



**PENNSYLVANIA PUBLIC UTILITY COMMISSION**  
**Harrisburg, PA 17105-3265**

**Pennsylvania Power & Light Company**

**Re: Chapter 28 Electricity Generation  
 Customer Choice and Competition Act;  
 Capacity Issues Within the PJM Interconnection**

**Public Meeting**

**October 16, 1998**

**OCT-98-L-100\***

**Docket Nos. R-00973954**

**I-00980078**

**STATEMENT OF COMMISSIONER NORA MEAD BROWNELL**

The settlement presented here has several good provisions regarding installed capacity market issues in the PJM Interconnection. The provisions of this settlement, coupled with the action taken earlier this week by PJM regarding a mandatory installed capacity auction market, should go a long way to easing the installed capacity constraints we have experienced in the past few months. I hope that with FERC approval of these steps, a vibrant, competitive market will continue to grow in Pennsylvania.

On the other side of the ledger, the settlement also requires the Commission to agree to forebear from any formal investigation of PP&L with regard to installed capacity market power issues during 1999. I have significant reservations regarding this provision as we move forward with a new, growing marketplace. This requires a tremendous amount of trust on the part of the Commission. It is my hope that that trust, and our statutory obligations to provide the public with a truly competitive marketplace, will be well served by this provision.

Chairman Quain has often said that to reach a true settlement, parties must negotiate in good faith, seeking that which they need, not necessarily that which they want. As I stated, the Agreement contains a number of good provisions relating to installed capacity. I congratulate all involved for their commitment. I am relying heavily on PP&L's history of integrity and service when I agree to forebear from a formal investigation in 1999 regarding market power issues in installed capacity as they relate to PP&L.

10/16/98

**DATE**

Nora Mead Brownell

**NORA MEAD BROWNELL  
 COMMISSIONER**



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE  
REFER TO OUR FILE

R-00973954

OCTOBER 16, 1998

PAUL E RUSSELL ESQUIRE  
PP&L INC  
TWO NORTH NINTH STREET  
ALLENTOWN PA 18101-1179

KJR

Application of PP&L, Inc. for approval of its Restructing Plan under Section 2806 of the Public Utility Code.

To Whom It May Concern:

This is to advise you that an Order Implementing Competitive Billing and Metering Specifications has been adopted by the Commission in Public Meeting on October 16, 1998, in the above entitled proceeding.

An Order Implementing Competitive Billing and Marketing Specifications has been enclosed for your records.

Very truly yours,

James J. McNulty,  
Secretary

DOCUMENT  
FOLDER

smk  
Enclosure

DOCKETED  
OCT 19 1998

**PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PA 17105-3265**

**Public Meeting held October 16, 1998**

**Commissioners Present:**

John M. Quain, Chairman  
Robert K. Bloom, Vice-Chairman  
David W. Rolka  
Nora Mead Brownell  
Aaron Wilson, Jr.

Application of PP&L, Inc. for  
Approval of its Restructuring Plan  
Under Section 2806 of the Public Utility  
Code

Docket No. R-00973954

**ORDER IMPLEMENTING COMPETITIVE  
BILLING AND METERING SPECIFICATIONS**

**BY THE COMMISSION:**

On August 12, 1998, the parties to the above captioned matter filed a Joint  
Petition for Full Settlement of PP&L, Inc.'s Proposed Restructuring Plan and

**DOCUMENT  
FOLDER  
DOCKETED  
OCT 19 1998**

Related Court Proceedings<sup>1</sup>. The petition was approved by the Commission by order entered August 27, 1998.

Among the provisions we approved was a competitive billing/advanced metering option, in which competitive electric generation suppliers would be authorized on or after January 1, 1999, subject to guidelines to be issued by the Commission, to perform consolidated billing and to provide, install, maintain and read advanced technology electric meters capable of being remotely read. The settlement agreement provides that the Commission shall establish metering and billing standards for the PP&L service territory which adopt Appendix C of the joint settlement and include only such modifications to Appendix C necessary to make the standards consistent with PP&L operational systems, including the specific applicability of provisions contained within 52 Pa. Code Chapters 56 and 57 to EGSs performing consolidated billing.

The Joint Petitioners met in September and October 1998. On October 2, 1998, PP&L submitted to the Commission a set of "Competitive Billing and Metering Specifications" which reflect the consensus of the group. The recommendations contain a set of specifications, consistent with those adopted in

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<sup>1</sup> Joint Petitioners included PP&L, Inc. ("PP&L"); the Office of Consumer Advocate ("OCA"); the Office of Small Business Advocate ("OSBA"); the Office of Trial Staff ("OTS"); PP&L Industrial Customer Alliance, Eric J. Epstein; Conectiv Energy; Allegheny Power; Mid-Atlantic Power Supply Association ("MAPSA"); PECO Energy Company; Local 1600, IBEW; New Energy Ventures; Enron Power Marketing, Inc.; ARIPPA; Schuylkill Energy Resources; PA Rural Electric Association; Allegheny Electric Cooperative, Inc.; GPU Energy; PA Petroleum Association and PA Plumbing, Heating, Cooling Contractors, Inc.; Environmentalists (all such parties collectively referred to as "Joint Petitioners").

the PECO proceeding, but with modifications necessary to make the specifications consistent with PP&L operational systems.

The Commission on Economic Opportunity (“CEO”) raised two issues which have not been addressed in the set of specifications submitted by PP&L. The first issue relates to how bill inserts and educational materials originating from PP&L would be made available to PP&L customers receiving Consolidated EGS Billing. The second issue relates to whether the Consolidated EGS Bills will contain funding mechanisms such as the check-off procedure to allow customers to contribute to such programs as Operation Help.

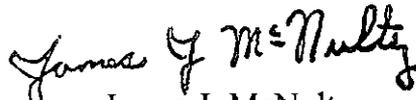
It was agreed by the Joint Petitioners that these two issues will be addressed at a later date, and the Joint Petitioners have requested that the Commission adopt the submitted competitive billing and metering specifications at this time in accordance with the terms of the PP&L settlement. We are aware that, as implementation of the PP&L restructuring continues, there may be modifications required to ensure that the competitive billing and metering specifications reflect the terms of settlement and continue to be feasible. We urge the Joint Petitioners to address these two outstanding issues in a timely manner, and to continue to resolve prospective differences and submit joint amendments to the specifications to reflect these and any other modifications which become necessary. Nonetheless, it is important that adoption of the specifications as a whole not be delayed during this process.

With that in mind, and upon review of the submitted Competitive Billing and Metering Specifications, we are satisfied that they are substantially consistent with Appendix C and with the competitive billing and metering arrangements adopted in the PECO restructuring proceedings. THEREFORE,

IT IS ORDERED:

1. That the Commission adopt the proposed Competitive Billing and Metering Specifications, filed by the Joint Petitioners on October 2, 1998, for the PP&L service area. PP&L, as well as any EGS desiring to supply services in PP&L's service area, shall comply with the procedures set forth in these specifications.
2. That PP&L shall file tariffs or tariff supplements implementing the proposed Competitive Billing and Metering Specifications in a manner consistent with this order within five (5) days after entry of this order.
3. That the Joint Petitioners shall address the two outstanding issues raised by CEO in a timely manner and file any modifications to the specifications which may be necessary as these issues are resolved.
4. That pursuant to 52 Pa. Code § 1.2(c), the Commission hereby waives the requirements of its regulations at 52 Pa. Code as necessary and appropriate to implement this order.
5. That this order be served on all parties to PP&L's restructuring proceeding at Docket No. R-00973954.

BY THE COMMISSION:

  
James J. McNulty  
Secretary

(SEAL)

ORDER ADOPTED: October 16, 1998

ORDER ENTERED: **OCT 16 1998**

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