	500	3653
Customer 6	5955	800	5155
Customer 7	4554	1000	3554
Customer 8	22135	7750	14385
Customer 9			0
Customer 10	63844	19100	44744
Customer 11	131175	7500	123675
Customer 12	1517	481	1036
Customer 13	3214	350	2864
Customer 14	1169	568	601
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	6888
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	1281
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

492 268

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	1552
Customer 4	2792	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	54114	19100	45014
Customer 11	131175	7500	123675
Customer 12	1517	481	1036
Customer 13	3214	550	2664
Customer 14	1208	568	640
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	7913	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	6087
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			

610 516

117 538

492 978

Customer	Maximum Demand	Firm Power Level	Interruptible Load
	Twelve Months Ended Feb-95	Feb-95	(KW) Feb-95
Customer 1			0
Customer 2	19822	324	19498
Customer 3	3292	500	1632
Customer 4	27921	1000	17801
Customer 5	4153	500	3653
Customer 6	7232	1800	6432
Customer 7	4594	1000	3594
Customer 8	22136	750	14086
Customer 9			0
Customer 10	56198	19100	47098
Customer 11	131179	7500	123679
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	7000	1554
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	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	7000	6133
Customer 43			0
Customer 44	7024	1500	5524
Customer 45	12881	250	12631
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	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	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	11,538	495,792

Customer	Maximum Demand		Firm Power Level	Interruptible Load (KW)
	Twelve Months Ended			
	Mar-95		Mar-95	Mar-95
Customer 1	2279		100	2179
Customer 2	19822		324	19498
Customer 3	1367		1500	1167
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				0
Customer 10	56158		19100	47058
Customer 11	131175		7500	123675
Customer 12	1517		481	1036
Customer 13	3218		350	2868
Customer 14	1294		568	726
Customer 15	34862		307	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		500	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		2219	2684
Customer 48	3934		500	3434
Customer 49	13500		350	13150
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	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		1800	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 Apr-95	Apr-95	(KW) Apr-95
Customer 1	2255	100	2155
Customer 2	19822	324	19458
Customer 3	3367	1600	1167
Customer 4	27821	10000	17921
Customer 5	4153	500	3653
Customer 6	7232	1800	5432
Customer 7	4594	1000	3594
Customer 8	22136	7750	14386
Customer 9			0
Customer 10	56158	19100	47058
Customer 11	131175	7500	123675
Customer 12	1408	481	327
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	1879	148	1731
Customer 25	10610	3000	7610
Customer 26	984	125	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			
	620 333	117 588	502 545

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	56168	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	800	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	534
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	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			
	622,673	117,788	504,885

Customer	Maximum Demand	Firm Power Level	Interruptible Load
	Twelve Months Ended		(KW)
	Jun-95	Jun-95	Jun-95
Customer 1	2143	100	2043
Customer 2	19822	324	19458
Customer 3	3797	1500	2197
Customer 4	27821	10000	17821
Customer 5	3877	500	3371
Customer 6	7232	1800	5432
Customer 7	4594	1000	3594
Customer 8	23198	7750	15448
Customer 9	2263	100	2163
Customer 10	66158	19100	47058
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	8005	0	8005
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			
	632,538	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	27821	10000	17821
Customer 5	3871	500	3371
Customer 6	7232	1800	5432
Customer 7	4550	1000	3550
Customer 8	23198	1750	19448
Customer 9	2235	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	2699	1000	1699
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			

Customer	Maximum Demand Twelve Months Ended		Firm Power Level	Interruptible Load (KW)	
	Aug-95	Aug-95		Aug-95	Aug-95
Customer 1	2049		100		1949
Customer 2	19872		300		19572
Customer 3	3797		1600		2197
Customer 4	27921		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	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	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					
	602,732		95,719		507,024

Customer	Maximum Demand Twelve Months Ended Sep-95	Firm Power Level Sep-95	Interruptible Load (KW) Sep-95
Customer 1			0
Customer 2	20131	300	19931
Customer 3	4015	1500	2415
Customer 4	27014	10000	17014
Customer 5	4046	500	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	1885	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	20219	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	80	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			

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	4638	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			0
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	500	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			
	610,054	94,384	515,682

Customer	Maximum Demand	Firm Power Level	Interruptible Load
	Twelve Months Ended Jan-96	Jan-96	(KW) Jan-96
Customer 1			0
Customer 2	20218	300	19918
Customer 3	4203	1600	2603
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	4717	600	4117
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	78	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	4309	500	3809
Customer 44	7141	1500	5641
Customer 45	14785	250	14535
Customer 46	63	60	3
Customer 47	4902	2218	2684
Customer 48	4432	500	3932
Customer 49	14018	350	13668
Customer 50	6186	190	5996
Customer 51	1691	100	1591
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	1850	600	1250
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	4173	648	3525
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			
	610,187	94,384	515,804

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 6	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	4667	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	1484	200	1284
Customer 56	2593	1038	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	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			
	810,184	94,234	515,950

Customer	Maximum Demand	Firm Power Level	Interruptible Load
	Twelve Months Ended Apr-98	Apr-98	(KW) Apr-98
Customer 1			0
Customer 2	20218	300	19918
Customer 3	4722	1600	3122
Customer 4	27418	10000	17418
Customer 5	4219	500	3719
Customer 5	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	1587	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	8487	7000	1487
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	81	60	1
Customer 47	4596	2218	2378
Customer 48	4432	500	3932
Customer 49	13781	350	13431
Customer 50	6239	190	6049
Customer 51	1571	100	1471
Customer 52	1284	50	1234
Customer 53	1458	153	1305
Customer 54	1193	200	993
Customer 55	1484	200	1284
Customer 56	2593	1038	1555
Customer 57	1441	248	1193
Customer 58	1490	79	1411
Customer 59	1904	800	1104
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	4183	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	8487	7000	1487
Customer 19	1878	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	1893	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	4838	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	81	60	1
Customer 47	4643	2218	2425
Customer 48	4432	500	3932
Customer 49	13781	350	13431
Customer 50	8239	190	8049
Customer 51	1545	100	1445
Customer 52	1264	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	600	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	1984	600	1384
Customer 70			
Customer 71			
Customer 72			
Customer 73			
Customer 74			
Customer 75			
Customer 76			
Customer 77			
Customer 78			
	811,170	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	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	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	1464	200	1264
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	2834	1916	918
Customer 68	4163	1800	2363
Customer 69	2084	600	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	1,800	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

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)
40	4,318	7,000	8,854	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

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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.

2. NORMAL SUPPLY. Company agrees to furnish and maintain a normal supply in the form of standard three phase service, at approximately 138,000 volts at the point where Company's overhead service wires terminate on the line side terminals of Customer's disconnecting switch (normal supply point).

3. ALTERNATE SUPPLY. Company agrees to furnish and maintain, in addition to the normal supply, an alternate supply in the form of standard three phase service at approximately 138,000 volts at the point where Company's overhead service wires terminate on the line side terminals of Customer's alternate supply overhead disconnecting facilities (alternate supply point).

Because load growth and operating conditions dictate system design, Company reserves the right, after the initial term, to charge for the alternate supply point, as well as to change the terms and conditions for such alternate supply point. Any charge will reflect Company's additional expense incurred in Company's system development by virtue of the presence of the alternate supply point. Customer shall either accept the charges under a superseding agreement or Company is relieved of its obligation to provide the alternate supply point.

4. OPERATION OF SUPPLY POINTS. Company will designate, under operating instructions it will issue to Customer, the normal and alternate sources of supply, and Company reserves the right to change such designations from time to time to meet operating conditions on its system.

The Customer agrees to make use of the alternate source of supply for total energy requirements, only (a) in the event of and during periods of interruption of Company's normal source of supply and (b) subject to prior notification to and in accordance with the instructions of Company's System Operator. Upon restoration of Company's normal supply, Customer shall thereupon resume taking service from the normal supply point.

Notwithstanding the above, Company agrees to permit Customer to make continuous use of the alternate supply point for partial energy requirements.

5. ELECTRIC SERVICE. The Customer shall purchase electric service from the Company for the operation of the Customer's equipment which utilizes electric energy and which is installed at Customer's Plant and all future additions or extensions thereof located in the ██████████ County, Pennsylvania. Customer shall receive and pay for this electric service under the rules and rate schedules in Company's filed tariff, as amended from time to time. The rate schedule now applicable to service hereunder is LP-5, Optional Interruptible Power (copy attached), subject to Tariff Rule 4-D (Alternate Supply).

The Average On-peak Load Factor to be used for billing purposes under Rate Schedule LP-5 will be 90%. This Average On-peak Load Factor will be used until the following April 1. If 12 calendar months of billing history which reflect operations under this provision is not available at April 1, the Average On-peak Load Factor to be used for billing purposes as set forth above will be negotiated and the negotiated Average On-peak Load Factor will be used effective April 1. If 12 calendar months of billing history which reflect operations under this provision is available at April 1, any negotiated or renegotiated Average On-peak Load Factor under this provision will be replaced by the Average On-peak Load Factor calculated based on the average of the 12 calendar monthly load factors. Subsequently, at each April 1, the Average On-peak Load Factor will be recalculated based on the average of the 12 calendar monthly on-peak load factors for the prior calendar year. The Company, at its sole option, may modify the load factors for the 12 months of the prior calendar year to reflect operations expected.

6. INSERVICE DATE. Customer agrees to begin to purchase electric service from the Company by January 1, 1996, or no later than March 31, 1996. If the Customer does not begin to purchase electric service from the Company as mentioned above, Company will have the sole option to cancel this Agreement. In the event Company cancels this

Agreement the cancellation notice will be in writing. Thereafter, the terms and conditions for the electric service contemplated hereunder will be renegotiated by Company and Customer. In any regard the Company agrees that it will provide electric service to the Customer under the rules and rate schedules in Company's filed tariff then in effect.

7. SWITCHING EQUIPMENT. The Customer agrees to furnish, install, operate, and maintain at its sole cost and expense the necessary switching equipment to transfer from normal to alternate supply. The switching equipment shall be key interlocked to prevent tying the two sources together.

8. CUSTOMER BILLING. The Company agrees to record total demand of Customer's energy requirements for both sources of supply on one recording meter and to arithmetically add the energy usage taken by Customer at both sources of supply for billing purposes.

9. INTERRUPTIBLE PROVISIONS.

(a) Customer agrees to accept interruption of both normal and alternate supply points, down to the initial or adjusted level of Firm Power, upon a two-hour notice, pursuant to this Agreement and Rate Schedule LP-5.

(b) The Company may conduct an emergency test interruption, once per calendar year to test the Customer's ability and readiness to interrupt load during an emergency.

(c) Should the Customer fail to interrupt load down to the initial or adjusted level of Firm Power during an emergency or an emergency test interruption period, the Company may cancel this agreement at any time. Electric service will then be provided to the Customer by the Company under the Company's applicable rate schedule in its tariff.

00-11-1987 15:19

(d) Customer shall provide two telephone numbers to the Company for Company to notify Customer to reduce Customer's electrical load. Such telephone numbers shall be of such a characteristic that Company can make contact with the Customer without undue delay. "Undue delay" is herein defined as that delay experienced when the Company cannot make contact within three attempts at dialing said telephone numbers within a fifteen minute period.

(e) The Company shall have no liability whatsoever for any interruption pursuant to the terms of this Agreement, and the Customer will make no claim for any such interruption, and will defend, save harmless, and indemnify the Company for any claims by third parties for any such interruption.

(f) The initial Firm Power hereunder is 1,000 kilowatts. The Customer shall be obligated to reduce its electric power requirements hereunder to the initial or adjusted level of Firm Power during any emergency or emergency test interruption initiated at the option of the Company. Customer shall not be obligated to reduce its electric power requirement hereunder to a level below the Firm Power level during any interruption initiated at the option of the Company. The above initial Firm Power 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 above initial Firm Power.

(g) Changes to the Firm Power Level may be made in accordance with Rate Schedule LP-5 or by a superseding agreement.

10. CANCELLATION CHARGES. Company must begin its work immediately to meet Customer's in-service request of the fourth quarter of 1995. As a result, if Customer

cancels its request for electric service at 138,000 volts, Customer shall pay Company its reasonable costs as follows: Customer's payment shall be equal to Company's net costs incurred under this Agreement, including, but not limited to, all installation and removal costs. Company's costs shall not include lost profit. In no event shall Customer's payment hereunder exceed \$250,000.

Customer's cancellation shall be in writing and shall be delivered to Company's Marketing & Energy Services Manager (Manager) at Company's office at [REDACTED]

[REDACTED] The date of Manager's receipt of Customer's letter shall be considered the effective date of cancellation.

11. DISCONTINUATION OF ELECTRIC SERVICE. If the Customer discontinues receiving electric supply from the Company during the first ten years of this Agreement, the Customer shall pay to the Company the sum of \$227,000 less 3.0% per year times the number of whole years that have elapsed since the commencement of the initial term of this Agreement pursuant to Section 1(a) hereof. This amount represents the unamortized balance of the Company's investment in facilities installed by the Company to provide electric service hereunder to the Customer.

12. REGULATORY RESTRICTIONS. Company's obligations hereunder are subject to all governmental regulations relating to the supply of service hereunder or to the use of materials required therefor.

13. BINDING EFFECT. The provisions of this Agreement shall enure to and bind heirs, executors, administrators, successors, and assigns of the respective parties.

14. GOVERNING LAW. This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania.

15. CAPTIONS. The captions in this Agreement are for reference purposes only and shall not affect the interpretation of the provisions hereof.

16. ENTIRE AGREEMENT. This Agreement, including all documents referenced herein, constitutes the entire agreement between the parties hereto with respect to the purchase of energy by the Customer from Company and all prior agreements with respect to such purchase are hereby superseded.

IN WITNESS HEREOF, the parties have executed this Agreement For Electric Service, as set forth below.



By \_\_\_\_\_  
(signature)

Name \_\_\_\_\_

Title: Vice - President

PENNSYLVANIA POWER & LIGHT COMPANY

By Ronald D. Jackson  
(signature)

Name Ronald D. Jackson

Title Vice - President & Ec. Dev.

**CERTIFICATE OF SERVICE**

I hereby certify that on July 16, 1997, a copy of 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 was served upon the following person(s) by Federal Express or first class U.S. Mail, postage prepaid.

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RECEIVED

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

JUL 28 1997

PA PUBLIC UTILITY COMMISSION  
PROTHONOTARY'S OFFICE

---

Application of Pennsylvania Power & Light :  
Company For Approval of Its Restructuring : Docket No. R-00973954  
Plan Under Section 2806 of the Public Utility :  
Code :

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**CERTIFICATION OF SERVICE**

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I hereby certify that on July 28, 1997, I served a true copy of Pennsylvania Power & Light Company's Objections to the Requests for Admissions—First Set of Caradon Mideast Aluminum, Metal Industries, Inc. and Quaker Oats Company upon the active participants listed below, in accordance with the requirements of §1.54 (relating to service by a participant):

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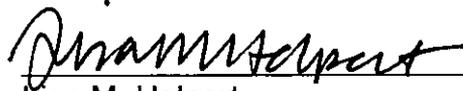
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