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PUBLIC UTILITY COMMISSION

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Pennsylvania Power & Light Company : Docket No.
 Application for approval of a : R-00973954
 Restructuring Plan. :
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 Public Input Hearing :
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Pages 354 through 387

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Council Chambers
245 West Fourth Street
Williamsport, Pennsylvania

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Thursday, June 5, 1997

Met, pursuant to adjournment, at 1:00 p.m.

BEFORE:

GEORGE M. KASHI, Administrative Law Judge

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C O N T E N T S

WITNESSES

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Michael Ochs

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FORM 2

E X H I B I T S

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FOR IDENTIFICATION IN EVIDENCE

(None.)

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P R O C E E D I N G S

1
2 ADMINISTRATIVE LAW JUDGE GEORGE M. KASHI: Good
3 afternoon, ladies and gentlemen. I am Judge Kashi. I am an
4 Administrative Law Judge for the Public Utility Commission
5 who is charged with bringing this case together. That
6 amounts to holding the public input hearings, holding the
7 evidentiary hearings, marshalling the evidence, taking care
8 of all the problems that are going to happen along the way
9 over the nine months that it's going to take to try this
10 case, and when we finish with the evidentiary hearings in
11 the end of August, briefs will be filed and I will issue a
12 recommended decision to the Commission on November 8.
13 Exceptions will then be filed to my decision, and the
14 Commission will act upon the record, my decision, the
15 exceptions, the briefs, and they will issue a final decision
16 the first week of January 1998.

17 For those people who are familiar with what the
18 general proposition is but not with what necessarily is
19 going on with the entire case, there are four major
20 components that are involved in this restructuring issue.
21 Now, I don't mean issues. There are numerous issues that
22 are involved in this case, and while we are here to hear
23 what you have to say today, I would just like to outline for
24 you and take a minute of your time to let you know what
25 those components are.

1 The four major components in the application for
2 restructuring filed by PP&L are, first, the terms and
3 conditions for open access to retail competition, including
4 a proposal to provide comparable access to the company's
5 transmission and distribution system.

6 Secondly, a major issue, major component, is the
7 calculation of the company's stranded or transition cost as
8 defined under the Act, Generation Choice.

9 Thirdly, we are talking about unbundling rates for
10 the generation, transmission and distribution of
11 electricity, including the competitive transition charge to
12 recover those stranded rates.

13 Finally, there are proposals that have been filed by
14 the company for continued ratepayer protection, including
15 expanding company programs for assistance to low income
16 consumers and other measures to insure continued, safe,
17 reliable and efficient service to customers at reasonable
18 rates.

19 To say the least, the proceeding that we're here with
20 in this public input session today -- this is the final of
21 nine that we've had over the past week-and-a-half -- is an
22 historic proceeding. We are about to change and implement
23 the way electricity is sold to customers in Pennsylvania in
24 a way that has never been done. The way it is being done
25 currently has been the way it has been done for the last 75,

1 perhaps, to 100 years, and it's going to change, and it's
2 going to have impact on all citizens.

3 What we are here for today is to hear your comments
4 and concerns so that the parties who are currently before me
5 -- and the parties who are here today are not all the
6 parties that are in the case; there are over 30 parties
7 representing environmentalists, industrialists, power
8 brokers, marketers, all kinds of commercial obligations.
9 They are in the process at the present time called discovery
10 where the company, having filed its application and pre-
11 filing its testimony, there are now interrogatories going
12 back and forth between parties. All those parties will be
13 preparing their testimony, which will be pre-filed, and in
14 August we will have cross-examination on everyone's
15 testimony. I have nine days planned in August for that
16 cross-examination of that testimony.

17 The parties who are here today each have individual
18 and particular roles with respect to you and the Public
19 Utility Commission, and I will introduce them to you and let
20 them say something about what their job is as far as this
21 proceeding is concerned.

22 One of the things that I want to say to you is that
23 there are two ways in which you can get on this record.
24 They are preferably by having you give sworn testimony as to
25 your concerns about the restructuring plan. If, in fact,

1 you swear your testimony and allow yourself to be subjected
2 to cross-examination, then it becomes part of the record
3 which I can consider when I'm making my decision, it can be
4 considered by the parties here when they are filing their
5 briefs, they can refer to it, and it can be referred to by
6 the Commission in its findings. If, however, you are just
7 here to get something off your chest, we'll listen to that,
8 too, but when it comes time for making the decision, the
9 unsworn testimony is something that I cannot rely upon to
10 make any kind of finding. So I would encourage you all,
11 when you speak, to give us a sworn statement.

12 To my far right is Mr. Johnnie Simms, who is with the
13 Office of Trial Staff with the Public Utility Commission.
14 Sitting next to me on my right is Mr. Bernard Ryan, who is
15 the Small Business Advocate for Pennsylvania and is here
16 representing that office. To my immediate left is Mr. James
17 Mullins, who is with the Office of Consumer Advocate, and to
18 his left is Mr. Paul Russell, who is counsel for PP&L.

19 I will begin with Mr. Simms to give you some idea as
20 to what the Office of Trial Staff does.

21 Mr. Simms.

22 MR. SIMMS: Thank you, Your Honor.

23 Good afternoon. My name is Johnnie Simms. I am an
24 attorney with the Office of Trial Staff. The Office of
25 Trial Staff was created to present evidence in proceedings

1 before the Commission. The chief prosecutor is Charles F.
2 Hoffman. The Office of Trial Staff not only consists of
3 attorneys, but we also have accountants and engineers who
4 are classified as expert witnesses.

5 As you know, in December 1996, Governor Ridge signed
6 into law Generation Choice for customers. PP&L's
7 restructuring filing was filed in compliance with that law.
8 As Judge Kashi has indicated, we are now in the discovery
9 phase of this proceeding. My witnesses are engaging in
10 discovery and will be presenting direct testimony and
11 exhibits in the public interest.

12 The reason we are here today is to get your views and
13 your comments. I encourage you to testify and be sworn in
14 your testimony. I look forward to your testimony, and I
15 want to thank you again for your presence here today.

16 JUDGE KASHI: Thank you, Mr. Simms.

17 Mr. Ryan.

18 MR. RYAN: Thank you, Judge Kashi.

19 The Office of Small Business Advocate that I head
20 represents, pursuant to the law that created our office, the
21 interests of small business customers of public utilities.
22 Of course, that would include the customers of Pennsylvania
23 Power and Light Company whose petition brings us here today
24 to Williamsport.

25 We are going through what the Judge called an

1 historic change in the way people buy their electricity. We
2 are concerned that as we move through that transition
3 period, that the interests of the small business customers
4 are protected and that they have the same opportunities as
5 other classes of customers.

6 We are very involved in this case. We have hired an
7 expert witness who is assisting the lawyer -- Ms. Karen
8 Moury is the lawyer from my office who is actually handling
9 the case; I gave her the day off today -- and we will be
10 active in all those hearings that you heard about that will
11 be held in Harrisburg in August.

12 But as Mr. Simms just said, we really came to hear
13 you talk. If you are representing a small business
14 interest, I hope you will identify that when you make your
15 statement.

16 Thank you.

17 JUDGE KASHI: Thank you, Mr. Ryan.

18 Mr. Mullins.

19 MR. MULLINS: Thank you, Your Honor.

20 Good afternoon. My name is James A. Mullins and I
21 represent the Pennsylvania Office of Consumer Advocate. The
22 current Consumer Advocate is Irwin A. Popowsky. He has
23 served in that capacity since 1990. The primary function of
24 our office is to represent the consumers of the Commonwealth
25 before the Pennsylvania Public Utility Commission.

1 As the Judge indicated, this is an extremely
2 important case in that the results of this case may dictate
3 how you receive electric service in the future and what you
4 pay for that service. The primary goal of our office in
5 this proceeding is to insure that all PP&L customers have
6 reliable, competitive alternatives to electric service at
7 rates that are no more expensive than they are now, and
8 hopefully even lower.

9 As the Judge indicated, this is a public input
10 hearing, so we're here to hear what you have to say. Please
11 feel free to take the stand and testify under oath. That
12 way your testimony will become a part of the official record
13 in this proceeding.

14 Thanks a lot. I look forward to hearing from you.

15 JUDGE KASHI: Thank you, Mr. Mullins.

16 Mr. Russell.

17 MR. RUSSELL: Thank you, Your Honor.

18 My name is Paul Russell. I am a lawyer in the PP&L
19 Legal Department and I am responsible for representing the
20 company in this proceeding.

21 PP&L was an early advocate of retail competition.
22 The company supported passage of the Customer Choice Act,
23 which the Governor signed into law in December of last year.
24 That Act requires each electric utility in Pennsylvania to
25 file a restructuring plan with the PUC. In that

1 restructuring plan the utility details how it will move or
2 proposes to move to a competitive marketplace. PP&L asked
3 the PUC to allow us to file our plan early in the process.
4 That request was granted and PP&L filed its restructuring
5 plan on April 1 of this year. That plan is the subject of
6 today's public input hearing.

7 PP&L strongly supports public input hearings. We
8 recognize public input hearings as an essential part of the
9 Commission's process to review major proceedings before it.
10 Public input hearings provide an opportunity for customers
11 to give their views on the proceeding before the Commission
12 so that the Commissioners and the Administrative Law Judge
13 can consider those views.

14 We thank you for attending today, and we join the
15 other parties in urging you to testify. We're interested in
16 hearing your views on the issues raised by our restructuring
17 plan.

18 In closing, I would like to introduce one other
19 person from PP&L. Bob Ruffaner is sitting over to my left.
20 He is the Community Development Director. Both Bob and I
21 will be here the entire day to discuss with you any specific
22 concerns you have about your rates or your service.

23 Again, thanks for attending.

24 JUDGE KASHI: Thank you, Mr. Russell.

25 I have an announcement. For those people who have

1 record, sir?

2 THE WITNESS: Michael Ochs, 1633 Scott Street,
3 Williamsport.

4 JUDGE KASHI: What is it you do, Mr. Ochs?

5 THE WITNESS: I live in Williamsport. I'm a customer
6 of PP&L.

7 JUDGE KASHI: I ask that question to find out whether
8 I have PP&L employees testifying.

9 What brings you here today, sir?

10 **DIRECT TESTIMONY**

11 THE WITNESS: First I would like to thank the PUC for
12 choosing Williamsport as a site for this public hearing, as
13 you have in the past; however, there was not much
14 foreknowledge of this event. There was an ad in the paper
15 this week, a newspaper article this week. There may have
16 been something in the PP&L newsletter for May, but I could
17 not find it today when I looked. So what you'll be hearing
18 today is very much of a quick study and not the considered
19 views of PP&L customers. All I know is what I've read in
20 the PP&L newsletter inserts. It seems to me the
21 responsibility of a citizen is to keep their mouth open, and
22 that's why I'm here today.

23 First of all, let me say that I am for public
24 ownership of public utilities. I know that's not on the
25 agenda today. That is what I am for. And I am against

1 deregulation, that scheme misbegotten by Margaret Thatcher
2 and Ronald Reagan. We all have some experience with
3 deregulation because the telephone companies, in the 1980s,
4 were deregulated. What we have now is a competitive maze of
5 confusing and often-changing rate schedules and
6 telemarketing schemes that interfere with our evening meal
7 hours. There is a considerable down side or negative
8 consequences to deregulation; for low income, working class
9 people without a higher education, we become pawns to those
10 who would rob us with a fountain pen.

11 The PUC needs to be mindful of the adverse effects of
12 deregulation. Examine carefully the voluminous literature,
13 anecdotal and scientific, from consumers with complaints in
14 the parallel situation of the phone company line
15 deregulation. I also encourage the PUC to listen
16 attentively to consumer advocates who have thoughtfully and
17 with measured deliberation considered both the pros and the
18 cons and weighed the evidence. Members of the PUC will be
19 well-advised to consider the maxim that those who are
20 pessimists are usually right.

21 For me at present the choice is clear. I prefer to
22 remain a PP&L customer and ask the PUC to lobby to roll back
23 the proposed deregulatory and competitive changes. Let PP&L
24 keep their market territory free from interference. I say
25 this as one who has been as vocal as anyone else locally

1 over the past 14 years or so in arguing against PP&L's
2 nuclear power and rate increases, and as one who argued for
3 PP&L keeping itself safe from the threatened takeover by
4 PECO, Philadelphia Electric Company. I've also argued for
5 PP&L to take bolder conservation steps, such as making
6 energy efficient compact fluorescent lamps available to
7 consumers at below retail costs, such as other utilities do.
8 Regrettably, PP&L still lacks any initiative to do this, and
9 thus I cannot say PP&L is consumer or conservation friendly.

10 But PP&L rates are relatively low, lower than what
11 PP&L would have them be, and for that I extend credit to the
12 PUC for giving credence to the testimony of those who over
13 the years have stepped up to the podium and argued down
14 PP&L.

15 I'm no shill for PP&L, but the data I recently saw in
16 a newsletter from PP&L a year ago this summer convinced me
17 that I would not want to switch to another utility. I would
18 urge PP&L to republish that comparison of your rates with
19 other utilities in a timely manner. It's a year later since
20 your chart was advertised in your newsletter, and now, if
21 consumers are going to be given at least a pilot project,
22 and some are going to be given a choice, we need to see that
23 data again and have it verified by the PUC. When it comes
24 to electric customers being informed consumers, I would
25 argue that the 1.2 million customers of PP&L stay with PP&L

1 based on another maxim: a known enemy is preferred to an
2 unknown enemy.

3 When the phone industry was deregulated, I stayed
4 with my long distance carrier, until, that is, another
5 company came along and showed me that not only were there
6 rates competitive, but they also promised to invest a
7 percentage of their profits in socially constructive, non-
8 profit causes. That phone company is named Working Assets,
9 and this past year donated \$2.5 million to groups committed
10 to progressive social change. They've donated \$10 million
11 since 1986. This past year Working Assets gave \$49,000 for
12 the purpose of planting trees. I believe PP&L has a similar
13 concern for planting trees. I don't know what PP&L provides
14 on a yearly basis for that conservation measure, however.

15 I mention this as a way to challenge the electric
16 utilities to demonstrate a similar commitment if they are
17 going to be soon wooing customers. We'd all, I imagine,
18 prefer to have corporations be socially responsible. I
19 would also expect that the response from PP&L would be that
20 they will continue to fund social programs during the
21 transition to increased competition. But I, for one,
22 question the intention and the effect of such social
23 programs for I sense the outcome of such social programs is
24 to purchase the silence of the recipient of PP&L fundings,
25 to co-opt the beneficiary from any criticism of PP&L.

1 Why do I say this? Because my experience tells me
2 that when the recipients are governmental entities or groups
3 that serve the poor and elderly, that having received PP&L
4 money, these groups then do not testify against PP&L rate
5 increases at PUC hearings. Having pocketed PP&L money, they
6 fail to step up to the plate and, to mix metaphors, decide
7 they won't bite the hand that feeds them, so to speak.
8 These governmental or quasi-governmental social service
9 agencies are supposed to represent and protect the general
10 welfare of their constituency, yet are bought off from
11 criticizing PP&L rate hikes that clearly jeopardize their
12 constituents' overall economic well-being.

13 I ask the PUC to thus examine what I would call a
14 conflict of interest. Look at the record of PP&L social
15 program recipients, and then see if such recipients exercise
16 any social responsibility in advocating lower public utility
17 rate hikes. The recipients of PP&L charity no doubt are
18 absent from the docket, thus defending, by their silence,
19 PP&L rate increases. Conspiracy-minded people might also
20 wonder if social organizations try to position themselves to
21 get PP&L dollars by electing not to participate in a hearing
22 one year in order to be better placed to receive a grant in
23 the following year.

24 Ladies and gentlemen of the PUC, or rather gentlemen
25 of the PUC, my opinion is only an opinion, but you could

1 determine if it is an informed opinion by comparing the
2 record of social organizations getting PP&L money with what
3 records such social organizations have in resisting utility
4 rate increases. My opinion is that social groups chartered
5 to protect their clients' economic health are bought off by
6 PP&L offers of money, the amount of which is not offset by
7 cumulative rate hikes. Please check this out and determine
8 if a conflict of interest is present.

9 If such difficult issues exist under the present
10 system, the problems will be compounded under the proposed
11 system. When competing governments and competing social
12 agencies offer their silence to, or when their silence is
13 bought by, competing utilities, the public interest is
14 ethically transgressed. I urge the PUC to examine this
15 emotionally charged issue carefully and reconcile the
16 inherent dilemmas objectively.

17 Now, to PP&L's credit, the more general question
18 would be: what happens to the PP&L Wrap Program, the Keep
19 Warm Program, environmental programs, trees for the future,
20 consumer product offerings, Operation Help and other such
21 social programs? This is the first matter I wish to speak
22 to. The other three principles, besides the continuation of
23 social programs during the transition, the other three
24 principles that PP&L believes in besides the continued
25 funding of social programs are, one, that all customers

1 should be able to choose their electricity supplier. The
2 logical question is: if no one chooses PP&L, does that
3 bankrupt them? If all possible customers in the affected
4 area choose PP&L, what happens to the other suppliers? And
5 if such a scenario is allowed to happen, could PP&L meet the
6 demand? And wouldn't PP&L then become a monopoly?

7 Two, the second principle that PP&L believes in, is
8 that electric service must continue to be reliable.
9 Whatever does reliable mean?

10 Three, utilities must be able to recover transition
11 costs that may not be recoverable under competition. The
12 question is: recoverable from whose pocket?

13 As to the promise of William F. Hecht, PP&L Chairman,
14 as reported in the July 1996 PP&L bill enclosure, that a
15 competitive market for electricity will result in prices
16 that are lower than would be the case in a regulated system,
17 Mr. Hecht, we've heard this before. Remember, nuclear power
18 was to be too cheap to meter. Mr. Hecht apparently has
19 changed his mind about this recently when in a more recent
20 newsletter he said that prices should be lower than what
21 would be the case in a regulated system, not that they would
22 be lower. Already the company seems to begin to hedge.

23 Mr. Hecht also announced in the past year that PP&L
24 Resources acquired an ownership interest in a British
25 regional electric utility company serving 1.3 million

1 people, a venture allowing PP&L to gain experience in a
2 competitive marketplace such as is being proposed for us
3 today. Might Mr. Hecht or the PUC tell us what such
4 experience shows so that we might be better informed
5 consumers.

6 One might also ask what the effect of these changes
7 are on nuclear power, the cost of decommissioning,
8 insurance; who bears these costs?. The hand-out today is
9 very helpful. Again, it requires a very quick study. I
10 ordinarily do receive mailings from the Office of Consumer
11 Advocate. I don't recall this meeting being announced. I
12 don't recall any information that suggests here is
13 literature or a bibliography, you know, you could research
14 this issue yourself by courtesy of the advice of the Office
15 of Consumer Advocate. But to look at this hand-out today,
16 the four components, number one, one wonders about the
17 repair and maintenance of the lines. Number two and three,
18 one wonders who bears these costs. And number four, the
19 fourth component, one wonders through what vehicle are these
20 consumer protections, social programs, to be delivered,
21 directly, or through, again, social service or quasi-
22 governmental agencies.

23 I'm told by the Judge today this is the last hearing,
24 the last of nine. Our local newspaper has reported no news
25 articles on the public testimony of the other eight. We're

1 left in the dark, literally, about this proposal. We don't
2 have the benefit of learning what people in other
3 communities across the Commonwealth in the PP&L service area
4 have thought about this.

5 In terms of the elaboration of those four points, one
6 wonders, for number two and three, what amount the
7 residential customer will bear, what financial amount will
8 the residential customer bear, and do numbers two and three
9 add up to a higher bottom line; that is to say, will the
10 final bill for the customer be higher? Number four, if one
11 has no choice and chooses to stay with PP&L, is the market
12 price for the electricity for the Allentown customer to be
13 the same as it would be for the Erie customer?

14 I appreciate the Judge telling us how we can find on
15 line the documents that we are to read, but it would also be
16 nice to have one here today so we could try to do a quick
17 study.

18 Thank you very much for your attention to these
19 remarks.

20 JUDGE KASHI: Thank you, sir. Let me see if counsel
21 have any questions for you.

22 Mr. Simms.

23 MR. SIMMS: No questions, Your Honor.

24 JUDGE KASHI: Mr. Ryan.

25 MR. RYAN: No, Your Honor.

1 JUDGE KASHI: Mr. Mullins.

2 MR. MULLINS: Just a comment, Your Honor.

3 Sir, I would like to apologize for the lack of
4 information if you weren't apprised of the restructuring
5 proceeding, this particular input. I would like to point
6 out, though, that there are brochures at the table right
7 there. At the back of that brochure sent out by the Office
8 of Consumer Advocate, there is a form that you can fill out,
9 and you send that form back into our office and we'll put
10 your name into our data base. That way you will receive
11 advance notice of any public inputs or anything that may be
12 of interest to you. There are four different boxes, one for
13 your telephone company, electric, gas and water. You just
14 fill it out and check off the utilities that serve you.
15 That way whenever those utilities come in before the
16 Commission with any sort of information, we'll get you that
17 information as soon as possible. So for future reference,
18 you might want to at least fill out the form for any
19 additional information we can get you.

20 We did send out information in this particular case,
21 but, like I said, if you're not in the data base, you would
22 not have received that.

23 THE WITNESS: May I respond, Judge?

24 JUDGE KASHI: Sure.

25 THE WITNESS: I testify at these PUC hearings

1 regularly, and I do receive the PUC, whatever it is,
2 consumer newsletter, and there was no advance notice of
3 today's hearing. I am in the data base, in other words, and
4 I'm still not receiving the information.

5 MR. MULLINS: Do you have any suggestions as to how
6 we can better notify the public of any inputs of interest
7 besides newspaper articles and I guess PP&L inserts?

8 THE WITNESS: If you are sending out press releases,
9 it would be helpful to notify people in the area where the
10 press is located that you're sending the press release,
11 because if we're aware that there is a press release, and
12 it's not published, we can call the newspaper and say: why
13 aren't we better informed? The Office of Consumer Advocate
14 is trying to do their job, but the media, the middle person
15 between you and us, is not fulfilling their responsibility.

16 JUDGE KASHI: I would just like to comment on that.
17 At one of the other public input hearings in, well, they're
18 all kind of running together now, whether it was Wilkes-
19 Barre or Scranton, we had some critical comments from a
20 mayor of a local municipality and a president of a council
21 that, in fact, the information was not provided timely, that
22 the notices were not provided timely, and one of the members
23 of the audience brought it up from the newspaper and that
24 it's been being published since the middle of May in that
25 particular town, to which the comment was: well, apparently

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1 it's just being published in an area of the newspaper that
2 we're not reading.

3 I just don't know how to get over that.

4 THE WITNESS: Well, as I said at the outset, there
5 were two articles this week, a paid advertisement, I take it
6 from the PUC, and an article generated by the Sun Gazette
7 staff, but that's not timely. Now, there may have been
8 something 30 days ago in the fine print.

9 JUDGE KASHI: I would suggest that what I've seen
10 from the Office of Consumer Advocate had been sent out and
11 noticed to the publications throughout the Commonwealth in
12 PP&L's territory in the early part of May.

13 THE WITNESS: Is there no 30-day notice called for
14 for these hearings, for these public input meetings?

15 JUDGE KASHI: That's what I'm saying. It would have
16 been the early part of May.

17 THE WITNESS: There is a 30-day notice required?

18 JUDGE KASHI: There is no 30-day notice required.

19 THE WITNESS: I mean, to answer the gentleman's
20 question, that would be a way to better inform the public in
21 a timely way, other than having us have to do a quick study.
22 And my quick study is just based upon these newsletter
23 inserts.

24 JUDGE KASHI: And the media has not been explaining
25 it in the paper? That's your --

1 THE WITNESS: We had less than one week's notice for
2 this meeting.

3 JUDGE KASHI: But I'm saying that the plan has been
4 filed since April. The consideration of the plan by the
5 Legislature took place at the end of '96 and went in, was
6 signed by the Governor in December. What I'm saying is
7 you're saying that through that whole process there has not
8 been an educational effort by the media to inform the public
9 of what's going on with this historic proceeding?

10 THE WITNESS: They do carry wire stories to this
11 effect. I believe the newsletter does indicate we can call
12 a certain number for more information, but most newsletters
13 are, you know, thrown away, I think, by customers.

14 JUDGE KASHI: It's a problem, sir, and I quite
15 frankly don't -- because to me it's been frustrating; it's
16 been a frustrating problem for me because my concern has
17 been that throughout these nine public inputs, that I should
18 have been receiving more information from the public, and
19 I'm not. I have not yet made up my mind as to why I have
20 not received that.

21 THE WITNESS: Did you issue a press release prior to
22 these nine hearings? In which case, it was not reported in
23 the local paper that they would be held, you know, scattered
24 throughout the PP&L territory and we would be the final one.

25 JUDGE KASHI: The entire list was published.

1 THE WITNESS: Maybe the Sun Gazette reporter could
2 confirm or deny what I'm saying. I tried to be careful
3 about this. I clipped articles, but I did not see this list
4 of meetings.

5 JUDGE KASHI: It's a problem as to how to get that
6 information disseminated, that it's going to be picked up
7 and placed somewhere, outside of perhaps what PP&L's last
8 dividend was, you know, something to do with that, as
9 opposed to a news story like: we're about to change the way
10 you buy electricity after the last 75 years; it's all over;
11 it's changed. I think that deserves a little more attention
12 than what I've seen.

13 THE WITNESS: Did the Office of Consumer Advocate
14 send out a mailing announcing these nine hearings?

15 JUDGE KASHI: Yes.

16 MR. MULLINS: Sir, numerous mailings were sent out.

17 THE WITNESS: In which case I'm in the data base; I
18 have not received it.

19 MR. MULLINS: There was a press release, I know that
20 for sure, and we did, as I mentioned earlier, send out
21 letters to our consumer colleagues announcing not only the
22 restructuring plan, a brief synopsis of that plan, but also
23 the dates, times and locations of the public input hearings.

24 What I was telling you earlier was if you sign up
25 with our office, that way we can identify which consumers in

1 each area have interest in that particular utility. Like
2 you said, PP&L has 1.2 million customers. We can't very
3 well send out a mailing to 1.2 million. For those who show
4 interest, we try to make it a point to contact those
5 particular individuals in addition to the press releases,
6 newspaper articles, inserts and what-have-you. We're trying
7 to get the information out.

8 THE WITNESS: I'm sure that the gentlemen on the
9 panel are aware that in Pennsylvania the Consumer Party has
10 argued, among others, for access to utility bills, to allow
11 consumer alerts to go in and fill up, stuff the envelope,
12 for as much as the metered postage will carry, and we've not
13 been allowed, you know, consumer groups have not been
14 allowed access.

15 JUDGE KASHI: You haven't heard the comments that
16 I've heard about: we're sick and tired of having bills that
17 are stuffed full with 15, 16 pages of this, that or the
18 other; we don't want to see that happen. Those are some of
19 the comments that I've received.

20 THE WITNESS: I have been a formal intervenor and I'm
21 getting mail from the Office of Consumer Advocate that has
22 no bearing to Williamsport or Lycoming County about
23 adjudication of differences and so forth, but I seem to have
24 been left out of the loop on this one.

25 JUDGE KASHI: Mr. Russell, do you have any questions

1 of the gentleman?

2 MR. RUSSELL: No questions, Your Honor.

3 JUDGE KASHI: Thank you very much for coming, sir.
4 We appreciate your input.

5 (Witness excused.)

6 JUDGE KASHI: The sad story here is that Mr. Ochs is
7 the only one who has signed the sign-up sheet, so I will at
8 this time ask: is there anyone here in Council Chambers who
9 has not signed to testify, who has not been heard, who at
10 this time would like to be heard?

11 Yes, ma'am.

12 MS. WELTY: I merely wish to make a comment.

13 JUDGE KASHI: You don't want to give sworn testimony,
14 you just want to make a statement; is that correct?

15 MS. WELTY: Yes.

16 JUDGE KASHI: Let's have your name.

17 MS. WELTY: Carmen Welty, 628 Broad Street,
18 Montoursville.

19 JUDGE KASHI: What is it you want to say, ma'am?

20 MS. WELTY: When the telephone company deregulated,
21 my telephone bill over the years has increased three times
22 what it originally was. The cable company bill has more
23 than doubled. This is why I'm concerned because of the
24 deregulation. I just -- Montoursville is going to be
25 getting sewer. That's going to be, I understand, \$48.00 a

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1 month. It's going to be rough to pay all these things.

2 That's it.

3 JUDGE KASHI: Thank you.

4 MS. WELTY: You're welcome.

5 JUDGE KASHI: Seeing no other volunteers, it has been
6 my custom and habit -- do we have someone else?

7 MS. FISHER: I don't know exactly what we can say. I
8 have a couple of comments about PP&L. Can I say that?

9 JUDGE KASHI: About the restructuring plan?

10 MS. FISHER: Yes.

11 JUDGE KASHI: Do you wish your statement to be sworn
12 or unsworn, ma'am?

13 MS. FISHER: Probably not sworn.

14 JUDGE KASHI: That's fine. Get it off your chest.

15 MS. FISHER: My name is Sharon Fisher. I live up in
16 Jersey Shore. What happened here was about approximately
17 two years ago PP&L come through and had their hearings about
18 putting the new, them monstrous poles in. We went to the
19 hearings. I own 300 acres of ground. So what they told us
20 was, when we went to both the hearings, that it would be
21 taken off the center of our ground and put along the
22 railroad track, which was still on us but that was fine. We
23 went that way for almost a year. Then all of a sudden this
24 gentleman shows up to our door and says, "It's not going to
25 be that way, it's going to stay where it is." Under the

1 circumstances, we tried to fight it; we tried to get a
2 couple lawyers. Nobody wanted to deal with PP&L, I don't
3 know why, but nevertheless, it never went through.

4 They proceeded to put the monstrous poles in. They
5 have got probably seven to ten acres of ground that they
6 have used, have gone through the middle of it. They have,
7 you know, kind of destroyed the ground. They promised to
8 come up and repair and do all that. None of that's been
9 done.

10 But my question is: if they are allowed to sell that
11 electricity off that line, which, you know, that right-of-
12 way was purchased years ago, which I understand that, but
13 they also done reconstruction and put these monstrous poles
14 in. We was not compensated not one time for anything up
15 there. If they take and go ahead and sell that power, then
16 it's like me going down and claiming somebody's house and
17 saying, "I'm going to rent your house out, but I'm not going
18 to compensate you for it." We have to pay the tax on that
19 property. I mean has PP&L give any consideration whatsoever
20 for compensation if they do sell the electricity? That's
21 basically what I came for. Because we've tried to get
22 through to somebody, but, of course, nobody talks to us.

23 JUDGE KASHI: I'm going to ask, since that's such a
24 specific issue related to a problem that you're having, that
25 when we conclude this, that you speak with the PP&L

1 representative that's here.

2 MS. FISHER: Okay. Thank you.

3 JUDGE KASHI: Thank you very much.

4 One last call, anyone in the hearing room who has not
5 been heard, who at this time wishes to be heard?

6 The gentleman in the back.

7 MR. RBS: Can I just ask a question here? Are there
8 going to be any hidden costs in this new restructuring,
9 metering, transmission, the line from the transformer to
10 your house, the cost of the transformer and all these little
11 things?

12 JUDGE KASHI: All of those issues will in fact be
13 heard through this entire proceeding. Each of the parties
14 that are involved, as we said, are in the process of
15 discovery now, and they are examining what all the costs
16 are. Before a final decision is made in January, I can
17 assure you that they will have been looked at, and --

18 MR. RBS: Well, here about six, eight years ago, I
19 think Mr. Ruffaner or one of the gentleman, they added a
20 service charge to your bill.

21 JUDGE KASHI: Well, they're going to add what's going
22 to be called a CTC charge, a competitive transition charge.
23 That's going to be one, I can guarantee you, that everybody
24 is going to be fighting over in the hearings as to what
25 that's going to be.

1 MR. RBS: This one now, it's \$4.80 or \$6.80 per
2 month, which I think that gentleman said they had 1,250,000
3 customers. Well, just multiply 1,250,000 times \$6.00.

4 JUDGE KASHI: Thank you, sir.

5 MR. RBS: Thank you.

6 JUDGE KASHI: Mr. Ochs, did you have a comment yet
7 that you wanted to make?

8 MR. OCHS: Will there be opportunity to provide
9 written testimony beyond today, and to what address?

10 JUDGE KASHI: What I suggest to the people is that
11 when it comes time for the written testimony, to try and get
12 it into the record via one of the statutory parties here.
13 In both cases with the residential consumer, I've been
14 suggesting that you talk to the Office of Consumer Advocate
15 to see how, if at all, what it is that you're providing can
16 be placed into the record, because I don't know what their
17 positions are going to be on some of the issues. They may
18 not want your testimony. Be that as it may, -- and we have
19 not yet decided whether or not we will have a singular day
20 yet for further testimony in Harrisburg from the public,
21 because I think, and it has been raised, that as more
22 information becomes known and the public becomes more
23 informed, there may be some better comment from the public
24 yet. But I would not suspect that we would go out and do
25 another road trip. It has been exhausting; it really has.

1 I would suggest to you that you speak with the Office
2 of Consumer Advocate, unless you're a small business man,
3 and then I'll sic you on Mr. Ryan here and you can talk to
4 him about it.

5 If there is nothing further --

6 MR. RBS: As a customer, would I be able to purchase
7 power from companies far distant as Duquesne Light and
8 Power?

9 JUDGE KASHI: I don't know that yet. It hasn't been
10 settled.

11 MR. RYAN: You may not want to.

12 MR. RBS: Pardon?

13 MR. RYAN: I suspect you wouldn't want to. Their
14 rates are significantly higher.

15 MR. RBS: I know. My sister is out there. Say, for
16 instance, there or REA up at Forksville? That's all I'm
17 asking. I thought it was a kind of a questions and answers
18 forum today.

19 JUDGE KASHI: Well, what we're going to do is I will
20 conclude the hearing, and there will be people who will stay
21 here, and you can get into the questions and answers type of
22 forum with the people who are going to stay.

23 If there is nothing further from the public, I will
24 adjourn. I'm going to thank you all for coming out today on
25 behalf of myself and on behalf of the Commission. I

1 appreciate your taking the time out of your day to do that.
2 I know it's difficult. I hope we all do a good job for the
3 future of electricity in Pennsylvania.

4 Thank you very much. We stand adjourned.

5 (Whereupon, at 1:48 p.m., the public input hearing
6 was adjourned.)

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C E R T I F I C A T E

I hereby certify, as the stenographic reporter, that the foregoing proceedings were taken stenographically by me, and thereafter reduced to typewriting by me or under my direction; and that this transcript is a true and accurate record to the best of my ability.

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