



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265
July 9, 1998

IN REPLY PLEASE
REFER TO OUR FILE

R-00973954

PAUL E RUSSELL ESQUIRE
PPL INC
TWO NORTH NINTH STREET
ALLENTOWN PA 18101

Application of Pennsylvania Power & Light Company k/n/a PP&L, Inc., for approval
of its Restructuring Plan Pursuant to Pa. C.S. §3806(d)

DOCKETED

JUL 15 1998

To Whom It May Concern:

This is to advise you that an Opinion and Order has been adopted by the
Commission in Public Meeting on July 9, 1998 in the above entitled proceeding.

An Order has been enclosed for your records.

Very truly yours,

James J. McNulty
Secretary

Enclosure
Certified Mail
JEP

EEF

DOCUMENT
FOLDER

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

Public Meeting held July 9, 1998

Commissioners Present:

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

Application of Pennsylvania Power and Light
Company, k/n/a PP&L, Inc., for Approval of
Restructuring Plan Pursuant to 66 Pa. C.S. §2806(d)

R-00973954

OPINION AND ORDER

DOCKETED

JUL 15 1998

BY THE COMMISSION:

Before us for consideration are two Petitions for Reconsideration relative to our Opinion and Order (Restructuring Order) entered on June 15, 1998, in the above-captioned proceeding. On June 26, 1998, PP&L, Inc., (PP&L) filed a Petition for Expedited Reconsideration, Clarification, Amendment, Correction, and Supersedeas (PP&L Petition) of the Restructuring Order. On or about July 1, 1998, the Anthracite Region Independent Power Producers (ARIPPA) filed its Petition for Reconsideration and Clarification of the Restructuring Order. With very limited exception, these two Petitions shall be denied.

History of the Proceeding

**DOCUMENT
FOLDER**

On April 1, 1998, PP&L filed its Restructuring Plan to implement a competitive market for electric generation in its service territory pursuant to Section 2806 of the *Public Utility Code*, codified in the *Electric Generation Customer Choice and Competition Act of 1996 (Act)* at 66 Pa. C.S. §§2801, *et seq.* By Opinion and Order entered

on June 15, 1998, we approved PP&L's Restructuring Plan subject to certain modifications delineated in said June 15, 1998 Restructuring Order.

The Restructuring Order, *inter alia*, determined that PP&L had established \$2.864 billion in just and reasonable stranded costs. We, therefore, permitted PP&L the authority to establish a competitive transition charge (CTC) providing it the opportunity to recover this amount. In pertinent part, we concluded that:

The combination of the above summarized adjustments results in a finding of \$2.864 billion in reasonable stranded costs. Based upon the record, the law, and guiding precedent, the Commission concludes that this amount should be recovered over eight and one half years. In our Opinion and Order that we enter, we have provided for [PP&L] to earn a pretax return of 10.86% on the unamortized balance of stranded costs. This provides a just and reasonable recovery of stranded costs for PP&L. The system average "shopping credit" will be 3.73 cents/Kwh in 1999.

(Restructuring Order, Slip op., p. 8).

As a result of the Restructuring Order, PP&L's Compliance Filing was originally due by July 6, 1998. By Order entered on June 26, 1998, the date for making the Compliance Filing was extended to July 15, 1998.

In its Petition, PP&L raises five areas for reconsideration, amendment, or clarification. First, PP&L asserts that it has identified and thereby requests correction of several errors in our computation of its unbundled rates as set forth in Attachment A to the Restructuring Order. (PP&L Petition, pp. 4-8.) Second, PP&L requests reconsideration of the mitigation adjustment. (PP&L Petition, pp. 8-13.) Third, PP&L requests that we increase the amount of stranded costs that it will be allowed to recover through correcting alleged errors in the Restructuring Order that allegedly overstate the market value of PP&L's generation assets. (PP&L Petition, pp. 14-18.) Fourth, PP&L

seeks clarification of the mechanism for recovery of its nuclear decommissioning expense. (PP&L Petition, pp. 18-19.) Fifth, PP&L requests that we eliminate the Code of Conduct requirement for pre-approval of transactions between its electric distribution company (EDC) and its electric generation supplier (EGS) functions. (PP&L Petition, pp. 19-21.) As a procedural matter, PP&L requests that, if we do not take final action on the Petition on or before July 9, 1998, we grant supersedeas of the Restructuring Order. (PP&L Petition, pp. 22-23).

ARIPPA in its Petition asserts that we failed to substantively address issues raised by ARIPPA and the non-utility generators (NUGs) in concluding that a static CTC determination of approximately \$635 million is appropriate for PP&L's NUG-related stranded costs. (ARIPPA Petition, pp. 5-9.) ARIPPA submits that the Restructuring Order was inconsistent with federal and state law requiring a "dollar-for-dollar" recovery of purchase power costs to NUGs. (ARIPPA Petition, pp. 9-13.) ARIPPA claims that circumstances have changed such that PP&L will over-recover NUG-related stranded costs unless this Commission reconciles NUG costs within the CTC. (ARIPPA Petition, pp. 13-15.)

On or about July 2, 1998, Enron Power Marketing, Inc., (EPM) filed an Answer to PP&L's Petition. EPM opposed PP&L's Petition.

On July 2, 1998, the Office of Consumer Advocate (OCA) filed its Answer to PP&L's Petition. The OCA suggests that certain elements in Attachment A may have suffered from "transpositional errors" (incorrect shopping credits and CTC amortization rate) and that these matters could be corrected in the compliance phase. The OCA opposed all other relief as requested by PP&L. (OCA Answer, pp. 16, 19.)

On July 6, 1998, PP&L Industrial Customer Alliance (PPLICA) filed its Answer to PP&L's Petition. PPLICA agrees that Attachment A may be in error but opposes PP&L's other requests.

Discussion

Legal Standard

Petitions for reconsideration are brought before this Commission under Section 703(g) of the Public Utility Code, 66 Pa. C.S. §703(g), relating to rescission or amendment of Orders, and pursuant to Section 5.572 of our Regulations, 52 Pa. Code §5.572, relating to relief following a final decision. It has been held that because a grant of relief on such petitions may result in the disturbance of final orders, it should be granted judiciously and only under appropriate circumstances. (*West Penn Power v. Pa. PUC*, 659 A.2d 1055 (Pa. Cmwlth Ct. 1995), petition for allowance of appeal denied, No. 576 W.D. Allocatur Docket (April 9, 1996) (*West Penn Power*); *City of Pittsburgh v. PennDOT*, 490 Pa. 264, 416 A.2d 461 (1980).)

We have held that such petitions must make new or novel arguments not previously considered or raise matters which are designed to convince us to exercise our discretion to rescind or amend the order under consideration. (*Duick v. PG & W*, 56 Pa. P.U.C. 553, 51 P.U.R. 4th 284 (1982) (*Duick*), (citing *Pa. Railroad Co. v. Pa. PSC*, 118 Pa. Superior Ct. 380, 179 A. 850 (1935).) Our decisions in these types of cases are left to our sound discretion and will not be disturbed on appeal absent bad faith, fraud, capricious action, or abuse of power. (*West Penn Power*.)

PP&L's Petition

As we have noted in the **History** above, PP&L seeks reconsideration of five issues involved in our determination of its Restructuring Plan. We will address each of these issues in the sequence as presented by PP&L in its Petition.

A. Data Used in the June 15th Restructuring Order

In this claim, PP&L asserts that our Restructuring Order contains several errors in our determination of the unbundled rates for PP&L. According to PP&L, those errors include the starting rate for unbundled rates, sales figures used, transmission and distribution (T&D) rates, shopping credits, and an incorrect amortization rate. As we more fully discuss herein, we will grant PP&L's Petition to the extent that we will correct the amortization rate error. Based upon our recalculation of the CTC revenue requirement, PP&L's argument regarding the rise in the Shopping Credit from 2001 to 2002 has been addressed. Finally, we will deny PP&L's arguments concerning the starting rate, the sales figures, and the T&D rates.

1. Starting Rate

PP&L argues that we have adopted a rate of 7.21 cents per kwh as our departure point for unbundling in error. According to PP&L, that rate was PP&L's system average for the year 1995. PP&L argues that it used the 1995 average bundled rate merely for comparison purposes. In addition, PP&L asserts that several events, such as Energy Cost Rate (ECR) adjustments, have occurred since 1995 which render that rate inappropriate.

Rather than using the 1995 system average bundled rate presented by PP&L in its restructuring case, PP&L now claims that the most consistent and logical starting point for rates would be the system average unbundled rate at January 1, 1999. According to PP&L, that rate is 7.42 cents/kwh.

The OCA responds to this argument by asserting that PP&L's requested correction is unclear. According to the OCA, the simple answer is that the system average bundled rate is that which existed at January 1, 1997, as provided in

Section 2804(4) of the Act. According to the OCA, any rate which purports to start at January 1, 1999, violates the express provisions of the Act and cannot be adopted.

PPLICA asserts that PP&L's arguments regarding the starting rate ignore the basic premise that the burden was on PP&L to establish its own starting rate. It was PP&L which chose to present 1995 data in the first instance. PPLICA argues that PP&L's arguments with regard to this issue are unsupported by any evidence of record, even though it was incumbent on PP&L to lay the foundation for its rate in its main restructuring case.

PPLICA argues that PP&L has failed to demonstrate that the rate used for unbundling in this case is not the rate in effect at January 1, 1997. In addition, PPLICA asserts that in its presentation, PP&L never alerted any party or this Commission that the unbundled rate PP&L submitted with its plan would be inappropriate for use in this case. PP&L's failure to disavow its presented unbundled rate is inexplicable in view of the express directives in the Act at Section 2806(e), which requires unbundled prices, and this Commission's Order in *Electric Utility Restructuring Filings*, Docket No. M-00960890, F0003, which required submissions based upon a 1996 *pro forma* test year. As argued by PPLICA, the mandated use of a 1996 test year was precisely to enable the use of a January 1, 1997 unbundled rate for purposes of this case. According to PPLICA, the record in this case, as presented by PP&L, supports the use of a 7.21 cents/kwh unbundled rate. PPLICA argues that if this Commission were to use any other rate, it would be extra-record and, therefore, error.

Finally, PPLICA argues that PP&L's attempts to provide adjustments to the unbundled rate of 7.21 cents/kwh at this stage should not be permitted. PPLICA asserts that each adjustment noted by PP&L occurred prior to the evidentiary hearings in this case. PPLICA argues that PP&L had every opportunity during its presentation to alert all parties and this Commission that it did not intend to use that rate or, in the alternative,

that PP&L had every opportunity to propose adjustments to it. According to PPLICA, now that the record is closed and a Commission Order is entered, it is too late to engage in debate over a rate which should have been presented within PP&L's initial restructuring plan proceeding.

On the issue of the starting rate, we agree with PPLICA's arguments that PP&L had every opportunity to address this issue in its plan and the evidentiary hearings which followed. PP&L was clearly placed on notice that the determination of its plan would require unbundling of an existing rate into its separate components. (66 Pa. C.S. §2806(e).) In addition, PP&L was directed to submit its plan based upon a 1996 *pro forma* test year precisely to afford this Commission the opportunity to address unbundling from the perspective of the January 1, 1997 rate. PPLICA is correct that PP&L did not apprise any party that it did not intend its submissions to serve as the platform for unbundling. We also agree that other parties used PP&L's submission for their rebuttal presentations. At the very least, if PP&L did not intend for its submission to serve that purpose, it was incumbent on PP&L to raise that issue at that time. Our determination of the starting rate was based upon the evidence of record before us, much of which was submitted by PP&L. Accordingly, we will deny PP&L's Petition on this point.

2. Sales Figures

PP&L argues that this Commission relied upon OCA Witness Lee Smith's projected 1999 system average sales figures in error. According to PP&L, Witness Smith relied upon PP&L's interrogatory responses in determining her projected sales figures. Those responses, as asserted by PP&L in its Petition, failed to include sales for PP&L's standby service rate class and certain street and area lighting rate schedules. According to PP&L, the number should be corrected to reflect those additions.

The OCA argues that there is simply no record support for the correction advocated by PP&L. According to the OCA, its witness used the sales figure as provided by PP&L in the OCA's direct and rebuttal presentations. Despite those two clear opportunities to argue the point, PP&L never did. Also, the OCA notes that the Restructuring Order provides for an annual reconciliation of the CTC based upon actual sales. The OCA asserts that no adjustment is necessary in any event.

PPLICA similarly argues that there is no record support of PP&L's position regarding the sales figure. According to PPLICA, PP&L was under a continuing obligation to correct and update information provided to other parties. If it failed to do so, it must bear the consequences.

As noted by the OCA, the annual reconciliation of the CTC will address this issue during the course of restructuring. In addition, we agree with both the OCA and PPLICA that the sales figure used is based upon the record before us. PP&L had every opportunity to address any concerns related to this issue on the record but failed to do so. Accordingly, we will deny PP&L's Petition on the issue of the sales figures.

3. Incorrect Transmission and Distribution Rates

PP&L asserts that the T&D rate calculations contain errors as a result of adjustments made to account for the effect of PP&L's proposed depreciation reserve swap. According to PP&L, PP&L had not given effect to its proposed swap in the first instance; thus, it was error for the OCA, and this Commission, to make the adjustment. PP&L asserts that the \$18.4 million adjustment used by the OCA must, therefore, be eliminated.

The OCA responds by noting that the only record evidence before us on this issue supports its presentation. The OCA argues that PP&L failed throughout the proceeding to argue that the OCA's reversal of the depreciation swap was based upon an

erroneous assumption. The OCA asserts that PP&L had the opportunity to rebut the OCA presentation on this issue and failed to dispute the adjustment during the evidentiary phase of this proceeding. Further, the OCA argues that the exhibits PP&L refers to as support for its argument here do not support its position.

While we appreciate that PP&L is placed in the awkward position of arguing a negative event here (*i.e.*, that it had not given effect to its proposed swap), PP&L has not cited us to any part of the record in which it disputed the OCA treatment of this issue. We agree with the OCA that the time to accomplish that was in response to the OCA's presentation, on the evidentiary record. PP&L had ample time and opportunity to present its position on the record, subject to the other parties' opportunity to cross-examine its arguments on this point. Accordingly, we will deny PP&L's Petition on this issue.

4. Incorrect Shopping Credits

PP&L has asserted that the rise in the shopping credit which is projected from 2001 to 2002 appears to be extraordinary when compared to the steady progression in other years. According to PP&L, this appears to be an anomaly which should be corrected. Both the OCA and PPLICA agree with PP&L that this appears to be a matter which requires modification.

Initially, we note that the shopping credit is a derivative number which may be addressed in the context of reconsideration. In this instance, based upon recalculation of the CTC revenue requirement, we believe that we have addressed this issue and resolved PP&L's concerns.

5. Incorrect Amortization Rate

PP&L states that the text of the Restructuring Order authorizes a 10.86% CTC amortization rate. However, Attachment A of that Order recites a rate of 10.68%. Neither the OCA nor PPLICA dispute PP&L's Petition on this issue.

PP&L is correct on this point. Accordingly, we will grant the requested correction to the amortization rate. A Revised Attachment A is attached to this Opinion and Order. We have also included Attachments B, C, and D which detail the revenue requirement figures as presented in Attachment A.

6. Conclusion to Data Arguments

As stated herein, we will deny PP&L's arguments regarding the starting rate, sales figures, and T&D rates. We find that much of PP&L's arguments rely on matters not of record and attempt to "correct" PP&L's own presentations. PP&L had ample opportunity to address each of these matters on the record and either failed to do so or did not prevail on its arguments. The OCA and PPLICA are correct that reconsideration is not an appropriate vehicle to attempt to revive old arguments or dispute facts of record which could and should have been addressed during the evidentiary hearing stage of this proceeding. We will grant reconsideration of the CTC amortization rate as used in Attachment A to our June 15th Restructuring Order. The correct rate is clearly 10.86%. Finally, we believe that PP&L's concerns regarding the rise in the shopping credit from 2001 to 2002 have been addressed in our recalculation of the CTC revenue requirement.

B. "Mitigation" Adjustment

In PP&L's base rate case filed in 1994, PP&L argued for a different depreciation treatment for its Susquehanna Steam Electric Station (SSES). In that case,

PP&L argued that it should be permitted to change its depreciation method for SSES from a modified sinking fund (MSF) method to traditional straight-line depreciation. In order to accomplish the transition, PP&L requested that it be permitted to recover from September 30, 1995, through December 31, 1998, a levelized annual amount of approximately \$173 million. On January 1, 1999, PP&L proposed to change over to the straight-line method which would have the effect of reducing the annual depreciation expense to \$102 million.

In *Pa PUC v. PP&L Co.*, 85 Pa. P.U.C. 306 (1995), this Commission granted PP&L's request. In granting the modified MSF treatment, we noted that a major factor in our approval was the abrupt drop in 1999:

While we note that the basis for use of MSF was to reduce the impact of SESS [sic] related expenses, this is a three year period which, while it does adjust the timing of the depreciation, will not adjust the amount of the depreciation.

* * *

The opposition's main point is that the modified MSF method should continue in its present form simply because it provides a lower revenue requirement in this case. The fact that MSF will realize an annual depreciation expense well above the levelized amount by 1998, before abruptly falling to the straight-line level on January 1, 1999, is simply ignored by the parties.

(85 Pa. P.U.C. at 356.)

In our June 15th Restructuring Order, we acknowledged the existence of our disposition of the SSES depreciation issue in 1995. Accordingly, we directed PP&L to account for the reduction in the depreciation charge by reducing the revenue requirement for the CTC by \$70 million on an annual basis. In directing this adjustment, we note that this is a slightly different treatment than originally contemplated. However,

the effect of the directed treatment is to reduce the CTC collection period, thereby accelerating amortization of stranded costs.

It is extremely important to note that PP&L argued in this case that the SSES shift in depreciation accounting should be applied to accelerate amortization of stranded costs. PP&L argued as follows:

It would be far more appropriate for the Commission to permit PP&L to use the reduction in annual Susquehanna depreciation expense to accelerate amortization of regulatory assets and post-transition NUG costs.

(PP&L Main Brief, p. 37.)

In its Petition, PP&L appears to alter its position as expressed in its Main Brief. Now, PP&L asserts that no adjustment for the SSES shift in depreciation expense should occur. PP&L posits a list of arguments as to why the proposal it advanced in its restructuring case is not valid now that we have adopted it. Included in its discussion are the arguments that this adjustment singles out PP&L among all other EDCs, that adoption of its proposal is now confiscatory, that its original offer in 1994 was tied to its ability to seek rate increases for other expenses, and that we have violated the rule against single issue ratemaking.

The OCA responds to PP&L's arguments by asserting that much of PP&L's argument has been previously addressed. The OCA also argues that the Restructuring Order's treatment of the depreciation adjustment was actually dictated by the Act. The OCA asserts that, since the benefits of the adjustment were to flow through to ratepayers, the Act mandates that it should not be part of PP&L's stranded cost recovery. The OCA notes that although no other EDC has received similar treatment in its restructuring case, no other EDC has been directed to reduce rates in 1999 in return for earlier, favorable depreciation recovery as PP&L received on this issue. Finally, the OCA asserts that

when PP&L originally offered the reduction in its 1994 base rate case, it was not tied to any potential rate increase. Thus, PP&L should not be permitted to assert such a *quid pro quo* at this point, according to the OCA. According to the OCA, the benefits of that arrangement have already accrued to PP&L, and PP&L must now give effect to the reduction.

PPLICA makes arguments very similar to those advanced by the OCA. PPLICA argues that PP&L mischaracterizes the adjustment as a prospective mitigation adjustment. PPLICA argues that this merely recognizes past Commission treatment of the SSES depreciation expense, and, therefore, it is not prospective in nature. PPLICA also asserts that there is no connection between PP&L's original offer of a reduction in rates and the ability to raise rates for other expenses. Lastly, PPLICA argues that the Act does not alter PP&L's obligation to give effect to the directed reduction which was offered and adopted in exchange for relief requested, and already experienced, by PP&L.

We will deny PP&L's Petition on this issue. Interestingly, PP&L now argues against its own proposal advanced in its Main Brief in this proceeding. The June 15th Restructuring Order does provide for accelerated amortization of stranded costs, as PP&L proposed in the quoted portion of its Main Brief. Also, we agree with PPLICA that nothing in the Act suggests that we must reject the second half of PP&L's 1994 bargain simply because we are moving to competition. This issue was decided in 1995. The fact that we are able to give effect to that determination by accelerating stranded cost amortization is eminently consistent with the Act, PP&L's proposal, and the public interest. Also, since we are merely giving effect to our prior determination of PP&L's 1994 base rate case (as proposed by PP&L here), our actions are clearly not single issue ratemaking. Finally, we also agree with PPLICA and the OCA that nothing in PP&L's presentation of this issue in 1994 suggested that it was in any way tied to the

possibility of increases to other expenses. Accordingly, for these reasons, we shall deny PP&L's Petition regarding this issue.

C. Adjustments to Generation Asset Valuation

As has occurred in every restructuring case which has been determined to date, we used the asset valuation methodology in determining PP&L's stranded costs in this case. Although PP&L proposed a "lost revenues" approach in its original plan, it did address the asset valuation methodology in its Main Brief. PP&L also had the opportunity to examine and rebut other parties' arguments which incorporated the asset valuation methodology from the onset. We will examine PP&L's arguments against this backdrop.

In its Petition, PP&L argues that the Restructuring Order incorrectly increased the market value of PP&L's generation assets (thereby decreasing stranded costs) due to several "errors." In fact, PP&L's argument on this issue relates to its disagreement with our use of the OCA projections of the market price of electricity and our adoption of the OCA discount rate. PP&L argues several specific errors regarding the OCA market price projections and states that our adoption of the OCA's discount rate, which included a 10% equity return component, is inappropriate for a competitive marketplace.

The OCA and PPLICA both respond by noting that these issues were given a great deal of attention in the litigated restructuring case. Both parties argue that nothing here satisfies the *Duick, supra*, standard for reconsideration. In addition, both the OCA and PPLICA argue that, to a great extent, PP&L's arguments are simply in error.

We agree with the OCA and PPLICA on this issue and will deny PP&L's Petition. This case was litigated for close to one year, with exhaustive treatment of these

issues. We have addressed PP&L's criticisms of the OCA market price projections in detail. It is helpful to quote our June 15th Restructuring Order here:

The OCA forecasted energy and capacity prices, as adjusted herein, provide a consistent and reasonable basis to determine PP&L's stranded costs of generation. The record in this proceeding demonstrates that the ENPRO model is a realistic and reliable model for projecting energy prices. While numerous issues have been raised by various parties concerning the appropriate inputs to the model, the record demonstrates that inputs selected by OCA witness Smith are consistent and properly reflect expectations in the competitive market. Many facts and assumptions are necessary to make this determination, and it is the total approach used by OCA witness D. Smith that we find the most credible and reasonable in the record in this proceeding.

We adopt the OCA pricing methodology for fuels, fuel price spread, and inflation. The OCA use of the DRI published estimates of fuel prices and inflation is a reasonable projection of future conditions. For all of these reasons, we conclude that OCA witness D. Smith's presentation is the most credible in the record of this case. Accordingly, we conclude that the OCA presentation is the most well-founded and credible, and it is adopted.

(PP&L Restructuring Order, pp. 44-45.)

We also had occasion to review PP&L's presentation on fuel prices and market prices for electricity:

PP&L witness Jones presented his own fuel price forecast solely for the purpose of presentation in this proceeding. He also provided PP&L's forecast of market price of electricity. We agree with PPLICA witness Falkenberg's point that it is difficult for the Commission to have confidence that the results of such an exceedingly complex forecast have not been driven by the desire to reproduce a specific market price result.

In fact, the Jones fuel forecast has serious problems. He began with 1996 fuel prices for 1996 that are 20% below actual

prices and did not escalate them at all to year 2000 prices, the starting point of his analysis. From the year 2000, he escalated fuel prices at 2.5% annually, assuming that there would be no future occasional spikes in prices as there has been historically. He has, therefore, forecast declining real fuel prices over the life of the analysis.

In contrast, OCA witness D. Smith used the DRI Spring, 1997, fuel forecast which is a nationally respected objective forecast used by the industry for many purposes external to this case. The DRI forecast used by OCA witness D. Smith is significantly more credible.

(PP&L Restructuring Order, pp. 43-44.)

The issues raised by PP&L on reconsideration relating to the market price projections of the OCA were clearly considered and resolved in our June 15th Restructuring Order. Nothing in PP&L's Petition has convinced us that our Restructuring Order is in error or that we should reconsider our adoption of the OCA position.

PP&L also argues that our adopted discount rate is in error. As noted by PPLICA, PP&L merely argues that the adopted discount rate is inappropriate due to the risks and uncertainty in PP&L's projected revenues. PPLICA also notes that a portion of PP&L's business will continue to be regulated and conducted in a monopoly fashion. Finally, PPLICA argues that at least for the next eight and one-half years, PP&L will continue to receive guaranteed recovery of the CTC. For these reasons, PPLICA argues that the adopted discount rate is appropriate.

We agree with PPLICA on this issue. First, the discount rate was aggressively litigated in this case. We have previously ruled on the arguments again raised by PP&L here. In addition, PP&L does not advance a specific rate here, it merely argues that the adopted rate is too low and asserts that an adjustment of \$600 million will suffice to reach the necessary discount figure. Accordingly, for these reasons, as well as

the reasons noted in our June 15th Restructuring Order, we will deny PP&L's Petition with regard to this issue.

D. Nuclear Decommissioning

In our June 15th Restructuring Order, we provided that recovery of nuclear decommissioning costs would occur within the stranded cost recovery of PP&L. We stated that "the stranded cost recovery methodology is appropriate and [we] adopt OCA's calculation, as adjusted to incorporate PP&L's jurisdictional allocation." (PP&L Restructuring Order, p. 69.)

In its Petition, PP&L states that "the Commission approved PP&L's proposal to recover nuclear decommissioning expense as a per kWh distribution charge for the duration of the useful lives of the nuclear facilities." (PP&L Petition, p. 18.) PP&L then seeks "clarification" that the nuclear decommissioning recovery should also include a "tracker" to ensure sufficient funds for decommissioning recovery at the end of the asset's life.

The OCA comments that PP&L has misread our June 15th Restructuring Order since PP&L posits that it will recover nuclear decommissioning expenses as a per kwh distribution charge, while the Restructuring Order provided that it will be recovered in the stranded cost recovery. PPLICA responds by noting that PP&L never sought a "tracker" mechanism for nuclear decommissioning costs in its plan, and, therefore, it was hardly oversight for this Commission not to include a "tracker" which was not requested.

Clearly, PP&L has misread our Order. Nuclear decommissioning expenses are to be recovered as part of PP&L's stranded costs. (PP&L Restructuring Order, p. 69.) This result is not altered by PP&L's statement in its Petition. Further, as noted by PPLICA, PP&L never advanced a "tracker" in its case before us, and we will not deliberate that at this stage. Also, use of a "tracker" over the life of nuclear assets is

inconsistent with our stranded cost treatment of this item in any event. Accordingly, we will deny PP&L's Petition on this issue.

E. Competitive Safeguards

In the Restructuring Order, we thoroughly examined code of conduct and competitive safeguard issues. (PP&L Restructuring Order, pp. 117-129.) In its Petition, PP&L takes issue with our requirement that transactions between PP&L's regulated distribution division and its competitive generation division must be treated as affiliated interest transactions under Chapter 21 of the Public Utility Code. PP&L asserts that this requirement appeared for the first time in the June 15th Restructuring Order, and PP&L has, therefore, not had due process to sufficiently address this requirement.

In addition, PP&L asserts that the requirement itself is in error. Among the concerns advanced by PP&L are its position that affiliated interest reviews will serve to delay transactions in a fast-moving, competitive marketplace, that Chapter 21 is inapplicable to intra-company divisional transactions, that affiliated interest requirements may interfere with supplier of last resort obligations, and that sufficient protections are in place without this requirement to ensure fair dealing.

The OCA notes that several parties in this proceeding challenged PP&L's approach to competitive safeguards. The OCA argues that PP&L was clearly placed on notice that this matter was in issue. The OCA asserts that PP&L's due process argument must fail. Also, the OCA argues that the Act clearly provides that this Commission must establish protections to ensure a competitive marketplace and, further, that the Act provides this Commission with the necessary authority to provide for affiliated interest treatment here.

We will deny PP&L's arguments regarding this issue. First, we agree with the OCA that competitive safeguards and code of conduct issues were raised in this case,

including the specific issue of intra-company divisional operations. PP&L was clearly placed on notice that inter-divisional transactions would be addressed. In this context, we note that OCA Witness Alexander expressly testified to this issue. In addition, Section 2804 of the Act provides significant authority to this Commission to ensure that competitive safeguards are sufficient to provide for a competitive marketplace. Finally, to the extent that PP&L argues that implementation of affiliated interest procedures will be impractical, such arguments are speculative at best. If problems do arise on implementation, they can be addressed at that time, either through expedited processes or similar accommodations. For the foregoing reasons, we will deny PP&L's Petition regarding this issue.

F. Supersedeas

PP&L has also requested supersedeas if the Restructuring Order is not revised consistent with its Petition by July 9, 1998.

PPLICA supports the expeditious resolution of these issues in order to ensure a smooth transition to the competitive market on January 1, 1999. PPLICA asserts that a stay is, however, inappropriate and would frustrate the transition. Citing *Pa. PUC v. Process Gas Consumers*, 502 Pa. 552, 467 A.2d 805 (1983) (*Process Gas*), PPLICA argues that PP&L has not met the standard for supersedeas. (PPLICA Answer, p. 22.)

The Pennsylvania Supreme Court, in *Process Gas*, set forth the criteria for staying a final Commission Order:

1. The party must make a strong showing that it is likely to prevail on the merits.

2. The party must show that it will suffer irreparable injury if the stay is not granted.
3. The party must show that the stay will not substantially harm other interested parties in the proceeding.
4. The stay must not adversely affect the public interest.

We shall deny the request for supersedeas. PP&L has not shown that it is likely to prevail on the merits. PP&L has proved no irreparable injury if a stay is not granted. We cannot conclude that other interested parties would not be substantially harmed by a stay in this proceeding. We do not believe that a stay is in the public interest. To the contrary, it is apparent that any further delay of this proceeding will be adverse to the public interest and would impede a smooth and orderly transition to electric competition. PP&L merely continues to advance arguments and positions which have been previously determined. Accordingly, the Request for Supersedeas shall be denied.

ARIPPA Petition

We find that ARIPPA's Petition, like PP&L's Petition, is similarly infirm. ARIPPA is merely reciting arguments previously considered and denied. ARIPPA has not presented any new or novel arguments, nor has it presented anything which convinces us that our prior decision is in error. The ARIPPA Petition fails to meet our standards for reconsideration as enunciated above and must, accordingly, be denied.

Conclusion

Our review of the issues indicates that no new or novel arguments or matters have been raised which appear to have been overlooked by this Commission.

Thus, the issues presented for reconsideration, amendment, or clarification other than those we agreed with herein relative to Attachment A shall be denied. The rest of PP&L's Petition for Reconsideration merely reiterates arguments raised and already decided. These issues have been exhaustively litigated in the course of the restructuring proceeding. Repetition here serves no purpose and does not rise to the level necessary for a grant of reconsideration. PP&L's Petition, therefore, fails on these issues to satisfy the standards of *Duick* and, accordingly, shall be denied as to these issues. We shall also deny PP&L's Petition for Supersedeas. We shall similarly deny ARIPPA's Petition for Reconsideration; **THEREFORE,**

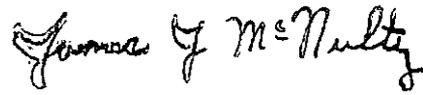
IT IS ORDERED:

1. That the Petition for Expedited Reconsideration, Clarification, Amendment, Correction, and Supersedeas, filed by PP&L, Inc., on June 26, 1998, relative to the June 15, 1998 Opinion and Order in the above-captioned proceeding, is granted, in part, and denied in part, consistent with this Opinion and Order.

2. That the Petition for Reconsideration and Clarification, filed on or about July 1, 1998, by the Anthracite Region Independent Power Producers, relative to the June 15, 1998 Opinion and Order in the above-captioned proceeding is denied.

3. That the Compliance Filing in this proceeding is due July 15, 1998.

BY THE COMMISSION,



James J. McNulty
Secretary

(SEAL)

ORDER ADOPTED: July 9, 1998

ORDER ENTERED: **JUL 9** 1998

86278

Attachment B

Pennsylvania Power & Light Restructuring**Category/Item:****Stranded Generation:**

Generating Plant Book Value	\$ 4,017,095,000
Generation Market Value	\$ (2,465,338,000)

Total Stranded Generation	\$ 1,551,757,000
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Decommissioning:

Nuclear Decommissioning	\$ 128,989,000
Fossil Decommissioning	\$ -

Total Decommissioning	\$ 128,989,000
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Net Regulatory Assets:

Energy Costs	\$ 76,815,000
FAS 106 / PBOP	\$ 8,730,000
VERP	\$ 14,085,000
Employee Transition Costs	\$ 5,502,000
US DOE Assessments	\$ -
Susquehanna Early Window	\$ 9,830,000
Common Plant	\$ 7,783,000
Retired Miners Health Care Costs	\$ 6,308,000
Rate Case Expenses	\$ -
Susquehanna Deferred Refuel Costs	\$ -
Net Taxes Recoverable (FAS 109)	\$ 397,610,000
Consumer Education	\$ 21,620,000

Regulatory Liabilities:

Pension Overfunding; Investment Tax Credit Liability in Net FAS 109 Asset Amount	\$ -
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TOTAL NET REGULATORY ASSETS	\$ 548,283,000
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<u>NUG Stranded:</u>	\$ 635,690,000
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TOTAL STRANDED:	\$ 2,864,719,000
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Attachment C

Stranded Cost Allowance

Amount:	\$2,864,719,000	Entered payment:	
Annual interest rate:	10.86%	Calculated payment:	\$43,133,201.91
Term in years:	8.5	Use payment of:	\$43,133,201.91
Payments per year:	12	1st payment in table:	1
First payment due:	1/1/99	Beginning balance at payment 1:	\$2,864,719,000
Cumulative interest prior to payment 1:		\$0.00	

No.	Payment Date	Beginning Balance	Interest	Principal	Ending Balance	Cumulative	
						Monthly	Annual
1	1/1/99	2,864,719,000	25,925,707	17,207,495	2,847,511,505	25,925,707	
2	2/1/99	2,847,511,505	25,769,979	17,363,223	2,830,148,282	51,695,686	
3	3/1/99	2,830,148,282	25,612,842	17,520,360	2,812,627,922	77,308,528	
4	4/1/99	2,812,627,922	25,454,283	17,678,919	2,794,949,003	102,762,811	
5	5/1/99	2,794,949,003	25,294,288	17,838,913	2,777,110,090	128,057,099	
6	6/1/99	2,777,110,090	25,132,846	18,000,356	2,759,109,734	153,189,946	
7	7/1/99	2,759,109,734	24,969,943	18,163,259	2,740,946,475	178,159,889	
8	8/1/99	2,740,946,475	24,805,566	18,327,636	2,722,618,839	202,965,454	
9	9/1/99	2,722,618,839	24,639,700	18,493,501	2,704,125,338	227,605,155	
10	10/1/99	2,704,125,338	24,472,334	18,660,868	2,685,464,470	252,077,489	
11	11/1/99	2,685,464,470	24,303,453	18,829,748	2,666,634,721	276,380,942	
12	12/1/99	2,666,634,721	24,133,044	19,000,158	2,647,634,564	300,513,987	300,513,987
13	1/1/00	2,647,634,564	23,961,093	19,172,109	2,628,462,455	324,475,079	
14	2/1/00	2,628,462,455	23,787,585	19,345,617	2,609,116,838	348,262,665	
15	3/1/00	2,609,116,838	23,612,507	19,520,695	2,589,596,143	371,875,172	
16	4/1/00	2,589,596,143	23,435,845	19,697,357	2,569,898,787	395,311,017	
17	5/1/00	2,569,898,787	23,257,584	19,875,618	2,550,023,169	418,568,601	
18	6/1/00	2,550,023,169	23,077,710	20,055,492	2,529,967,676	441,646,311	
19	7/1/00	2,529,967,676	22,896,207	20,236,994	2,509,730,682	464,542,518	
20	8/1/00	2,509,730,682	22,713,063	20,420,139	2,489,310,543	487,255,581	
21	9/1/00	2,489,310,543	22,528,260	20,604,941	2,468,705,601	509,783,841	
22	10/1/00	2,468,705,601	22,341,786	20,791,416	2,447,914,185	532,125,627	
23	11/1/00	2,447,914,185	22,153,623	20,979,579	2,426,934,607	554,279,251	
24	12/1/00	2,426,934,607	21,963,758	21,169,444	2,405,765,163	576,243,009	275,729,022
25	1/1/01	2,405,765,163	21,772,175	21,361,027	2,384,404,136	598,015,183	
26	2/1/01	2,384,404,136	21,578,857	21,554,344	2,362,849,791	619,594,041	
27	3/1/01	2,362,849,791	21,383,791	21,749,411	2,341,100,380	640,977,831	
28	4/1/01	2,341,100,380	21,186,958	21,946,243	2,319,154,136	662,164,790	
29	5/1/01	2,319,154,136	20,988,345	22,144,857	2,297,009,279	683,153,135	
30	6/1/01	2,297,009,279	20,787,934	22,345,268	2,274,664,011	703,941,069	
31	7/1/01	2,274,664,011	20,585,709	22,547,493	2,252,116,519	724,526,778	
32	8/1/01	2,252,116,519	20,381,654	22,751,547	2,229,364,971	744,908,433	
33	9/1/01	2,229,364,971	20,175,753	22,957,449	2,206,407,523	765,084,186	
34	10/1/01	2,206,407,523	19,967,988	23,165,214	2,183,242,309	785,052,174	
35	11/1/01	2,183,242,309	19,758,343	23,374,859	2,159,867,450	804,810,517	
36	12/1/01	2,159,867,450	19,546,800	23,586,401	2,136,281,048	824,357,317	248,114,308
37	1/1/02	2,136,281,048	19,333,343	23,799,858	2,112,481,190	843,690,660	
38	2/1/02	2,112,481,190	19,117,955	24,015,247	2,088,465,943	862,808,615	
39	3/1/02	2,088,465,943	18,900,617	24,232,585	2,064,233,358	881,709,232	
40	4/1/02	2,064,233,358	18,681,312	24,451,890	2,039,781,467	900,390,544	
41	5/1/02	2,039,781,467	18,460,022	24,673,180	2,015,108,288	918,850,566	
42	6/1/02	2,015,108,288	18,236,730	24,896,472	1,990,211,816	937,087,296	
43	7/1/02	1,990,211,816	18,011,417	25,121,785	1,965,090,031	955,098,713	
44	8/1/02	1,965,090,031	17,784,065	25,349,137	1,939,740,894	972,882,778	
45	9/1/02	1,939,740,894	17,554,655	25,578,547	1,914,162,347	990,437,433	
46	10/1/02	1,914,162,347	17,323,169	25,810,033	1,888,352,314	1,007,760,602	
47	11/1/02	1,888,352,314	17,089,588	26,043,613	1,862,308,701	1,024,850,191	
48	12/1/02	1,862,308,701	16,853,894	26,279,308	1,836,029,393	1,041,704,084	217,346,767
49	1/1/03	1,836,029,393	16,616,066	26,517,136	1,809,512,257	1,058,320,150	
50	2/1/03	1,809,512,257	16,376,086	26,757,116	1,782,755,141	1,074,696,236	
51	3/1/03	1,782,755,141	16,133,934	26,999,268	1,755,755,873	1,090,830,170	
52	4/1/03	1,755,755,873	15,889,591	27,243,611	1,728,512,262	1,106,719,761	
53	5/1/03	1,728,512,262	15,643,036	27,490,166	1,701,022,096	1,122,362,797	
54	6/1/03	1,701,022,096	15,394,250	27,738,952	1,673,283,144	1,137,757,047	
55	7/1/03	1,673,283,144	15,143,212	27,989,989	1,645,293,154	1,152,900,259	

Attachment C

Stranded Cost Allowance

Amount:	\$2,864,719,000	Entered payment:	
Annual interest rate:	10.86%	Calculated payment:	\$43,133,201.91
Term in years:	8.5	Use payment of:	\$43,133,201.91
Payments per year:	12	1st payment in table:	1
First payment due:	1/1/99	Beginning balance at payment 1:	\$2,864,719,000
Cumulative interest prior to payment 1:		\$0.00	

Year	Month	Balance	Payment	Interest	Balance	Balance	Total
56	8/1/03	1,645,293,154	14,889,903	28,243,299	1,617,049,855	1,167,790,162	
57	9/1/03	1,617,049,855	14,634,301	28,498,901	1,588,550,955	1,182,424,464	
58	10/1/03	1,588,550,955	14,376,386	28,756,816	1,559,794,139	1,196,800,850	
59	11/1/03	1,559,794,139	14,116,137	29,017,065	1,530,777,074	1,210,916,987	
60	12/1/03	1,530,777,074	13,853,533	29,279,669	1,501,497,405	1,224,770,519	183,066,435
61	1/1/04	1,501,497,405	13,588,552	29,544,650	1,471,952,754	1,238,359,071	
62	2/1/04	1,471,952,754	13,321,172	29,812,029	1,442,140,725	1,251,680,243	
63	3/1/04	1,442,140,725	13,051,374	30,081,828	1,412,058,896	1,264,731,617	
64	4/1/04	1,412,058,896	12,779,133	30,354,069	1,381,704,828	1,277,510,750	
65	5/1/04	1,381,704,828	12,504,429	30,628,773	1,351,076,054	1,290,015,178	
66	6/1/04	1,351,076,054	12,227,238	30,905,954	1,320,170,091	1,302,242,417	
67	7/1/04	1,320,170,091	11,947,539	31,185,663	1,288,984,428	1,314,189,956	
68	8/1/04	1,288,984,428	11,665,309	31,467,893	1,257,516,535	1,325,855,265	
69	9/1/04	1,257,516,535	11,380,525	31,752,677	1,225,763,858	1,337,235,790	
70	10/1/04	1,225,763,858	11,093,163	32,040,039	1,193,723,819	1,348,328,953	
71	11/1/04	1,193,723,819	10,803,201	32,330,001	1,161,393,818	1,359,132,153	
72	12/1/04	1,161,393,818	10,510,614	32,622,588	1,128,771,230	1,369,642,767	144,872,248
73	1/1/05	1,128,771,230	10,215,380	32,917,822	1,095,853,407	1,379,858,147	
74	2/1/05	1,095,853,407	9,917,473	33,215,729	1,062,637,679	1,389,775,620	
75	3/1/05	1,062,637,679	9,616,871	33,516,331	1,029,121,348	1,399,392,491	
76	4/1/05	1,029,121,348	9,313,548	33,819,654	995,301,694	1,408,706,039	
77	5/1/05	995,301,694	9,007,480	34,125,722	961,175,973	1,417,713,520	
78	6/1/05	961,175,973	8,698,643	34,434,559	926,741,413	1,426,412,162	
79	7/1/05	926,741,413	8,387,010	34,746,192	891,995,221	1,434,799,172	
80	8/1/05	891,995,221	8,072,557	35,060,645	856,934,576	1,442,871,729	
81	9/1/05	856,934,576	7,755,258	35,377,944	821,556,632	1,450,626,987	
82	10/1/05	821,556,632	7,435,088	35,698,114	785,858,518	1,458,062,074	
83	11/1/05	785,858,518	7,112,020	36,021,182	749,837,335	1,465,174,094	
84	12/1/05	749,837,335	6,786,028	36,347,174	713,490,161	1,471,960,122	102,317,354
85	1/1/06	713,490,161	6,457,086	36,676,116	676,814,045	1,478,417,208	
86	2/1/06	676,814,045	6,125,167	37,008,035	639,806,011	1,484,542,375	
87	3/1/06	639,806,011	5,790,244	37,342,958	602,463,053	1,490,332,619	
88	4/1/06	602,463,053	5,452,291	37,680,911	564,782,142	1,495,784,910	
89	5/1/06	564,782,142	5,111,278	38,021,924	526,760,218	1,500,896,188	
90	6/1/06	526,760,218	4,767,180	38,366,022	488,394,196	1,505,663,368	
91	7/1/06	488,394,196	4,419,967	38,713,234	449,680,962	1,510,083,336	
92	8/1/06	449,680,962	4,069,613	39,063,589	410,617,373	1,514,152,948	
93	9/1/06	410,617,373	3,716,087	39,417,115	371,200,258	1,517,869,036	
94	10/1/06	371,200,258	3,359,362	39,773,840	331,426,418	1,521,228,398	
95	11/1/06	331,426,418	2,999,409	40,133,793	291,292,626	1,524,227,807	
96	12/1/06	291,292,626	2,636,198	40,497,004	250,795,622	1,526,864,005	54,903,884
97	1/1/07	250,795,622	2,269,700	40,863,502	209,932,120	1,529,133,706	
98	2/1/07	209,932,120	1,899,886	41,233,316	168,698,804	1,531,033,591	
99	3/1/07	168,698,804	1,526,724	41,606,478	127,092,326	1,532,560,316	
100	4/1/07	127,092,326	1,150,186	41,983,016	85,109,310	1,533,710,501	
101	5/1/07	85,109,310	770,239	42,362,963	42,746,347	1,534,480,740	
102	6/1/07	42,746,347	386,854	42,746,347	0	1,534,867,595	8,003,590

Attachment D

Pennsylvania Power & Light Company Docket Number R-00973954 Annual CTC Revenue Requirement

	<u>Annual Amortization</u>	<u>Balance</u> \$ 2,864,719,000	<u>ROR</u> 10.86%	<u>S. C. Recovery</u>	<u>Rate Reduction</u> \$ 70,000,000	<u>Annual Revenue Requirement</u>
	[1]	[2]	[3]	[4=1+3]	[5]	[6=4-5]
1999	\$ 337,025,765	\$ 2,527,693,235	\$ 300,513,987	\$ 637,539,751	\$ 70,000,000	\$ 567,539,751
2000	\$ 337,025,765	\$ 2,190,667,471	\$ 275,729,022	\$ 612,754,787	\$ 70,000,000	\$ 542,754,787
2001	\$ 337,025,765	\$ 1,853,641,706	\$ 248,114,308	\$ 585,140,073	\$ 70,000,000	\$ 515,140,073
2002	\$ 337,025,765	\$ 1,516,615,941	\$ 217,346,767	\$ 554,372,532	\$ 70,000,000	\$ 484,372,532
2003	\$ 337,025,765	\$ 1,179,590,176	\$ 183,066,435	\$ 520,092,200	\$ 70,000,000	\$ 450,092,200
2004	\$ 337,025,765	\$ 842,564,412	\$ 144,872,248	\$ 481,898,013	\$ 70,000,000	\$ 411,898,013
2005	\$ 337,025,765	\$ 505,538,647	\$ 102,317,354	\$ 439,343,119	\$ 70,000,000	\$ 369,343,119
2006	\$ 337,025,765	\$ 168,512,882	\$ 54,903,884	\$ 391,929,648	\$ 70,000,000	\$ 321,929,648
2007	\$ <u>168,512,882</u>	\$ (0)	\$ <u>8,003,590</u>	\$ 176,516,472	\$ <u>35,000,000</u>	\$ 141,516,472
	<u>\$ 2,864,719,000</u>		<u>\$ 1,534,867,595</u>		<u>\$ 595,000,000</u>	

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DUPONT POWER MARKETING
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HANGLEY ARONCHICK SEGAL &
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MARY ANN RALLS ESQS &
STEPHANIE A SUGRUE ESQ
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HONORABLE STEPHEN R REED
MAYOR
CITY OF HARRISBURG
CITY GOVERNMENT CENTER
HARRISBURG PA 17101-1678

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PA PUC BUREAU OF FIXED
UTILITY SERVICES
ROOM 200 NORTH OFFICE BLDG
HARRISBURG PA 17105-3265

Z AHMED KALOKO
PA PUC BUREAU OF CEEP
8TH FLOOR BARTO BLDG
HARRISBURG PA 17105-3265

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3 LOST CREEK DRIVE
SELINGROVE, PA 17870

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REGINA L MATZ ESQUIRE
THOMAS THOMAS ARMSTRONG &
NIESEN
212 LOCUST ST P O BOX 9500
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MESSENGER

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PA PUC BUREAU OF AUDITS
PITNICK BLDG
HARRISBURG PA 17105-3265

PA PUC LAW BUREAU
ROOM 203 NORTH OFFICE BLDG
HARRISBURG PA 17105-3265

MESSENGER

MESSENGER

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

THE QUAKER OATS COMPANY
P O BOX 3040
SHIRMANSTOWN PA 17011

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PACE UNIVERSITY SCHOOL OF
LAW
78 NORTH BROADWAY
WHITE PLAINS NY 10603

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ALEXANDRIA VA 22314

HONORABLE RAPHAEL MUSTO
CONSTITUENTS OF 14TH
DISTRICT
SENATE BOX 203014
THAT STATE CAPITOL
HARRISBURG PA 17120-3014

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KOHN NAST & GRAFF PC
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PHILADELPHIA PA 19107

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MANAGER
COMMISSION ON ECONOMIC
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211 SOUTH MAIN STREET
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STEPHEN J SELDEN ESQUIRE
BETHLEHAM STEEL CORPORATION
EIGHTH AND EATON AVENUES
BETHLEHEM PA 18016

KENNETH ZIELONIS ESQUIRE
STEVENS AND LEE
208 NORTH THIRD STREET
SUITE 310
HARRISBURG PA 1710

ADMINISTRATIVE LAW JUDGES
PO BOX 3265
HARRISBURG PA 17120

MESSENGER

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

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

GINNY KREITER
RMI INC
111 PRESIDENTIAL BOULEVARD
SUITE 127
BALA CYNWYD PA 19004

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

WILLIAM SCHMITT
LOCAL 1600 IBEW
540 GRANGE ROAD
P O BOX 470
TREXLERTOWN PA 18087

JAMES P MELIA ESQUIRE
KIRKPATRICK & LOCKHART
PAYNE SHOEMAKER BUILDING
240 N THIRD STREET
HARRISBURG PA 17101-1507

LOU SAUERS
BCS 7TH FLOOR
BARTO BUILDING
P O BOX 3265
HARRISBURG PA 17105-3265

ALBERT H WURTH JR
525 SIXTH AVENUE
BETHLEHEM PA 18018

RICHARD HARING
ENERGIS RESOURCES INC
499 THORNALL STREET 5TH FL
EDISON NJ 08837

MESSENGER

ANDREW S TUBBS ESQUIRE
212 LOCUST STREET
P O BOX 1266
HARRISBURG PA 17108-1266

DIANE DRENNAN ESQUIRE
DRENNAN AND ASSOCIATES
1216 16TH STREET NW
WASHINGTON DC 20036

JOSEPH A KNECHT V-PRES-
MELTING OPERATIONS
TITANIUM HEARTH TECHNOLOGIES
HEMLOCK ROAD
MORGANTOWN BUSINESS PARK
MORGANTOWN PA 19543

ACKNOWLEDGEMENT OF RECEIPT & ACCEPTANCE OF SERVICE

AND NOW, to wit, this 10th day of July, 1998,

the undersigned, as evidenced by execution hereof, acknowledges receipt, and accepts service of OPINION AND ORDER an official Commission document entered, issued, or otherwise promulgated under date of JULY 9, 1998 at Docket No. R-00973954 on behalf of:

JOHNNIE SIMMS
SCOTT DEBROFF
CAROL PENNINGTON ESQS
OFFICE OF TRIAL STAFF
P O BOX 3265
HARRISBURG PA 17105-3265
MESSENGER

DOCKETED

Mari J Rudy
Signature

JUL 13 1998

Kindly sign and date this acceptance of service and acknowledgement of receipt, and, return the same for filing to:

SECRETARY'S BUREAU RECORD RETENTION
PA PUBLIC UTILITY COMMISSION
B-20, North Office Building
Harrisburg, PA 17105-3265

DOCUMENT
FOLDER

RECEIVED
SECRETARY'S BUREAU

98 JUL 13 AM 10:21

157306

RECEIVED
JUL 10 AM 9:09
PA PUBLIC
OFFICE OF TRIAL STAFF

ACKNOWLEDGEMENT OF RECEIPT & ACCEPTANCE OF SERVICE

AND NOW, to wit, this 13 day of July, 1998,

the undersigned, as evidenced by execution hereof, acknowledges receipt, and accepts service of OPINION AND ORDER an official Commission document entered, issued, or otherwise promulgated under date of JULY 9, 1998 at Docket No. R-00973954 on behalf of:

_____ HONORABLE RAPHAEL MUSTO
_____ CONSTITUENTS OF 14TH
_____ DISTRICT
_____ SENATE BOX 203014
_____ THAT STATE CAPITOL
_____ HARRISBURG PA 17120-3014

DOCKETED

JUL 13 1998


Signature

Kindly sign and date this acceptance of service and acknowledgement of receipt, and, return the same for filing to:

DOCUMENT
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SECRETARY'S BUREAU RECORD RETENTION
PA PUBLIC UTILITY COMMISSION
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RECEIVED
98 JUL 13 AM 11:33
PA P.U.C.
SECRETARY'S BUREAU

ACKNOWLEDGEMENT OF RECEIPT & ACCEPTANCE OF SERVICE

AND NOW, to wit, this 10 day of July, 1998,

the undersigned, as evidenced by execution hereof, acknowledges receipt, and accepts service of OPINION AND ORDER an official Commission document entered, issued, or otherwise promulgated under date of JULY 9, 1998 at Docket No. R-00973954 on behalf of:

GLENN BARTRON
PA PUC BUREAU OF AUDITS
PITNICK BLDG
HARRISBURG PA 17105-3265

MESSENGER

Glenn Bartron
Signature

Kindly sign and date this acceptance of service and acknowledgement of receipt, and, return the same for filing to:

SECRETARY'S BUREAU RECORD RETENTION
PA PUBLIC UTILITY COMMISSION
B-20, North Office Building
Harrisburg, PA 17105-3265

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JUL 13 1998

DOCUMENT
FOLDER

RECEIVED
SECRETARY'S BUREAU

98 JUL 13 AM 8:40

1157018

ACKNOWLEDGEMENT OF RECEIPT & ACCEPTANCE OF SERVICE

AND NOW, to wit, this 10 day of July, 1998,

the undersigned, as evidenced by execution hereof, acknowledges receipt, and accepts service of OPINION AND ORDER an official Commission document entered, issued, or otherwise promulgated under date of JULY 9, 1998 at Docket No. R-00973954 on behalf of:

DONALD H MUTH
PA PUC BUREAU OF FIXED
UTILITY SERVICES

ROOM 200 NORTH OFFICE BLDG
HARRISBURG PA 17105-3265

MESSENGER

DOCKETED

JUL 13 1998

Stevia R Cook
Signature

Kindly sign and date this acceptance of service and acknowledgement of receipt, and, return the same for filing to:

DOCUMENT
FOLDER

SECRETARY'S BUREAU RECORD RETENTION
PA PUBLIC UTILITY COMMISSION
B-20, North Office Building
Harrisburg, PA 17105-3265

SECRETARY'S BUREAU
RECEIVED

98 JUL 13 AM 10:24

157355

ACKNOWLEDGEMENT OF RECEIPT & ACCEPTANCE OF SERVICE

AND NOW, to wit, this July day of 10, 1998,

the undersigned, as evidenced by execution hereof, acknowledges receipt, and accepts service of OPINION AND ORDER an official Commission document entered, issued, or otherwise promulgated under date of JULY 9, 1998 at Docket No. R-00973954 on behalf of:

Z AHMED KALOKO
PA PUC BUREAU OF CEEP
8TH FLOOR BARTO BLDG
HARRISBURG PA 17105-3265

MESSENGER

Calvin M. Burge
Signature

DOCKETED

JUL 13 1998

Kindly sign and date this acceptance of service and acknowledgement of receipt, and, return the same for filing to:

DOCUMENT
FOLDER

SECRETARY'S BUREAU RECORD RETENTION
PA PUBLIC UTILITY COMMISSION
B-20, North Office Building
Harrisburg, PA 17105-3265

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SECRETARY'S BUREAU

98 JUL 13 AM 10:21

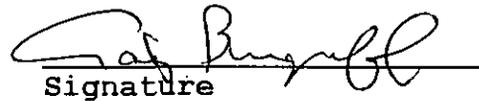
157302

ACKNOWLEDGEMENT OF RECEIPT & ACCEPTANCE OF SERVICE

AND NOW, to wit, this 10TH day of JULY, 1998,

the undersigned, as evidenced by execution hereof, acknowledges receipt, and accepts service of OPINION AND ORDER an official Commission document entered, issued, or otherwise promulgated under date of JULY 9, 1998 at Docket No. R-00973954 on behalf of:

TANYA J MCCLOSKEY
CRAIG BURGRAFF
OFFICE OF CONSUMER
ADVOCATE
1425 STRAWBERRY SQUARE
HARRISBURG PA 17120
MESSENGER


Signature

Kindly sign and date this acceptance of service and acknowledgement of receipt, and, return the same for filing to:

SECRETARY'S BUREAU RECORD RETENTION
PA PUBLIC UTILITY COMMISSION
B-20, North Office Building
Harrisburg, PA 17105-3265

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FOLDER

RECEIVED
98 JUL 10 PM 4:18
PA.P.U.C.
SECRETARY'S BUREAU

ACKNOWLEDGEMENT OF RECEIPT & ACCEPTANCE OF SERVICE

AND NOW, to wit, this 9th day of July, 1998,

the undersigned, as evidenced by execution hereof, acknowledges receipt, and accepts service of OPINION AND ORDER an official Commission document entered, issued, or otherwise promulgated under date of JULY 9, 1998 at Docket No. R-00973954 on behalf of:

ADMINISTRATIVE LAW JUDGES
PO BOX 3265
HARRISBURG PA 17120

MESSENGER

Robert A. Christian
Signature

Kindly sign and date this acceptance of service and ~~acknowledgement of receipt, and, return the same for filing to:~~

10 → SECRETARY'S BUREAU RECORD RETENTION
PA PUBLIC UTILITY COMMISSION
B-20, North Office Building
Harrisburg, PA 17105-3265

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RECEIVED
98 JUL 10 PM 1:27
PA P.U.C.
SECRETARY'S BUREAU

ACKNOWLEDGEMENT OF RECEIPT & ACCEPTANCE OF SERVICE

AND NOW, to wit, this 9TH day of JULY, 1998,

the undersigned, as evidenced by execution hereof, acknowledges receipt, and accepts service of ORDER an official Commission document entered, issued, or otherwise promulgated under date of JUNE 26, 1998 at Docket No. R-00973954 on behalf of:

TANYA J MCCLOSKEY
CRAIG BURGRAFF
OFFICE OF CONSUMER
ADVOCATE
1425 STRAWBERRY SQUARE
HARRISBURG PA 17120
MESSENGER


Signature

Kindly sign and date this acceptance of service and acknowledgement of receipt, and, return the same for filing to:

SECRETARY'S BUREAU FILE ROOM
PA PUBLIC UTILITY COMMISSION
B-20, North Office Building
Harrisburg, PA 17105-3265

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98 JUL -9 PM 3:52
PA.P.U.C.
SECRETARY'S BUREAU

ACKNOWLEDGEMENT OF RECEIPT & ACCEPTANCE OF SERVICE

AND NOW, to wit, this _____ day of _____, 19__ ,

the undersigned, as evidenced by execution hereof, acknowledges receipt, and accepts service of OPINION AND ORDER an official Commission document entered, issued, or otherwise promulgated under date of JULY 9, 1998 at Docket No. R-00973954 on behalf of:

BERNARD A RYAN JR SMALL
BUSINESS ADVOCATE
OFFICE OF SMALL BUSINESS
ADVOCATE
300 N SECOND STREET
SUITE 1102
HARRISBURG PA 17101
MESSENGER

OFFICE OF SMALL
BUSINESS ADVOCATE

JUL 10 1998

C. Ryan
Signature

RECEIVED

Kindly sign and date this acceptance of service and acknowledgement of receipt, and, return the same for filing to:

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B-20, North Office Building
Harrisburg, PA 17105-3265

EEF

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98 JUL 15 PM 3:32
PA P.U.C.
SECRETARY'S BUREAU

ACKNOWLEDGEMENT OF RECEIPT & ACCEPTANCE OF SERVICE

AND NOW, to wit, this 16 day of JULY, 1998,

the undersigned, as evidenced by execution hereof, acknowledges receipt, and accepts service of OPINION AND ORDER an official Commission document entered, issued, or otherwise promulgated under date of JULY 9, 1998 at Docket No. R-00973954 on behalf of:

LOU SAUERS

BCS 7TH FLOOR

BARTO BUILDING

P O BOX 3265

HARRISBURG PA 17105-3265

MESSENGER

Signature *15870*
FOR LOU SAUERS BCS

Kindly sign and date this acceptance of service and acknowledgement of receipt, and, return the same for filing to:

SECRETARY'S BUREAU RECORD RETENTION
PA PUBLIC UTILITY COMMISSION
B-20, North Office Building
Harrisburg, PA 17105-3265

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JUL 17 1998

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SECRETARY'S BUREAU

JUL 17 AM 9:50

EEF

ACKNOWLEDGEMENT OF RECEIPT & ACCEPTANCE OF SERVICE

AND NOW, to wit, this 10th day of July, 1998, BT!

the undersigned, as evidenced by execution hereof, acknowledges receipt, and accepts service of OPINION AND ORDER an official Commission document entered, issued, or otherwise promulgated under date of JULY 9, 1998 at Docket No. R-00973954 on behalf of:

PA PUC LAW BUREAU

ROOM 203 NORTH OFFICE BLDG

HARRISBURG PA 17105-3265

MESSENGER

Karen B. Tomowicz
Signature

Kindly sign and date this acceptance of service and acknowledgement of receipt, and, return the same for filing to:

SECRETARY'S BUREAU RECORD RETENTION
PA PUBLIC UTILITY COMMISSION
B-20, North Office Building
Harrisburg, PA 17105-3265

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JUL 15 1998

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98 JUL 14 AM 11:36
PA P.U.C.
SECRETARY'S BUREAU