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PASEUG Stmt. 1 - E et al  
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BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Re: Petition of Enron Energy Services Power, Inc., )  
for Approval of an Electric Competition )  
and Customer Choice Plan )  
for Authority Pursuant to Section 2807(e)(3) ) Docket No. P-00971265  
of the Public Utility Code to Serve as the )  
Provider of Last Resort in the Service Territory )  
of PECO Energy Company )

DOCKETED  
NOV 20 1997

DOCUMENT  
FOLDER

DIRECT TESTIMONY  
AND EXHIBIT  
OF  
STEPHEN J. BARON

ON BEHALF OF THE  
PHILADELPHIA AREA INDUSTRIAL ENERGY USERS GROUP

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J. KENNEDY AND ASSOCIATES, INC.  
ATLANTA, GEORGIA

NOVEMBER 1997

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Re:   Petition of Enron Energy Services Power, Inc.,    )  
      for Approval of an Electric Competition            )  
      and Customer Choice Plan and                        )  
      for Authority Pursuant to Section 2807(e)(3)        ) Docket No. P-00971265  
      of the Public Utility Code to Serve as the         )  
      Provider of Last Resort in the Service Territory   )  
      of PECO Energy Company                             )**

**DIRECT TESTIMONY OF STEPHEN J. BARON**

**I. QUALIFICATIONS AND SUMMARY**

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

**A.    My name is Stephen J. Baron. My business address is J. Kennedy and Associates, Inc.  
      ("Kennedy and Associates"), 35 Glenlake Parkway, Suite 475, Atlanta, Georgia 30328.**

**Q.    What is your occupation and by whom are you employed?**

**A.    I am the President and a Principal of Kennedy and Associates, a firm of utility rate,  
      planning, and economic consultants in Atlanta, Georgia.**

**Q.    Please describe briefly the nature of the consulting services provided by Kennedy  
      and Associates.**

1 A. Kennedy and Associates provides consulting services in the electric and gas utility  
2 industries. Our clients include state agencies and industrial electricity consumers. The  
3 firm provides expertise in system planning, load forecasting, financial analysis, cost-of-  
4 service, and rate design. Current clients include the Georgia and Louisiana Public  
5 Service Commissions, and industrial consumer groups throughout the United States.

6  
7 **Q. Please state your educational background.**

8  
9 A. I graduated from the University of Florida in 1972 with a B.A. degree with high honors  
10 in Political Science and significant coursework in Mathematics and Computer Science.  
11 In 1974, I received a Master of Arts Degree in Economics, also from the University of  
12 Florida. My areas of specialization were econometrics, statistics, and public utility  
13 economics. My thesis concerned the development of an econometric model to forecast  
14 electricity sales in the State of Florida, for which I received a grant from the Public  
15 Utility Research Center of the University of Florida. In addition, I have advanced study  
16 and coursework in time series analysis and dynamic model building.

17  
18 **Q. Please describe your professional experience.**

19  
20 A. I have more than twenty-two years of experience in the electric utility industry in the  
21 areas of cost and rate analysis, forecasting, planning, and economic analysis.

22

1 Following the completion of my graduate work in economics, I joined the staff of the  
2 Florida Public Service Commission in August of 1974 as a Rate Economist. My  
3 responsibilities included the analysis of rate cases for electric, telephone, and gas  
4 utilities as well as the preparation of cross-examination material and the preparation of  
5 staff recommendations.

6  
7 In December 1975, I joined the Utility Rate Consulting Division of Ebasco Services,  
8 Inc. as an Associate Consultant. In the seven years I worked for Ebasco, I received  
9 successive promotions, ultimately to the position of Vice President of Energy  
10 Management Services of Ebasco Business Consulting Company. My responsibilities  
11 included the management of a staff of consultants engaged in providing services in the  
12 areas of econometric modeling, load and energy forecasting, production cost modeling,  
13 planning, cost-of-service analysis, cogeneration, and load management.

14  
15 I joined the public accounting firm of Coopers & Lybrand in 1982 as a Manager of the  
16 Atlanta Office of the Utility Regulatory and Advisory Services Group. In this capacity  
17 I was responsible for the operation and management of the Atlanta office. My duties  
18 included the technical and administrative supervision of the staff, budgeting, recruiting,  
19 and marketing as well as project management on client engagements. At Coopers &  
20 Lybrand, I specialized in utility cost analysis, forecasting, load analysis, economic  
21 analysis, and planning.

22

1 In January 1984, I joined the consulting firm of Kennedy and Associates as a Vice  
2 President and Principal. I became President of the firm in January 1991.

3  
4 During the course of my career, I have provided consulting services to more than thirty  
5 utility, industrial, and Public Service Commission clients, including three international  
6 utility clients.

7  
8 I have presented numerous papers and published an article entitled "How to Rate Load  
9 Management Programs" in the March 1979 edition of "Electrical World." My article  
10 on "Standby Electric Rates" was published in the November 8, 1984 issue of "Public  
11 Utilities Fortnightly." In February of 1984, I completed a detailed analysis entitled  
12 "Load Data Transfer Techniques" on behalf of the Electric Power Research Institute,  
13 which published the study.

14  
15 I have presented testimony as an expert witness in Arizona, Arkansas, Colorado,  
16 Connecticut, Florida, Georgia, Indiana, Kentucky, Louisiana, Maine, Michigan,  
17 Minnesota, Maryland, Missouri, New Jersey, New Mexico, New York, North Carolina,  
18 Ohio, Pennsylvania, Texas, and West Virginia, as well as before the Federal Energy  
19 Regulatory Commission and in United States Bankruptcy Court. A list of my specific  
20 regulatory appearances can be found in Baron Exhibit \_\_\_\_ (SJB-1)

21  
22 **Q. On whose behalf are you testifying in this proceeding?**

1 A. I am testifying on behalf of the Philadelphia Area Industrial Energy Users Group  
2 ("PAIEUG"), a group of large industrial customers taking service on the PECO Energy  
3 Company ("PECO" or "the Company") system.  
4

5 **Q. What is the purpose of your testimony?**  
6

7 A. I am responding to a number of issues raised in the filing and testimony of Enron  
8 Energy Services Power, Inc. ("Enron"), regarding its proposed Electric Competition and  
9 Customer Choice Plan ("Plan"). Given the time frame available to evaluate Enron's  
10 proposal, I will only be addressing selected issues of specific, significant impact on  
11 PAIEUG members. In this regard, it should be understood that PAIEUG's silence on  
12 other issues in Enron's proposal should not be interpreted as support of Enron's Plan on  
13 these issues.  
14

15 My testimony addresses two main issue areas raised by Enron's filing. The first  
16 concerns the overall concept of Enron replacing PECO as a provider of last resort, and,  
17 in particular, adopting some, but not all of the features of the proposed settlement  
18 agreement between PECO and the major consumer groups representing PECO's  
19 customers in this case and the consolidated restructuring case. The second area of my  
20 testimony addresses specific tariff proposals made by Enron to which PAIEUG strongly  
21 objects, and, which, in our opinion, violate the Competition Act.  
22

1 **General Objections to Enron's Plan**

2

3 **Q. Have you had an opportunity to review Enron's proposed Plan and the testimony**  
4 **of Enron witnesses supporting its Plan?**

5

6 A. Yes. I have reviewed the Plan and the testimony in order to generally evaluate Enron's  
7 proposal and identify possible adverse impacts on PAIEUG members. In particular, I  
8 have focused my review and analysis on those aspects of the Enron plan that impact  
9 tariff provisions, proposed changes in riders, and other "term and condition" issues  
10 raised by the Enron Plan and substituted by Enron for the terms and conditions agreed  
11 to in the settlement.

12

13 **Q. What is your overall opinion of the Enron proposal with respect to the tariff issues**  
14 **that you have focused on in your review and analysis?**

15

16 A. In a number of important aspects, Enron has significantly changed the terms and  
17 conditions that were arrived at in the settlement agreement with PECO. For example,  
18 under Enron's proposed tariffs, Rule 4.6 contracts will no longer be available to future  
19 customers during the transition period, although this was specifically agreed to by  
20 PECO in the settlement agreement. Another example is the elimination of the "Cooling  
21 Thermal Storage Rider" from Enron's tariffs. These are but two examples of changes  
22 that Enron has unilaterally made to the settlement agreement between PECO and its

1 customers. A more complete discussion of these issues, with particular focus on the  
2 impact on PAIEUG members, is contained in the second part of my testimony.

3  
4 **Q. Based on your review, do you believe that Enron's proposal is a reasonable**  
5 **substitution for the settlement agreement between PECO and most of the parties**  
6 **in the restructuring proceeding?**

7  
8 **A.** No. The problem with the Enron proposal is that it has adopted a negotiated level of  
9 stranded cost recovery for PECO (\$5.46 billion), while substituting numerous changes  
10 in other provisions that were negotiated only as part of an overall global settlement of  
11 the restructuring proceeding. PAIEUG would never have agreed to permit PECO to  
12 recover \$5.46 billion in stranded cost without all of the other elements of the settlement  
13 agreement.

14  
15 PAIEUG developed and presented a substantial analysis of stranded cost and other  
16 ratemaking issues in our direct testimony in the PECO restructuring proceeding. Our  
17 litigation position, based on a thorough analysis of market prices and PECO's costs,  
18 indicated that a fair level of stranded cost recovery for PECO would be \$2.2 billion.  
19 Obviously, by participating in the overall settlement of the restructuring proceeding,  
20 PAIEUG agreed to permit PECO to recover a greater amount of stranded cost than we  
21 determined in our analysis and recommended in our testimony.

22

1 Enron has taken one element of the overall settlement agreement (\$5.46 billion in  
2 stranded cost recovery for PECO) and then unilaterally modified other elements of the  
3 Plan. From PAIEUG's perspective, Enron is proposing an entirely new restructuring  
4 case for PECO. Enron is proposing a stranded cost recovery level of \$5.46 billion,  
5 coupled with its own proposed unbundling analysis and CTC recovery mechanism. The  
6 Enron Plan represents a new stand-alone restructuring filing for PECO, the centerpiece  
7 of which is a request for \$5.46 billion in stranded cost and a host of restructuring  
8 provisions not previously introduced in the PECO case. PAIEUG would never agree  
9 to the overall proposal put forth by Enron for this level of stranded cost recovery,  
10 coupled with the proposed tariff provisions of Enron's Plan.

11  
12 The Enron proposal ignores the delicate balance found in the Joint Petition for  
13 Settlement, wherein the signatories made a reasoned judgment as to the value provided  
14 their respective interests. The exercise of that judgment was more complex than simply  
15 agreeing to a stranded cost recovery level. PAIEUG made the determination that the  
16 "benefits" outweighed the "costs," an evaluation that involved far more than stranded  
17 cost issues alone.

18  
19 **Q. Does PAIEUG continue to support the settlement agreement with PECO?**

20  
21 **A.** Yes. PAIEUG carefully evaluated all of the elements of the settlement agreement,  
22 including the level of stranded cost payments being made to PECO, the tariff provisions

1 associated with unbundling, retail access issues and other aspects of the filing. It is  
2 unreasonable for Enron to partially adopt aspects of the settlement agreement; in  
3 particular, the stranded cost recovery level, and then unilaterally alter other aspects of  
4 the agreement.

5  
6 **Q. In evaluating the settlement agreement, how did PAIEUG consider the various**  
7 **aspects of stranded cost recovery level and tariff provisions?**

8  
9 A. PAIEUG carefully weighed all of the benefits and costs associated with the settlement.  
10 Clearly, in agreeing to the settlement document, PAIEUG agreed to a level of stranded  
11 cost recovery for PECO in excess of what we believed to be a reasonable level in our  
12 testimony. The tradeoff, in PAIEUG's analysis, consisted of valuing various tariff  
13 provisions, as well as the risks associated with further litigation. Enron's plan, by  
14 adopting the stranded cost recovery level, but not adopting all of the tariff provisions,  
15 completely changes the cost/benefit analysis performed by PAIEUG that was relied on  
16 and ultimately led to an agreement to permit PECO to recover up to \$5.46 billion in  
17 stranded cost.

18  
19 **Q. What is your overall recommendation regarding Enron's proposal?**

20  
21 A. PAIEUG opposes the adoption of Enron's Plan by the Commission. We continue to  
22 support the settlement agreed to by PAIEUG, the Office of Consumer Advocate, the

1 Office of Small Business Advocate and most of the other parties in this restructuring  
2 proceeding.

3  
4 **Specific Tariff Issues Objected to by PAIEUG**

5  
6 **Q. Have you reviewed Enron's filing with regard to proposals to modify specific tariff**  
7 **offerings and tariff provisions that have been agreed to in the settlement?**

8  
9 **A.** Yes. Although the Enron filing is somewhat ambiguous in many respects, the proposal  
10 by Enron to eliminate or significantly change a number of tariff provisions associated  
11 with large industrial usage will dramatically impact PAIEUG members.

12  
13 **Q. Would you please discuss some of these changes that have been specifically**  
14 **proposed by Enron in its filing?**

15  
16 **A.** The first, and perhaps the most significant change that will impact PAIEUG members,  
17 is Enron's proposal to "eliminate references to generation services" in the Large  
18 Interruptible Load Rider ("LILR"). In fact, the Enron filing does not include any LILR  
19 tariff, although Enron witness Kingerski states that LILR will continue to be available.  
20 Several PAIEUG members utilize LILR, directly or indirectly. Enron's proposal, which  
21 may eliminate this rider (from the standpoint of providing benefits associated with  
22 generation) and limit any possible benefits in the tariff to the "relief of delivery

1 constraints," will have a significant detrimental impact on PAIEUG members. I should  
2 note that Mr. Kingerski's direct testimony at pages 12 to 13 and Exhibit B conflicts with  
3 his own Exhibit A, page 3 of 4, on this point. PAIEUG members cannot properly plan  
4 with this degree of uncertainty and apparent change of position on a moment's notice.

5  
6 Under the Competition Act, PECO agreed in its initial restructuring filing that it would  
7 be required to continue offering LILR to present customers until the completion of the  
8 transition into full retail competition. Under PECO's original filing, this would extend  
9 through the year 2005. As a result of the settlement agreement, PECO has agreed to  
10 extend the availability of the LILR tariff through at least December 31, 2008. This was  
11 a significant benefit provided to PAIEUG members as a result of the settlement and was  
12 one of the reasons, among others, that PAIEUG agreed to an overall settlement in which  
13 PECO would receive \$5.46 billion of stranded cost recovery.

14  
15 Now, in its plan to become a provider of last resort, Enron is proposing to eliminate the  
16 availability of the LILR tariff as a default service offering. This apparently means that  
17 Enron will not offer this service to LILR customers who choose to continue as full  
18 service customers of PECO; although, as I noted, there appears to be considerable  
19 confusion in Enron's filing and testimony on this issue.

20

1 Based on my understanding of the Enron filing, the Company (Enron) would no longer  
2 offer LILR service beginning in 1999.<sup>1</sup> Presumably, if PECO, through a competitive  
3 service offering, chose to provide LILR service, Enron would have no objection to this  
4 type of transaction. However, under the Enron proposal, there would appear to be  
5 absolutely no guarantee that an LILR customer would be able to continue receiving  
6 service under this rider after January 1, 1999. The Enron proposal is not offering  
7 "choice" to these large industrial customers who are now taking service on LILR. The  
8 only choice available to these customers would be to renegotiate contracts with Enron  
9 or an alternative supplier. This is a significant change from either the restructuring  
10 filing originally made by PECO or the enhanced benefits provided in the settlement.  
11 PAIEUG members would be significantly harmed if the Enron plan were adopted.

12  
13 **Q. Do you believe that Enron's proposal in this regard would violate the Competition**  
14 **Act?**

15  
16 **A.** Yes. The Competition Act provides for a 54 month transmission and distribution rate  
17 cap and a generation rate cap for a period up to seven years, if a CTC charge is being  
18 collected from ratepayers. Under PECO's original restructuring filing, and all of the  
19 filings made by other Pennsylvania electric utilities, all tariff and rider offerings  
20 available on January 1, 1997 will continue to be available at those capped rates (54

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<sup>1</sup> Based on the actual plan filed with the Commission; although Mr. Kingerski's testimony and exhibits suggest that LILR will be offered. Also, Exhibit A indicates that LILR will be repriced substantially.

1 months for the transmission and distribution component, the full transition period for  
2 the generation rate component, up to seven years) during the period when CTCs are  
3 being collected from ratepayers. Enron's proposal eliminates this significant protection  
4 provision in the Competition Act, since it does not provide default service to LILR  
5 customers.

6  
7 It appears that Enron has decided to forego serving high volume industrial customers  
8 who currently purchase electricity at lower prices than the systemwide or rate schedule  
9 average price. Its proposal to deny default service to these customers under their current  
10 contracts or tariff provisions, during the period of CTC collection, is an attempt to force  
11 these customers into retail access, even though they may not wish to do so, during the  
12 period of CTC collection.

13  
14 **Q. Has Enron reflected the elimination of the LILR Rider in the proof of revenue**  
15 **analysis that it has filed in this proceeding?**

16  
17 **A.** No. Despite the fact that Enron is proposing to eliminate references to generation  
18 services in this tariff, and deny default service to these customers, Enron has included  
19 revenues from LILR customers in its proof of revenue analysis for Rate Schedule HT.  
20 I simply don't understand the basis for what appears to be inconsistent assumptions by  
21 Enron in its filing and revenue analyses.

22

1 **Q. Are there any other changes that Enron is proposing to make that would affect**  
2 **LILR customers?**

3  
4 A. Yes. Enron is also proposing to modify the power factor provision of this tariff under  
5 Rule 15.3 of PECO's Rules and Regulations. In Section 15.3, Item (3) of the Rules and  
6 Regulations, Enron is proposing to apply a power factor adjustment to all LILR on-peak  
7 kWhs, as opposed to the current tariff that applies this power factor adjustment only to  
8 LILR on-peak kWhs for each hour billed based on the PJM billing rate. This change  
9 represents an increase, everything else being equal, in LILR rates that is a violation of  
10 the Competition Act. This occurs because the on-peak hours billed at the PJM billing  
11 rate on LILR are fewer than the on-peak hours on Rate HT.

12  
13 **Q. How is Enron proposing to treat existing Economic Efficiency Rider ("EER")**  
14 **customers and Rule 4.6 Special Contract customers in its proposed tariff?**

15  
16 A. With respect to EER customers, Enron is proposing to eliminate this rider. This is the  
17 recommended action of Enron as stated in its filed tariff. At the same time, in the text  
18 of its filing, Enron is proposing that EER service will remain available to customers,  
19 although "customers electing to continue under their current contracts with PECO shall  
20 not be included as default customers."<sup>2</sup> My understanding of this provision is that LILR,  
21 EER, and Rule 4.6 customers will not be served as default customers under the Enron

---

1 <sup>2</sup> This limitation also applies to LILR and Rule 4.6 contracts.

1 proposal. As a result, it would appear that if PECO honors these contracts as a  
2 competitive supplier, these customers could continue under their contracts; Enron,  
3 however, will not serve them. At the same time, Enron is also proposing to eliminate  
4 the EER Rider and re-price LILR.

5  
6 Any change to the availability of EER and Rule 4.6 contracts will significantly affect  
7 PAIEUG members. As in the case of LILR customers, PAIEUG members who take  
8 service under EER and Rule 4.6 contracts traded-off benefits from the settlement, with  
9 respect to the availability of contracts, for the costs associated with paying PECO \$5.46  
10 billion in stranded cost recovery. Enron's proposed tariff changes would appear to  
11 eliminate these customers from the service offerings required of Enron as a default  
12 service provider.

13  
14 **Q. Are there other changes that Enron is proposing to make in tariffs and riders that**  
15 **impact PAIEUG members?**

16  
17 **A. Yes. Enron is proposing to change the following riders to PECO's tariffs, to the**  
18 **detriment of customers taking service under these provisions:**

- 19  
20 • Auxiliary Service Rider  
21 • Cooling Thermal Storage HT Rider  
22 • Curtailment HT Rider

- 1       •     Night Service HT Rider
- 2       •     Capacity Reservation Rider
- 3       •     Interruptible Rider 1

4

5       In all of these cases, Enron is proposing actions that will result in rate increases for  
6       customers who took service under these riders on January 1, 1997. This is in violation  
7       of the Competition Act generation rate cap provisions, since it raises rates during the  
8       period in which the CTC is being collected, up to the year 2005.

9

10   **Q.    Has Enron included revenues for any of these proposed riders (or reflected**  
11       **decreases in revenues, where applicable) in its proof of revenue analysis for Rate**  
12       **HT?**

13

14   **A.**    Yes. For example, despite the fact that Enron is proposing to re-price the Curtailment  
15       HT Rider to reflect only the cost-based value of relieving delivery constraints on the  
16       PECO system, Enron has included the current level of the Curtailment Rider revenue  
17       credit in its HT proof of revenue analysis. This would appear to be inconsistent with  
18       Enron's proposed treatment of this rider. The same is true for the calculation of  
19       interruptible kW revenue for Rate Schedule HT. Despite the change proposed by Enron  
20       for this provision, the revenues are identical in existing PECO bundled rates in the  
21       proposed Enron unbundling.

22

1    **Q.    What is your overall conclusion regarding the reasonableness of the tariff and**  
2           **rider changes that Enron is proposing its Electric Competition and Customer**  
3           **Choice Plan?**

4  
5    A.    Enron's proposals significantly change the balance that was agreed to by PECO and  
6           PAIEUG in the restructuring case settlement. It is unreasonable and unacceptable for  
7           Enron to modify any of the settlement tariff provisions while adopting a \$5.46 billion  
8           collection of stranded cost, agreed to in the settlement. PAIEUG continues to support  
9           the settlement in all of its provisions.

10

11   **Q.    Does that complete your testimony?**

12

13   A.    Yes.

14

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**EXHIBIT**  
**OF**  
**STEPHEN J. BARON**

**ON BEHALF OF THE**  
**PHILADELPHIA AREA INDUSTRIAL ENERGY USERS GROUP**

**J. KENNEDY AND ASSOCIATES, INC.**  
**ATLANTA, GEORGIA**

**NOVEMBER 1997**

Expert Testimony Appearances  
of  
Stephen J. Baron  
As of October 1997

Date	Case	Jurisdct.	Party	Utility	Subject
4/81	203(B)	KY	Louisville Gas & Electric Co.	Louisville Gas & Electric Co.	Cost-of-service.
4/81	ER-81-42	MO	Kansas City Power & Light Co.	Kansas City Power & Light Co.	Forecasting.
6/81	U-1933	AZ	Arizona Corporation Commission	Tucson Electric Co.	Forecasting planning.
2/84	8924	KY	Airco Carbide	Louisville Gas & Electric Co.	Revenue requirements, cost-of-service, forecasting, weather normalization.
3/84	84-038-U	AR	Arkansas Electric Energy Consumers	Arkansas Power & Light Co.	Excess capacity, cost-of-service, rate design.
5/84	830470-EI	FL	Florida Industrial Power Users' Group	Florida Power Corp.	Allocation of fixed costs, load and capacity balance, and reserve margin. Diversification of utility.
10/84	84-199-U	AR	Arkansas Electric Energy Consumers	Arkansas Power and Light Co.	Cost allocation and rate design.
11/84	R-842651	PA	Lehigh Valley Power Committee	Pennsylvania Power & Light Co.	Interruptible rates, excess capacity, and phase-in.
1/85	85-65	ME	Airco Industrial Gases	Central Maine Power Co.	Interruptible rate design.
2/85	I-840381	PA	Philadelphia Area Industrial Energy Users' Group	Philadelphia Electric Co.	Load and energy forecast.
3/85	9243	KY	Alcan Aluminum Corp., et al.	Louisville Gas & Electric Co.	Economics of completing fossil generating unit.
3/85	3498-U	GA	Attorney General	Georgia Power Co.	Load and energy forecasting, generation planning economics.
3/85	R-842632	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Generation planning economics, prudence of a pumped storage hydro unit.
5/85	84-249	AR	Arkansas Electric Energy Consumers	Arkansas Power & Light Co.	Cost-of-service, rate design return multipliers.
5/85		City of Santa Clara	Chamber of Commerce	Santa Clara Municipal	Cost-of-service, rate design.

**Expert Testimony Appearances  
of  
Stephen J. Baron  
As of October 1997**

Date	Case	Jurisdiction	Party	Utility	Subject
6/85	84-768-E-42T	WV	West Virginia Industrial Intervenors	Monongahela Power Co.	Generation planning economics, prudence of a pumped storage hydro unit.
6/85	E-7 Sub 391	NC	Carolina Industrials (CIGFUR III)	Duke Power Co.	Cost-of-service, rate design, interruptible rate design.
7/85	29046	NY	Industrial Energy Users Association	Orange and Rockland Utilities	Cost-of-service, rate design.
10/85	85-043-U	AR	Arkansas Gas Consumers	Arkla, Inc.	Regulatory policy, gas cost-of-service, rate design.
10/85	85-63	ME	Airco Industrial Gases	Central Maine Power Co.	Feasibility of interruptible rates, avoided cost.
2/85	ER-8507698	NJ	Air Products and Chemicals	Jersey Central Power & Light Co.	Rate design.
3/85	R-850220	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Optimal reserve, prudence, off-system sales guarantee plan.
2/86	R-850220	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Optimal reserve margins, prudence, off-system sales guarantee plan.
3/86	85-299U	AR	Arkansas Electric Energy Consumers	Arkansas Power & Light Co.	Cost-of-service, rate design, revenue distribution.
3/86	85-726-EL-AIR	OH	Industrial Electric Consumers Group	Ohio Power Co.	Cost-of-service, rate design, interruptible rates.
5/86	86-081-E-G1	WV	West Virginia Energy Users Group	Monongahela Power Co.	Generation planning economics, prudence of a pumped storage hydro unit.
8/86	E-7 Sub 408	NC	Carolina Industrial Energy Consumers	Duke Power Co.	Cost-of-service, rate design, interruptible rates.
10/86	U-17378	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Excess capacity, economic analysis of purchased power.
12/86	38063	IN	Industrial Energy Consumers	Indiana & Michigan Power Co.	Interruptible rates.

Expert Testimony Appearances  
of  
Stephen J. Baron  
As of October 1997

Date	Case	Jurisdiction	Party	Utility	Subject
3/87	EL-86-53-001 EL-86-57-001	Federal Energy Regulatory Commission (FERC)	Louisiana Public Service Commission Staff	Gulf States Utilities, Southern Co.	Cost/benefit analysis of unit power sales contract.
4/87	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Load forecasting and imprudence damages, River Bend Nuclear unit.
5/87	87-023-E-C	WV	Airco Industrial Gases	Monongahela Power Co.	Interruptible rates.
5/87	87-072-E-G1	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Analyze Mon Power's fuel filing and examine the reasonableness of MP's claims.
5/87	86-524-E-SC	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Economic dispatching of pumped storage hydro unit.
5/87	9781	KY	Kentucky Industrial Energy Consumers	Louisville Gas & Electric Co.	Analysis of impact of 1986 Tax Reform Act.
6/87	3673-U	GA	Georgia Public Service Commission	Georgia Power Co.	Economic prudence, evaluation of Vogtle nuclear unit - load forecasting, planning.
6/87	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Phase-in plan for River Bend Nuclear unit.
7/87	85-10-22	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Methodology for refunding rate moderation fund.
8/87	3673-U	GA	Georgia Public Service Commission	Georgia Power Co.	Test year sales and revenue forecast.
9/87	R-850220	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Excess capacity, reliability of generating system.
10/87	R-870651	PA	Duquesne Industrial Intervenors	Duquesne Light Co.	Interruptible rate, cost-of-service, revenue allocation, rate design.
10/87	1-860025	PA	Pennsylvania Industrial Intervenors		Proposed rules for cogeneration, avoided cost, rate recovery.
10/87	E-015/GR-87-223	MN	Taconite Intervenors	Minnesota Power & Light Co.	Excess capacity, power and cost-of-service, rate design.

Expert Testimony Appearances  
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Stephen J. Baron  
As of October 1997

Date	Case	Jurisdct.	Party	Utility	Subject
10/87	8702-EI	FL	Occidental Chemical Corp.	Florida Power Corp.	Revenue forecasting, weather normalization.
12/87	87-07-01	CT	Connecticut Industrial Energy Consumers	Connecticut Light Power Co.	Excess capacity, nuclear plant phase-in.
3/88	10064	KY	Kentucky Industrial Energy Consumers	Louisville Gas & Electric Co.	Revenue forecast, weather normalization rate treatment of cancelled plant.
3/88	87-183-TF	AR	Arkansas Electric Consumers	Arkansas Power & Light Co.	Standby/backup electric rates.
5/88	870171C001	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Cogeneration deferral mechanism, modification of energy cost recovery (ECR).
6/88	870172C005	PA	GPU Industrial Intervenors	Pennsylvania Electric Co.	Cogeneration deferral mechanism, modification of energy cost recovery (ECR).
7/88	88-171-EL-AIR 88-170-EL-AIR Interim Rate Case	OH	Industrial Energy Consumers	Cleveland Electric/ Toledo Edison	Financial analysis/need for interim rate relief.
7/88	Appeal of PSC	19th Judicial Docket U-17282	Louisiana Public Service Commission Circuit Court of Louisiana	Gulf States Utilities	Load forecasting, imprudence damages.
11/88	R-880989	PA	United States Steel	Carnegie Gas	Gas cost-of-service, rate design.
11/88	88-171-EL-AIR 88-170-EL-AIR	OH	Industrial Energy Consumers	Cleveland Electric/ Toledo Edison. General Rate Case.	Weather normalization of peak loads, excess capacity, regulatory policy.
3/89	870216/283 284/286	PA	Armco Advanced Materials Corp., Allegheny Ludlum Corp.	West Penn Power Co.	Calculated avoided capacity, recovery of capacity payments.
8/89	8555	TX	Occidental Chemical Corp.	Houston Lighting & Power Co.	Cost-of-service, rate design.
8/89	3840-U	GA	Georgia Public Service Commission	Georgia Power Co.	Revenue forecasting, weather normalization.
9/89	2087	NM	Attorney General of New Mexico	Public Service Co. of New Mexico	Prudence - Palo Verde Nuclear Units 1, 2 and 3, load forecasting.

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Date	Case	Jurisdic.	Party	Utility	Subject
10/89	2262	NM	New Mexico Industrial Energy Consumers	Public Service Co. of New Mexico	Fuel adjustment clause, off-system sales, cost-of-service, rate design, marginal cost.
11/89	38728	IN	Industrial Consumers for Fair Utility Rates	Indiana Michigan Power Co.	Excess capacity, capacity equalization, jurisdictional cost allocation, rate design, interruptible rates.
1/90	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Jurisdictional cost allocation, O&M expense analysis.
5/90	890366	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Non-utility generator cost recovery.
6/90	R-901609	PA	Armco Advanced Materials Corp., Allegheny Ludlum Corp.	West Penn Power Co.	Allocation of QF demand charges in the fuel cost, cost-of-service, rate design.
9/90	8278	MD	Maryland Industrial Group	Baltimore Gas & Electric Co.	Cost-of-service, rate design, revenue allocation.
12/90	U-9346 Rebuttal	MI	Association of Businesses Advocating Tariff Equity	Consumers Power Co.	Demand-side management, environmental externalities.
12/90	U-17282 Phase IV	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, jurisdictional allocation.
12/90	90-205	ME	Airco Industrial Gases	Central Maine Power Co.	Investigation into interruptible service and rates.
1/91	90-12-03 Interim	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Interim rate relief, financial analysis, class revenue allocation.
5/91	90-12-03 Phase II	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Revenue requirements, cost-of-service, rate design, demand-side management.
8/91	E-7, SUB SUB 487	NC	North Carolina Industrial Energy Consumers	Duke Power Co.	Revenue requirements, cost allocation, rate design, demand-side management.
8/91	8341 Phase I	MD	Westvaco Corp.	Potomac Edison Co.	Cost allocation, rate design, 1990 Clean Air Act Amendments.
8/91	91-372 EL-UNC	OH	Armco Steel Co., L.P.	Cincinnati Gas & Electric Co.	Economic analysis of cogeneration, avoid cost rate.

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Date	Case	Jurisdict.	Party	Utility	Subject
9/91	P-910511 P-910512	PA	Allegheny Ludlum Corp., Armco Advanced Materials Co., The West Penn Power Industrial Users' Group	West Penn Power Co.	Economic analysis of proposed CWIP Rider for 1990 Clean Air Act Amendments expenditures.
9/91	91-231 -E-NC	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Economic analysis of proposed CWIP Rider for 1990 Clean Air Act Amendments expenditures.
10/91	8341 - Phase II	MD	Westvaco Corp.	Potomac Edison Co.	Economic analysis of proposed CWIP Rider for 1990 Clean Air Act Amendments expenditures.
10/91	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Results of comprehensive management audit.
Note: No testimony was prefiled on this.					
11/91	U-17949 Subdocket A	LA	Louisiana Public Service Commission Staff	South Central Bell Telephone Co.	Analysis of South Central Bell's restructuring and and proposed merger with Southern Bell Telephone Co.
12/91	91-410- EL-AIR	OH	Armco Steel Co., Air Products & Chemicals, Inc.	Cincinnati Gas & Electric Co.	Rate design, interruptible rates.
12/91	P-880286	PA	Armco Advanced Materials Corp., Allegheny Ludlum Corp.	West Penn Power Co.	Evaluation of appropriate avoided capacity costs - QF projects.
1/92	C-913424	PA	Duquesne Interruptible Complainants	Duquesne Light Co.	Industrial interruptible rate.
6/92	92-02-19	CT	Connecticut Industrial Energy Consumers	Yankee Gas Co.	Rate design.
8/92	2437	NM	New Mexico Industrial Intervenors	Public Service Co. of New Mexico	Cost-of-service.
8/92	R-00922314	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Cost-of-service, rate design, energy cost rate.
9/92	39314	ID	Industrial Consumers for Fair Utility Rates	Indiana Michigan Power Co.	Cost-of-service, rate design, energy cost rate, rate treatment.
10/92	M-00920312 C-007	PA	The GPU Industrial Intervenors	Pennsylvania Electric Co.	Cost-of-service, rate design, energy cost rate, rate treatment.
12/92	U-17949	LA	Louisiana Public Service Commission Staff	South Central Bell Co.	Management audit.

**Expert Testimony Appearances  
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Stephen J. Baron  
As of October 1997**

Date	Case	Jurisdicth	Party	Utility	Subject
12/92	R-00922378	PA	Armco Advanced Materials Co. The WPP Industrial Intervenor	West Penn Power Co.	Cost-of-service, rate design, energy cost rate, SO <sub>2</sub> allowance rate treatment.
1/93	8487	MD	The Maryland Industrial Group	Baltimore Gas & Electric Co.	Electric cost-of-service and rate design, gas rate design (flexible rates).
2/93	E002/GR-92-1185	MN	North Star Steel Co. Praxair, Inc.	Northern States Power Co.	Interruptible rates.
4/93	EC92 21000 ER92-806-000 (Rebuttal)	Federal Energy Regulatory Commission	Louisiana Public Service Commission Staff	Gulf States Utilities/Entergy	Merger of GSU into Entergy System; impact on system agreement.
7/93	93-0114-E-C	WV	Airco Gases	Monongahela Power Co.	Interruptible rates.
8/93	930759-EG	FL	Florida Industrial Power Users' Group	Generic - Electric Utilities	Cost recovery and allocation of DSM costs.
9/93	M-009 30406	PA	Lehigh Valley Power Committee	Pennsylvania Power & Light Co.	Ratemaking treatment of off-system sales revenues.
11/93	346	KY	Kentucky Industrial Utility Customers	Generic - Gas Utilities	Allocation of gas pipeline transition costs - FERC Order 636.
12/93	U-17735	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	Nuclear plant prudence, forecasting, excess capacity.
4/94	E-015/GR-94-001	MN	Large Power Intervenor	Minnesota Power Co.	Cost allocation, rate design, rate phase-in plan.
5/94	U-20178	LA	Louisiana Public Service Commission	Louisiana Power & Light Co.	Analysis of least cost integrated resource plan and demand-side management program.
7/94	R-00942986	PA	Armco, Inc.; West Penn Power Industrial Intervenor	West Penn Power Co.	Cost-of-service, allocation of rate increase, rate design, emission allowance sales, and operations and maintenance expense.
7/94	94-0035-E-42T	WV	West Virginia Energy Users Group	Monongahela Power Co.	Cost-of-service, allocation of rate increase, and rate design.
8/94	EC94 13-000	Federal Energy Regulatory Commission	Louisiana Public Service Commission	Gulf States Utilities/Entergy	Analysis of extended reserve shutdown units and violation of system agreement by Entergy.

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of  
Stephen J. Baron  
As of October 1997**

<u>Date</u>	<u>Case</u>	<u>Jurisdct.</u>	<u>Party</u>	<u>Utility</u>	<u>Subject</u>
9/94	R-00943 081 R-00943 081C0001	PA	Lehigh Valley Power Committee	Pennsylvania Public Utility Commission	Analysis of interruptible rate terms and conditions, availability.
9/94	U-17735	LA	Louisiana Public Service Commission	Cajun Electric Power Cooperative	Evaluation of appropriate avoided cost rate.
9/94	U-19904	LA	Louisiana Public Service Commission	Gulf States Utilities	Revenue requirements.
10/94	5258-U	GA	Georgia Public Service Commission	Southern Bell Telephone & Telegraph Co.	Proposals to address competition in telecommunication markets.
11/94	EC94-7-000 ER94-898-000	FERC	Louisiana Public Service Commission	El Paso Electric and Central and Southwest	Merger economics, transmission equalization hold harmless proposals.
2/95	941-430EG	CO	CF&I Steel, L.P.	Public Service Company of Colorado	Interruptible rates, cost-of-service.
4/95	R-00943271	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Cost-of-service, allocation of rate increase, rate design, interruptible rates.
6/95	C-00913424 C-00946104	PA	Duquesne Interruptible Complainants	Duquesne Light Co.	Interruptible rates.
8/95	ER95-112 -000	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Open Access Transmission Tariffs - Wholesale.
10/95	U-21485	LA	Louisiana Public Service Commission	Gulf States Utilities Company	Nuclear decommissioning, revenue requirements, capital structure.
10/95	ER95-1042 -000	FERC	Louisiana Public Service Commission	System Energy Resources, Inc.	Nuclear decommissioning, revenue requirements.
10/95	U-21485	LA	Louisiana Public Service Commission	Gulf States Utilities Co.	Nuclear decommissioning and cost of debt capital, capital structure.
11/95	I-940032	PA	Industrial Energy Consumers of Pennsylvania	State-wide - all utilities	Retail competition issues.
7/96	U-21496	LA	Louisiana Public Service Commission	Central Louisiana Electric Co.	Revenue requirement analysis.

**Expert Testimony Appearances  
of  
Stephen J. Baron  
As of October 1997**

Date	Case	Jurisdct.	Party	Utility	Subject
7/96	8725	MD	Maryland Industrial Group	Baltimore Gas & Elec. Co., Potomac Elec. Power Co., Constellation Energy Co.	Ratemaking issues associated with a Merger.
8/96	U-17735	LA	Louisiana Public Service Commission	Cajun Electric Power Cooperative	Revenue requirements.
9/96	U-22092	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Decommissioning, weather normalization, capital structure.
2/97	R-973877	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Competitive restructuring policy issues, stranded cost, transition charges.
6/97	Civil Action No. 94-11474	US Bankruptcy Court Middle District of Louisiana	Louisiana Public Service Commission	Cajun Electric Power Cooperative	Confirmation of reorganization plan; analysis of rate paths produced by competing plans.
6/97	R-973953	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Retail competition issues, rate unbundling, stranded cost analysis.
6/97	8738	MD	Maryland Industrial Group	Generic	Retail competition issues
7/97	R-973954	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Retail competition issues, rate unbundling, stranded cost analysis.
10/97	97-204	KY	Alcan Aluminum Corp. Southwire Co.	Big River Electric Corp.	Analysis of cost of service issues - Big Rivers Restructuring Plan
10/97	R-974008	PA	Metropolitan Edison Industrial Users	Metropolitan Edison Co.	Retail competition issues, rate unbundling, stranded cost analysis.
10/97	R-974009	PA	Pennsylvania Electric Industrial Customer	Pennsylvania Electric Co.	Retail competition issues, rate unbundling, stranded cost analysis.



# HISTORICAL DOCUMENTS

- |                                                               |                                                 |
|---------------------------------------------------------------|-------------------------------------------------|
| <input type="checkbox"/> Administrative Order                 | <input type="checkbox"/> Permit                 |
| <input type="checkbox"/> Annual Report                        | <input type="checkbox"/> Rate Filing            |
| <input type="checkbox"/> Application                          | <input type="checkbox"/> Recommended Decision   |
| <input type="checkbox"/> Bench Decisions                      | <input type="checkbox"/> Report Folder          |
| <input type="checkbox"/> Certificate of Public<br>Convenience | <input type="checkbox"/> Secretarial Letter     |
| <input type="checkbox"/> Document Folder                      | <input type="checkbox"/> Tariff                 |
| <input checked="" type="checkbox"/> Exhibits                  | <input type="checkbox"/> Tentative Decision     |
| <input type="checkbox"/> Initial Decision                     | <input type="checkbox"/> Transcript (Testimony) |
| <input type="checkbox"/> Orders                               |                                                 |
| <input type="checkbox"/> Oversized Documents                  |                                                 |

E-00973953-R-000473458-0001-Soda et al  
Phila 11/17/97 PECO EXH # 3  
7-75-97 PHILA. JUDICIAL  
EXH

**PaPUC, et al.**

**vs.**

**PECO Energy Company**

**PECO Energy Company Asks PUC To Approve  
Its Electric Competition Restructuring Plan**

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Last year, Pennsylvania passed the Electricity Generation Customer Choice and Competition Act, a law allowing consumers to select their electric generation supplier by 2001. The law requires PECO Energy Company to submit a Restructuring Plan to the Public Utility Commission (PUC) explaining how it proposes to provide customers with access to competitive electricity suppliers.

On April 1, 1997, PECO Energy filed its proposed restructuring plan. Before the plan can take effect, the PUC must hold hearings. By January 8, 1998, the PUC must issue an order accepting, modifying or rejecting the plan.

In these hearings, the PUC must decide many important questions. Some of these questions are:

1. Should PECO Energy collect from customers a requested \$6.8 billion in "stranded" costs over the 7 years beginning in 1999? Stranded costs are costs associated with generating plant and other assets which traditionally could be collected from consumers under regulation but which may not be collected in a competitive market.

Any amount of stranded costs that the PUC determines may be charged to customers will be collected through a "competitive transition charge." The charge will be part of every customer's monthly bill. If PECO Energy's request for \$6.8 billion in stranded costs is approved in full, the competitive transition charge for an average residential household using 500 kWh of energy would be approximately \$24 per month.

2. How should PECO Energy break down its current charge into separate charges for generation, transmission and distribution services? The total of these separate charges, along with the competitive transition charge, will not exceed your current total charges for such service until at least July, 2001.
3. How should PECO Energy assure that all customers wanting electric service will get it, and adequately provide for the needs of low-income customers through special programs and energy conservation measures?
4. How should PECO Energy provide customers with the information necessary to help make informed choices concerning electric service?
5. What procedures should PECO Energy use to make sure that customers can choose their electric generation suppliers?

If a restructuring plan is approved, one third of PECO Energy's customers will be able to choose an electric generation supplier by January 1, 1999, another one third will have choice by January 1, 2000, and the final third by January 1, 2001.

This is to inform you that PUBLIC INPUT HEARINGS on the above captioned case will be held as follows:

**Wednesday, August 13, 1997 at 7:00 p.m.**  
Arch Street Methodist Church  
Broad and Arch Streets  
Philadelphia, Pennsylvania 19107

**Monday, August 18, 1997 at 7:00 p.m.**  
Norristown Borough Hall  
Council Chambers  
235 E. Airy Street  
Norristown, Pennsylvania 19401

**Tuesday, August 19, 1997 at 7:00 p.m.**  
Media Government Center Building  
Council Meeting Room (1st Floor)  
201 W. Front Street  
Media, Pennsylvania 19063

**Monday, September 8, 1997 at 10:00 a.m.**  
Delaware Valley College  
Student Center/"Coffeehouse" (2nd Floor)  
700 East Butler Avenue  
Doylestown, Pennsylvania 18901

**Tuesday, September 9, 1997 at 10:00 a.m.**  
Goshen Fire Company  
1320 Park Avenue  
West Chester, Pennsylvania 19380

**Wednesday, September 10, 1997 at 10:00 a.m.**  
Philadelphia State Office Building (13th Floor)  
Broad and Spring Garden Streets  
Philadelphia, Pennsylvania 19130

At these hearings you have the opportunity to present your views in person to the PUC judges hearing the case and Company representatives. All testimony given "under oath" becomes part of the official record.

The presiding officers in these proceedings are Administrative Law Judge Marlane R. Chestnut and Administrative Law Judge Charles E. Rainey, Jr., 1302 Philadelphia State Office Building, Broad and Spring Garden Streets, Philadelphia, Pennsylvania 19130.

If you are a person with a disability and you wish to attend a hearing, arrangements may be made for your special needs by calling Norma Lewis at the Public Utility Commission: Scheduling Office: 717-787-1399. AT&T Relay Service number for persons who are deaf or hearing impaired: 1-800-654-5988.

If you have any questions, please call our Customer Service Center at 1-800-494-4000.

PECO Energy Company

R-00973953, R00973953, C0001-C0001; et al  
Pwiler 11/17/97 PECO EX # 3

**PECO ENERGY AND OTHERS ASK  
PUC TO APPROVE A PARTIAL  
SETTLEMENT OF ITS COMPETITION RESTRUCTURING PLAN**

A state law enacted in December 1996 directs that the electricity generation segment of the electric utility industry will change from what we have now - a regulated utility - to a competitive market. This change is underway now and in the very near future, customers will be shopping for electricity much as they shop for long-distance phone service.

On April 1, 1997 PECO Energy submitted a Restructuring Plan to the Pennsylvania Public Utility Commission ("PUC") to explain how it proposed to provide consumers with access to competitive electricity suppliers (Docket No. R-00973953) under a Pennsylvania law passed last year. On August 27, 1997 PECO Energy and ten other parties - including residential, small business, industrial and low-income customer representatives - filed with the PUC a Joint Petition for Partial Settlement of the Restructuring Plan.

The Partial Settlement is a settlement of all stranded investment, asset securitization (refinancing), customer education, universal service and rate design issues in PECO Energy's Restructuring Plan proceeding, and the question now being asked in a Pennsylvania Public Utility Commission proceeding is whether the Partial Settlement is in the public interest and complies with "the Competition Act". Some parties to this proceeding, including companies that will be alternative suppliers of electric generation when competition begins, have opposed the Partial Settlement. The Partial Settlement, which must be approved by the PUC, will among other things:

- Reduce rates to all customers by 10 percent on September 1, 1998 and guarantee at least such reduction to December 31, 2000;
- Cap generation rates through December 31, 2008, and cap transmission and distribution rates through January 1, 2004; this provides protection for three years longer than the Pennsylvania law provides;
- Allows customers to choose an electric provider one year sooner than the law provides: one-third of customers on January 1, 1999; one-third on January 2, 1999, and the remaining customers on January 2, 2000;
- Require PECO Energy to write-off \$2 billion of stranded costs;
- Permit PECO Energy to recover \$5.46 billion in stranded assets and costs through a Competitive Transition Charge (CTC) and/or an Intangible Transition Charge (ITC) through December 31, 2008;
- Grant PECO Energy an irrevocable order that permits asset securitization of up to \$4 billion of the \$5.46 billion of stranded costs;
- Require PECO Energy to transfer ownership of generation facilities to a separate corporate entity, subject to regulatory approval;
- Significantly expand PECO Energy's low-income assistance program; and
- Educate consumers about electric competition.

You have the opportunity to express your comments on the settlement at **Public Input Hearings** to be held by the PUC. The dates, times and locations of the hearings will be published in newspapers of general circulation.

For more information or a copy of the Joint Petition for Partial Settlement, contact PECO Energy at 1-800-494-4000. You may also contact the Public Utility Commission toll-free at 1-888-PUC-FACT (1-888-782-3228).

PECO Energy Company

Sept/Oct 1997

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