

Murphy Statement #1

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Comments from Mark R. Murphy  
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May 3, 1997

1. The pilot program offered by the local utility PP&L offers a credit to its participating customers. Has the amount of this credit been evaluated with the present available prices of brokered electricity to assure participating customers that the opportunity to purchase electricity from a broker could save them money. If not could the local utility supply electricity at it present capped rate during instances when the participating customer cannot obtain electricity at the same or lower cost than PP&L can supply? My concern is that a customer with peak demand occurring during the 8:00AM to 5:00PM period will not be able to obtain electricity for the credit offered in the pilot program. Hence it will not make it worth while to be involved in the program, there by excluding customers from the program.

2. PP&L offers an Economic Development Program (EDI), that many customer have been participants in for almost ten years. The program is worth over 10 % of the universities electric bill due to the significant growth at the university over the past 10 years. I have been told this plan will be extended since it is part of our rate schedule and our rate for electricity was capped in January of this year by the PUC. This Economic Development Program is very important to it participants and it should PP&L should file and be allowed to retain this program.

3. If a customer purchases electricity at higher voltages there by using less of the electric companie's equipment and the customer also takes on more responsibility for the distribution, metering, maintenance, and managing of this system it only seems correct that the cost for transmission and distribution for these customers should be lower than other customers that use PP&L lower voltage distribution and transformers. Is the new rate system derived in this manner?

4. Considering customers who have a very conservative approach to budgeting and long term planning, it would be beneficial for these customers to be able to negotiate long term fixed priced contracts with guaranteed delivery of power. I would like to see our electric utility have the deregulated ability to offer fixed priced electricity at a competitive rate with the market price for 1 year or multiple year contracts up to 5 years. I feel this would benefit many customers and also enable PP&L (a local business/employer) the opportunity to remain as such.

5. Will the stranded costs be proportionately distributed to customers with respect to their demand and time of day since the cost is mainly to recoup the cost incurred by the utility to build power generating facilities to keep up with the demand of these larger users of demand?

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