

R-003953, R0097325-30 D&I  
Exhibit DJP-1 C0007  
Phter 11/18/97 etal

**Enron Energy Services Power, Inc.**

**Docket No. R-00973953**

**Docket No. P-00971265**

**PECO Energy Company**

**Interrogatories, Set XVI**

**Witness: Steven J. Kean**

**PECO-XVI-2:**

Does Enron agree that a Provider of Last Resort must be a public utility subject to the jurisdiction of the Pennsylvania Public Utility Commission?

**Response:**

No.

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PECO EX-6  
 R-00973963, etc  
 PL-19 11/18/97  
 Mr. Wolf

**Estimated CTC Collections Under Partial Settlement Without Reconciliation  
 At Partial Settlement Sales Assumptions and At PECO's Forecasted Sales Levels**

Year	Partial Settlement Sales (MWH)	PECO Forecasted Sales* (MWH)	Partial Settlement CTC Rate (\$/kWh)	Partial Settlement CTC Collection (\$000)	PECO Forecasted CTC Collection (\$000)	Growth-Related Increase in CTC Collection (\$000)
9/98-12/98	11,189,786	11,359,000	\$ -			
1999	33,569,358	34,522,000	\$ 0.0304	\$ 1,020,688	\$ 1,049,653	28,965
2000	33,569,358	34,886,000	\$ 0.0304	\$ 1,020,688	\$ 1,060,721	40,033
2001	33,569,358	35,379,000	\$ 0.0314	\$ 1,054,491	\$ 1,111,336	56,845
2002	33,569,358	35,750,000	\$ 0.0314	\$ 1,054,490	\$ 1,122,989	68,499
2003	33,569,358	36,125,000	\$ 0.0314	\$ 1,054,489	\$ 1,134,767	80,278
2004	33,569,358	36,499,000	\$ 0.0287	\$ 964,244	\$ 1,048,395	84,151
2005	33,569,358	36,882,000	\$ 0.0277	\$ 930,818	\$ 1,022,672	91,854
2006	33,569,358	37,266,000	\$ 0.0257	\$ 863,971	\$ 959,111	95,140
2007	33,569,358	37,656,000	\$ 0.0247	\$ 830,547	\$ 931,656	101,109
2008	33,569,358	38,049,000	\$ 0.0227	\$ 763,695	\$ 865,606	101,911
Total	335,693,580	363,014,000		\$ 9,558,121	\$ 10,306,906	\$ 748,785

NPV @ 8%  
 NPV @ 10%  
 \* 1997 ARPR Base Sales

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 PECO PARTIAL SETTLEMENT SALES  
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 \$467,062  
 \$419,950

**Estimated CTC Collections Under Partial Settlement Without Reconciliation  
At Partial Settlement Sales Assumptions and At PECO's Forecasted Sales Levels**

Year	Partial Settlement Sales (MWH)	PECO Forecasted Sales* (MWH)	Partial Settlement CTC Rate (\$/kWh)	Partial Settlement CTC Collection (\$000)	PECO Forecasted CTC Collection (\$000)	Growth-Related Increase in CTC Collection (\$000)
9/98-12/98	11,189,786	11,030,000	\$ -			
1999	33,569,358	33,224,000	\$ 0.0304	\$ 1,020,688	\$ 1,010,187	(10,501)
2000	33,569,358	33,325,000	\$ 0.0304	\$ 1,020,688	\$ 1,013,258	(7,430)
2001	33,569,358	33,554,000	\$ 0.0314	\$ 1,054,491	\$ 1,054,009	(482)
2002	33,569,358	33,661,000	\$ 0.0314	\$ 1,054,490	\$ 1,057,369	2,879
2003	33,569,358	33,770,000	\$ 0.0314	\$ 1,054,489	\$ 1,060,792	6,303
2004	33,569,358	33,880,000	\$ 0.0287	\$ 964,244	\$ 973,167	8,923
2005	33,569,358	33,996,000	\$ 0.0277	\$ 930,818	\$ 942,648	11,830
2006	33,569,358	34,113,000	\$ 0.0257	\$ 863,971	\$ 877,963	13,992
2007	33,569,358	34,235,000	\$ 0.0247	\$ 830,547	\$ 847,016	16,469
2008	33,569,358	34,360,000	\$ 0.0227	\$ 763,695	\$ 781,682	17,987
Total	335,693,580	338,118,000		\$ 9,558,121	\$ 9,618,090	\$ 59,969
NPV @ 8%						\$26,584
NPV @ 10%						\$21,384

\* 1997 ARPR Low Sales

<u>Kingerski Response</u>	<u>Deficiency/Problem</u>
Enron Rule 17.2 (b) allows customer to choose type of billing it will receive from an EGS	Enron Rule 17.2(b) does not say customer can choose; as written, rule says EGS, not customer, has option, and contains no requirement that bill contain clearly identified, unbundled elements.
Enron Rule 2.5.1 contains promise that EGSs must comply with Chapter 56	Enron Rule 2.5.1 applies by its terms only to EGS solicitation of end-users. Chapter 56 covers much more than this subject, and Enron Tariff contains no promise that EGSs' must comply with Chapter 56 in all other respects.
PECO criticism of Rule 11.1 is based on "false" premise that consumer is ultimately responsible for paying PECO's bill	PECO's criticism has nothing to do with the identity of the provider of the bill; PECO's premise is that the customer should have the right to choose its regulated rates, and PECO's still valid conclusion is that Enron's revised rule is deficient because it deprives customers of the right to make that choice.
PECO's criticism that Enron Rule 21.7 deprives customers of a choice is false, because Enron adds a choice of providers of "other services"	Enron Rule adds nothing, as customers currently can ask anyone they want to perform a non-tariffed service for them. The language of the Enron rule subtracts one of these choices – the right of a customer to go directly to PECO rather than through an EGS.
Abandons prior elimination of Rule 11.3 of current PECO Tariff, but says it should be modified to allow an EGS to ask PECO for assistance in determining the best regulated rate for a customer	This revision does not solve the problem – customers are still deprived of the right to choose to seek assistance directly from PECO, rather than from an EGS, regarding the best regulated rate.
The Standard Default Service (SDS) option of Enron Rate DS is available to industrial customers because Rate HT includes charges for SDS Service	Enron's Tariff does not provide that SDS is <u>available</u> to industrial customers; the availability section expressly omits "industrial customers from the list of those who are eligible. Rate HT is available to both industrial and commercial customers.

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<u>Kingerski Response</u>	<u>Deficiency/Problem</u>
Rule 18.1 does not, as PECO contends, allow an EGS to terminate a customer's contract whenever it is advantageous to an EGS, but only allows an EGS to do so if the customer breaches its contract	Yes it does, by its own terms – there is no language in the rule that limits the EGS termination right to breaches of customer contracts. Also, there is no prohibition that the contract itself could be terminable at will at any time or for any reason.
Rate SL-P outage allowance should be eliminated, as City should be given option to opt out of its contract	City should not be given this option. Even if City had option, if it chose not to exercise it, it would still be billed for SL-P service under the tariffed rate SL-P. Removal of allowance from tariff would therefore deprive City of a financial benefit, in violation of the total charges rate cap contained in the Competition Act
EGS should not have to provide revenue guarantee associated with distribution line extensions, as only PECO can extend distribution lines, so "end-user" should continue to be responsible for this guarantee under Enron Rule 7.2	Enron Tariff interposes EGSs between customers and PECO with respect to all other distribution services PECO provides – why can an EGS only interpose itself when it would not cost an EGS money? An EGS could easily assume the guarantee and seek compensation from the customer – there is no reason, under the Enron Tariff structure, that PECO has to obtain the guarantee from the customer instead of the customer's EGS.
Enron Rule 16.2 does not provide competitive meter service providers with an advantage by not requiring them to perform special meter tests when customers request them	The language of the rule is crystal clear – PECO "will" make such special tests, EGSs "may" make them.
PECO criticism that Enron Tariff Rules deprive PECO of the right to shut off service when EGS owns meter is incorrect	Enron's revision to Rule 18.6 expressly denies PECO the right to terminate without notice in the enumerated circumstances when PECO does not own the meter, and Mr. Kingerski's testimony admits as much: "PECO can not [sic] unilaterally terminate service for abuse to a meter it does not own" (Page 13, lines 10-11)

<u>Kingerski Response</u>	<u>Deficiency/Problem</u>
PECO criticism that contract terms should not be eliminated is misplaced because PECO's investments are "protected" through the revenue guarantees provided by Rule 7.2	Rule 7.2 only covers line extensions, and no other investments. Also, Mr. Kingerski completely ignores risk of revenue shortfall due to rate switching that would be allowed in the absence of contract terms (See PECO St. 13-E, p. 23, line 19, through p. 24, line 10), which revenue shortfall would ultimately harm customers through rate increases following expiration of the non-generation charges rate cap.