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COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION

ORIGINAL

MEM

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

Pages 78 through 136

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Brunswick Hotel
Queen and Chestnut Streets
Lancaster, Pennsylvania

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FOLDER**

Friday, May 30, 1997

Met, pursuant to adjournment, at 7:00 p.m.

BEFORE:

GEORGE M. KASHI, Administrative Law Judge

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25C O N T E N T S

<u>WITNESS</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>
Charles R. Winter	91	--	--	--
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E X H I B I T S

<u>NUMBER</u>	<u>FOR IDENTIFICATION</u>	<u>IN EVIDENCE</u>
(None.)		

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P R O C E E D I N G S

1
2 ADMINISTRATIVE LAW JUDGE GEORGE M. KASHI: Going on
3 the record, good evening, ladies and gentlemen.

4 I am Judge Kashi, an Administrative Law Judge who has
5 been assigned this case, this restructuring matter. It will
6 be my job to run the hearings, marshal the evidence and
7 make a recommended decision come sometime the end of
8 October, the beginning of November, to the Commission for
9 their final decision on this particular matter.

10 This evening, we are here to hear what it is that you
11 have to say about the restructuring plan. We are interested
12 in what thoughts you have on it, and we want to get them on
13 the record.

14 There are two ways that you can get into this
15 proceeding. One is that you come forward and you testify
16 and you give us sworn testimony which allows you to be
17 cross-examined by any of the attorneys that are here
18 tonight.

19 By doing that, it becomes part of the record and, as
20 part of the record, I can consider it when I make my
21 decision. The Commission can consider it when it makes its
22 decision. The parties here can cite to it in their briefs.

23 That has always been my preferable way of asking for
24 public input. The other way is, if you are just here and
25 you have something on your chest and you want to get it off,

1 we'll listen to that, but I just want you to know that that
2 doesn't become part of something that I can consider for the
3 record. It just lets you get it off your chest.

4 There are with us tonight, and I am going to
5 introduce them and I will allow them to make their own
6 presentation as far as what it is that they do, but to my
7 right is Carol Pennington. Ms. Pennington is with the
8 Office of Trial Staff.

9 To my immediate left is Mr. Irwin Popowsky, who is
10 the Consumer Advocate of Pennsylvania, who represents the
11 Office of Consumer Advocate here tonight.

12 Next to him is Ms. Karen Moury. She is with the
13 Office of Small Business Advocate. And seated next to her
14 is Mr. Paul Russell, who is counsel for PP&L.

15 With us also tonight is Mr. John Rohrbach. He is
16 seated in the audience. He is a staff assistant to
17 Commissioner Hanger, so we have that input.

18 So what I am going to do, since we are here to hear
19 what you have to say, we will begin by having the statutory
20 participants and then the company speak a few words.

21 Ms. Pennington?

22 MS. PENNINGTON: Good evening.

23 My name is Carol Pennington. I'm from the Office of
24 Trial Staff of the Public Utility Commission. The Office of
25 Trial Staff was created by the Legislature in 1986. It is

1 an independent prosecutorial office located within the
2 Commission.

3 We have a staff of attorneys, financial analysts,
4 accountants and engineers, and it is our job to get involved
5 in every rate related matter which comes before the
6 Commission and to analyze it and determine if it is just,
7 reasonable and in the public interest.

8 And by the "public interest," we mean the interests
9 of all the customers of the company, whether they be
10 residential, commercial or industrial customers, and the
11 interests of the public at large.

12 I would encourage you this evening to have your
13 testimony sworn, so that we can take your testimony into
14 consideration when a decision is made in this case. And I
15 want to thank you all for coming out this evening.

16 JUDGE KASHI: Thank you, Ms. Pennington.

17 Mr. Popowsky?

18 MR. POPOWSKY: Thank you, Your Honor.

19 My name is Irwin Popowsky. I'm the Consumer Advocate
20 of Pennsylvania. Our office is a state office, and our job
21 is to represent consumers, particularly residential
22 consumers in matters that come before the Public Utility
23 Commission involving Pennsylvania public utilities,
24 including Pennsylvania Power & Light Company.

25 This case that we are here to talk about tonight is

1 an extremely important case regarding the future of how you
2 will receive electric service for at least the next decade.

3 Our office has hired a team of professional experts
4 who will address every aspect of PP&L's plan on behalf of
5 consumers. Our goal in this case is to insure that all PP&L
6 customers have access to a wide range of competitive
7 alternatives for reliable electric generation service at
8 rates that are no more expensive and will hopefully be less
9 expensive than what you are paying today.

10 But the purpose of today's hearing is to hear from
11 consumers, members of the public, to hear your opinions and
12 your concerns.

13 I too would encourage you to testify and to testify
14 under oath so that we can refer to your testimony in our
15 briefs and documents to the Judge and to the Commission, and
16 I want to thank you for coming this evening.

17 JUDGE KASHI: Thank you, Mr. Popowsky.

18 Ms. Moury?

19 MS. MOURY: Thank you, Your Honor.

20 Good evening. My name is Karen Moury, and I am here
21 tonight on behalf of the Office of Small Business Advocate.

22 Our office was created by the Legislature in 1988 to
23 represent the interests of small business consumers of
24 utility services in cases before the Public Utility
25 Commission.

1 Our primary goal in this case is to insure that
2 PP&L's small business customers are treated fairly during
3 the transition to a competitive generation market.

4 We're looking at PP&L's overall claim for stranded
5 costs and at the method that PP&L wants to use to recover
6 those costs from its ratepayers.

7 We're also trying to make sure that PP&L's small
8 business customers have a meaningful opportunity to obtain
9 access to a competitive generation supply as soon as
10 possible.

11 Essentially, our efforts in this case are focused on
12 giving PP&L's small business customers a real chance to
13 reduce their electric bills in the near future.

14 Now, as an attorney for the Office of Small Business
15 Advocate, it's my job to let the Commission know what we
16 think is in the best interest of small businesses.

17 We've hired an expert witness to help us figure out
18 how we want to frame that in our advocacy to the Commission.
19 But if any of you are here today as a small business owner
20 or representative, I hope that you will let us know what
21 your concerns are, because we can then use your testimony to
22 help us focus on what needs to be done in this case to
23 adequately protect small business consumers. Thank you.

24 JUDGE KASHI: Thank you, Ms. Moury.

25 Mr. Russell?

1 MR. RUSSELL: Thank you, Your Honor.

2 My name is Paul Russell. I'm an attorney with the
3 legal department in PP&L responsible for this restructuring
4 plan proceeding that we are discussing this evening.

5 PP&L was an early advocate of retail competition. We
6 supported passage of the Customer Choice Act which Governor
7 Ridge signed December of last year.

8 One of the provisions of that Act requires each
9 electric utility in Pennsylvania to file a restructuring
10 plan describing to the Commission how that utility plans to
11 move towards competition.

12 PP&L asked the Commission to allow us to file our
13 restructuring plan early in the process. The request was
14 granted, and we filed our plan on April 1st.

15 And that is what the subject of tonight's public
16 input hearing is addressing. PP&L fully supports the public
17 input hearing process. We think it's an essential part of
18 the Commission's review of any major proceeding before it.
19 It gives the Commission an important opportunity to hear and
20 review customer input.

21 I would like to personally thank you for attending
22 this evening. We are interested in your views on these
23 issues, and look forward to hearing your testimony.

24 One final thing: I would like to introduce another
25 representative from PP&L, Larry Downey, who is community

1 development director, is sitting near the back on the right.

2 Larry and I will be available throughout the evening
3 to meet with you and talk about any specific concerns you
4 might have about your rates or your service that you would
5 rather discuss with us than to put on the record in this
6 proceeding. Thank you.

7 MR. ROHRBACH: I would just point out that if you
8 wish to testify -- my name is John Rohrbach. I work for
9 Commissioner Hanger.

10 And like these people up here, we take this case
11 extremely seriously. This is a very important case for the
12 future of eastern Pennsylvania.

13 We would suggest that you testify under oath so that
14 we can consider your testimony in the record. Thank you
15 very much.

16 JUDGE KASHI: Thank you, Mr. Rohrbach.

17 Would you get me the sign-up sheet?

18 THE REPORTER: Yes, Your Honor.

19 (Pause.)

20 JUDGE KASHI: Just for the record, before I call the
21 people who have signed the sign-up sheet, the restructuring
22 plan that has been filed by the company -- Mr. Russell, did
23 you provide that sheet that you did in Harrisburg?

24 MR. RUSSELL: Yes, Your Honor. It's out on the table
25 next to the sign-up sheet.

1 JUDGE KASHI: There is a sheet that describes the
2 components of the case that are before me at the present
3 time.

4 And primarily, what we are talking about is four
5 major components, not just issues, but the broad components
6 of the case are the terms and conditions for open access for
7 retail competition; secondly, a calculation of the company's
8 stranded or transition costs as defined by the statute; the
9 unbundling of rates for generation, transmission and
10 distribution of electricity, including a competitive
11 transition charge to recover stranded costs, together with
12 the rate design; and the proposals for ratepayer protection
13 including expanded company programs for assistance to low
14 income consumers and other measures to assure continued
15 safe, reliable and efficient service to customers at
16 reasonable rates.

17 I assume that everybody here who came out tonight has
18 an understanding of what the restructuring plan is.
19 However, those are the four major components that we are
20 involved with.

21 So without taking up any more of your time, I would
22 like to call at this time Mr. Floyd Atkins. Mr. Atkins?

23 MR. ATKINS: Well --

24 JUDGE KASHI: Could you come forward, sir?

25 MR. ATKINS: I just came to the meeting as a poultry

1 farmer who uses --

2 JUDGE KASHI: Could you just wait one second?

3 MR. ATKINS: Certainly.

4 JUDGE KASHI: Can I talk you into the testimony that
5 you're about to give tonight or the statement that you're
6 about to give tonight, can you swear to it? Would you be
7 willing to have it made testimony and done under oath, sir,
8 or do you just wish to make a statement for this record?

9 MR. ATKINS: I just wish to find out more about
10 what's going on. When I signed the paper, I thought it was
11 just to find out who was here. I didn't know that I'd be
12 called upon to talk.

13 JUDGE KASHI: Let me make a suggestion. We are not
14 in a question and answer mode with the people that are up
15 here, because we are here to hear what's going on from the
16 parties that are involved down here in Lancaster as to what
17 your concerns are.

18 There are, as Mr. Russell said, he and some people
19 from the company, if you have individual questions or
20 problems with the plan or talking about the plan, I'm sure
21 that they could answer your questions.

22 We are here tonight, sir, to hear from you as far as
23 what your understanding, what you think the problems are,
24 and what it is you think we should be doing.

25 MR. ATKINS: Well, number one, I came to the meeting

1 to find out more about the plan, not to speak on it. Number
2 two, I'm a poultry farmer. I use a lot of electricity.

3 And my concern is in the deregulation, it might lower
4 my cost of production, but I'm concerned about the service.
5 I've always had excellent service and it's very important in
6 my type of operation.

7 And I wouldn't want to give up the good service that
8 we've had for the saving of a few dollars. As I said, I
9 came here mostly to find out more about what's going on.
10 There's a lot of deregulation going on everywhere.

11 JUDGE KASHI: All right, sir. We want to thank you
12 for coming, and maybe throughout the night, we can get some
13 more information to you as far as -- the plan itself has
14 been filed with the Commission and it is available on the
15 Commission's Internet.

16 In addition to that, there is a copy of the plan at
17 the company headquarters. Mr. Russell, did we decide on
18 another location yet, too?

19 MR. RUSSELL: No, Your Honor, I don't think we have.

20 MR. POPOWSKY: Could I just add something?

21 JUDGE KASHI: Sure.

22 MR. POPOWSKY: As the Judge indicated, several of us
23 have come from Harrisburg to hear testimony from the members
24 of the public, but I for one will certainly be willing to
25 stay this evening as long as necessary to discuss the plan

1 with you and hope to answer any questions you have perhaps
2 with the other counsels' assistance.

3 But I can't do that on the record. I'm not a sworn
4 witness. But I'd be glad to stay and discuss that with you
5 and try to answer your questions. I think that would be
6 real important after people have had a chance to testify, if
7 we could just talk about the plan, that would be fine.

8 MR. ATKINS: As Anthony said to Cleopatra, I didn't
9 come here to talk, but I came here to find out more about
10 the plan and how it would affect my farming operation.

11 JUDGE KASHI: Thank you, Mr. Atkins.

12 The sad news is or the good news is for those people
13 who have come to just hear about the plan, Mr. Atkins is the
14 only person who has signed up to testify and he didn't want
15 to testify to begin with.

16 MR. WINTER: I am willing to testify. I'm willing to
17 testify under oath.

18 JUDGE KASHI: Can we get you to sign here?

19 MR. WINTER: Yes.

20 JUDGE KASHI: Mr. Winter, can we get you to come
21 forward, sir? Do you wish your testimony to be sworn or
22 unsworn?

23 MR. WINTER: Sworn.
24
25

1 Whereupon,

2 CHARLES R. WINTER

3 having been duly sworn, testified as follows:

4 DIRECT TESTIMONY

5 JUDGE KASHI: Can you please state your name and
6 address for the record, sir?

7 THE WITNESS: My name is Dr. Charles R. Winter, 80
8 Schoolhouse Road, Lancaster, PA, 17603.

9 JUDGE KASHI: Dr. Winter, are you familiar with the
10 restructuring plan generally?

11 THE WITNESS: No, not -- I just had been, what I read
12 in the press that the rates most likely would go down, and I
13 was interested.

14 I would like to give a little bit of background
15 information why I was interested in this. Since I, before I
16 came to Lancaster, used to live in Knoxville, Tennessee, I
17 was very much interested in electric energy.

18 In Tennessee, in 1961 when I came to Lancaster, the
19 cost for even private households that were using only
20 electricity was, for everything over 1,000 kilowatt-hour,
21 half a penny.

22 After I came to Lancaster, I don't remember the exact
23 amount, but I think it was somewhere between three and four
24 pennies for a kilowatt-hour, which would be between six or
25 eight times as much.

1 And I couldn't quite understand this because, number
2 one, the Tennessee Valley Authority depended on the
3 Tennessee River, which has a lesser water volume -- at that
4 time, I got this information; I don't know now what the
5 difference is -- less water volume than our Susquehanna.

6 And what I was told when we came here, the
7 electricity here is partially made by still using coal and
8 oil, but this was also done down in Tennessee. They used
9 coal and to a lesser degree oil, too.

10 So I couldn't quite understand that. So I was
11 wondering about this. But I then decided I wanted to
12 support this, and 16 years ago when I built the Colonial
13 Hall Rehabilitation Center, I got in touch with PP&L and
14 they gave me some figures that looked good.

15 I was a little bit disappointed because they had not
16 told me that there are certain charges for special peaks,
17 and this is something that we could not control.

18 All patients usually get up around the same time so
19 they can get ready for breakfast, and so we had a peak where
20 there was additional charges.

21 So at the present time, for a relatively small
22 nursing home, we have an average of around 60 patients. I
23 have to pay \$5,000 for electricity per month. And so for
24 this reason, I was very much interested to find any
25 possibility to get electricity at a lesser rate.

DIRECT TESTIMONY

1
2 JUDGE KASHI: Please state your name and address for
3 the record, sir.

4 THE WITNESS: My name is Richard Hans. I live at
5 2181 New Danville Pike in Pequea Township, Lancaster County.

6 JUDGE KASHI: Are you familiar generally with the
7 restructuring plan that's before the Commission, sir?

8 THE WITNESS: Generally, but not specifically.

9 JUDGE KASHI: What brings you here tonight?

10 THE WITNESS: I want to make some general comments
11 about the whole issue of rate restructuring.

12 JUDGE KASHI: Good.

13 THE WITNESS: My feeling is that here in south
14 central Pennsylvania, we have a very effective public
15 utility in the form of PP&L.

16 I feel that the restructuring is going to cause a
17 great deal of problems with the retail customer as we have
18 with the telephone company.

19 I'm appalled that the PUC has approved telephone
20 changes that we have. Last month -- I have three telephones
21 -- and I got 50 pages of bills. That was from Bell
22 Telephone. I also got pages from another company.

23 PP&L is going to continue to serve us, but we feel
24 that the service that Bell is giving us now is far inferior
25 to what we had before.

1 Just as one of your previous people stated their
2 concern about the quality of service, I too am concerned
3 about the changes and the cost of making this change.

4 I realize that companies like Lukens Steel have just
5 cause to ask for lower rates, but I think that the State
6 Legislature and the PUC should have worked out -- they were
7 charged with that responsibility. I feel they should have
8 worked out rate schedules that would have been consistent
9 with the volume of electricity that this man uses in his
10 retirement home and that Lukens Steel uses.

11 I think it's just sheer folly for the State
12 Legislature to embark on a system like this and for -- the
13 PUC of course has to go along with it. But we are being
14 abused by the telephone system now with 50 pages of bills
15 for three telephones.

16 And for Bell Telephone to now get into all kinds of
17 gimmicks to get more services into the customer's home, they
18 begin to run a three-ring circus like the Coupon Clipper.
19 They send me things for promoting this and promoting that.

20 We don't want that. We just want clean, clear
21 service from our telephone company and from our electric
22 company. I'm really concerned that we'll start getting
23 electric energy from some Grand Coolee Dam transported
24 across the country and we won't be able to reach the Grand
25 Coolee Dam generation plant and PP&L will tell us, "Well,

1 you have to go see the Grand Coolee," or, you know, wherever
2 it's going to come from.

3 My comment here tonight isn't specific about the
4 details of it, but just in a general way to express my
5 frustration in what the Legislature has done and what you
6 are proposing here.

7 We had the best system of telephones and we had the
8 best system of electrical service all around Lancaster
9 County. PECO and PP&L provide us with parks, and as the
10 other poultry man said, he has gotten excellent service.

11 I had a breakdown in my poultry house years ago, and
12 PP&L was out there in a matter of a half-hour to an hour.
13 They gave me excellent service with no additional charge.

14 I'm here to say I think you're going off the deep
15 end, making a serious blunder in plowing this new ground
16 that we have no experience in.

17 I know it's not going to change the issue, but I
18 think I needed to speak out my frustration with this
19 proposal.

20 JUDGE KASHI: Good.

21 THE WITNESS: Thank you for hearing me and for being
22 here tonight. We appreciate you people coming down here.

23 JUDGE KASHI: Are there any questions from counsel?
24 Ms. Pennington?

25 MS. PENNINGTON: No, Your Honor.

1 JUDGE KASHI: Mr. Popowsky?

2 MR. POPOWSKY: No, Your Honor.

3 JUDGE KASHI: Ms. Moury?

4 MS. MOURY: No, Your Honor.

5 JUDGE KASHI: Mr. Russell?

6 MR. RUSSELL: No, Your Honor.

7 THE WITNESS: I might point out, I'm a user of a
8 couple thousand dollars worth of electricity a month, but
9 I'm also a PP&L stockholder.

10 And when he testified about rate increases before,
11 even though I use more electric than I gain in dividends, I
12 felt that they were entitled to it. PP&L has done an
13 excellent job.

14 And another thing, if I may comment further, all
15 across the country we have these huge utility companies.
16 For 90 years, they have been building assets:

17 And the corporate management there is going to take
18 these assets and run with them. SCANA in South Carolina is
19 drilling for gas in the Gulf of Mexico.

20 And I got a quarterly report back that they were
21 going to go back to the rate commission in South Carolina
22 asking for an increase, because they had lost money drilling
23 for gas.

24 I object, as a stockholder, I object to PP&L going to
25 England and buying into English property. These corporate

1 executives are using this huge reserve of resources.

2 And when you release them from regulation by the PUC,
3 they are going to run all over the world and squander the
4 stockholders' money and abuse the ratepayer, the small
5 person.

6 One final thing: The typical residential person as I
7 understand pays \$60 or \$70 a month; is that in the ballpark
8 as far a rate, \$60 or -- we're talking about a 15 percent
9 increase, that's peanuts. That's \$150 a year, to make all
10 these changes for the average customer, to save \$150.

11 They spend \$20,000 on a new car and \$100,000 on a
12 home. And for you people to all be down here in your black
13 suits and concerned about this, it's peanuts to the average
14 person.

15 And not to a businessman who has, you know, \$5,000 a
16 month, I don't mean that. But that's where the PUC should
17 have come into effect and scheduled graduated schedules and
18 worked harder with the utility companies to come up with and
19 address this problem rather than throwing it into this free
20 for all.

21 Thank you for hearing me, and I appreciate you being
22 here.

23 JUDGE KASHI: Thank you, sir, for coming. We
24 appreciate your --

25 MR. WINTER: Your Honor, may I add something to it

1 which came up through his testimony?

2 JUDGE KASHI: Yes, Dr. Winter.

3 MR. WINTER: I felt the same way and I still feel the
4 same way, and I'm also offended what they are doing with the
5 telephone service.

6 And so on three occasions, I have approached PP&L and
7 even so, I felt what I demanded of them was not reasonable
8 enough to lower them, but I said, "We have a retirement
9 home" -- and you use the proper term, you know, because now
10 we have the people that are older, they are -- practically
11 95 percent of them are retirees.

12 And now you have to divide, because we are fully
13 electric, everything is electric, kitchen, everything,
14 heating, air conditioning.

15 So you have to divide the \$5,000 through 60. Then
16 you know what each of those people through their fees have
17 to pay. And then --

18 THE WITNESS: That's almost \$100 a month.

19 MR. WINTER: That's right. And this is for a person
20 that, she has a room with another person. It is a lot. And
21 I asked PP&L, because I felt they could do this without
22 having the Commission's approval, to say, even though it's a
23 business, but since these people are residents in there,
24 that they should charge us residential rates and they should
25 take away these peaks because what PP&L said I thought was

1 totally ridiculous.

2 They said they should serve, for a quarter of the
3 people, breakfast at 7:00; for another quarter, at 8:00; for
4 a third quarter at 9:00; and for the fourth quarter, at
5 10:00. I think by 10:00 they would try to get the leftover
6 of the ones from --

7 THE WITNESS: Or leave your place for --

8 MR. WINTER: Yeah, or leave the place.

9 JUDGE KASHI: Doctor --

10 MR. WINTER: But PP&L did not do anything in that
11 regard.

12 JUDGE KASHI: Can I suggest that if you'd like to
13 pursue that particular problem that you're having, which is
14 outside of the concept of restructuring, that as Mr. Russell
15 suggested, there are people here from the company who are
16 willing to talk to you about that. Okay?

17 MR. WINTER: Okay.

18 THE WITNESS: If I can summarize one last thing, he
19 and I both feel that the PUC has been remiss in the way it
20 has handled things. I think that would have been a PUC
21 problem to restructure at volume user rates a system with
22 all 13 utilities in the state.

23 JUDGE KASHI: In that you brought the question up, I
24 would ask, Dr. Winter, did you come to the PUC?

25 THE WITNESS: No, to the -- I wrote once to the PUC,

1 and it took forever. They wanted me to take the case to
2 court.

3 THE WITNESS: I would question that if --

4 JUDGE KASHI: So the simple matter is, he didn't
5 bring his problem to the Public Utility Commission.

6 THE WITNESS: Well, that's -- I requested forms to
7 complain about the telephone company, and they sent me a
8 packet that was about that big (indicating). It would have
9 taken me about two hours to fill out. I thought that was
10 excessive.

11 So I did go and I did get the thing back and I looked
12 through it. I thought, well, I don't want to spend a couple
13 hours on it. It was very lengthy. I didn't think it needed
14 to be that lengthy. It was that thick (indicating), half-
15 inch thick of paperwork.

16 JUDGE KASHI: So the length of the paperwork was more
17 than the problem you were having with the telephone company?

18 THE WITNESS: I can't really say that. You could
19 draw that conclusion, but that really wasn't the case.

20 JUDGE KASHI: Thank you very much, sir.

21 (Witness excused.)

22 Thomas Tamski? Sir, do you wish your testimony to be
23 sworn or unsworn?

24 MR. TAMSKI: Sir, when you've worked for 28 years for
25 the government, you're very reluctant to swear to anything,

1 but in this case, I'll make a deviation.

2 JUDGE KASHI: Good.

3 Whereupon,

4 THOMAS TAMSKI

5 having been duly sworn, testified as follows:

6 DIRECT TESTIMONY

7 JUDGE KASHI: Please state your name and address for
8 the record, and could I have you spell your name? I may
9 have mispronounced it.

10 THE WITNESS: Tamski, Your Honor, T-A-M-S-K-I. My
11 name is Thomas Tamski. I live at 6 Cedar Drive in Willow
12 Street, ZIP Code 17584. I am here not to represent anybody
13 but myself.

14 I have been following these proceedings from day one.
15 I believe I received a copy of every docket number that was
16 published by the PUC, and I don't know if it's worth
17 anything, but everybody on the distribution list seems to be
18 an attorney or a CEO or somebody but me.

19 However, I would like to rebut one question, one
20 comment of Mr. Russell. He indicated that PP&L was very
21 much in favor of this operation.

22 But a number of years ago, I seem to recall having
23 received correspondence from PP&L and PECO when I had some
24 stocks that they suggested that I write to the PUC and tell
25 them that they were not in favor of deregulation and to

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1 comment how satisfied I was with my current service.

2 As a result, I did that, and I think that probably
3 that was what has led to my being on the distribution list.

4 JUDGE KASHI: Sir, did you appear in the last PP&L
5 rate case? Did you make any comments in the last rate case
6 which was several years ago?

7 THE WITNESS: No, sir, I did not.

8 JUDGE KASHI: You did not appear at any public input
9 hearings then?

10 THE WITNESS: I did not, Your Honor, but what I did
11 do, with in the last two dockets --

12 JUDGE KASHI: I was just going to suggest that that's
13 how you got on the distribution.

14 THE WITNESS: I think that I probably got on the
15 distribution as a result of submitting a comment to the PUC
16 as requested by PP&L and PECO.

17 First of all, I'm looking forward to this 15 percent
18 decrease that I've been promised. Everything that I've read
19 up to a point has indicated that the nature of this
20 deregulation was to give the consumer at least a 15 percent
21 break by the ability or the right to choose my own
22 generator.

23 I could go into the last docket number that I
24 received to which I responded, and there were 61 questions
25 concerning multiple bills, the consumer being charged for

1 installation of new meters, you were going to have analog
2 meters that were going to transfer data or convert it to
3 digital, you know.

4 Ninety-nine percent of us in here don't understand
5 that. Now, to a degree, I do, having spent 30 years in
6 computers and can have a feeling for digital to analog and
7 vice versa.

8 However, in looking at some of the things here, if we
9 stick to the four issues on the docket for tonight, I would
10 like to suggest that the PUC avoid multiple bills.

11 I'm looking at, over in the righthand column it says,
12 I may choose to receive one or two bills. Now, we've heard
13 numerous comments concerning the amount of paperwork that is
14 involved with the telephone service. I don't want to see
15 this happen with my utility bill.

16 I am perfectly content to get one bill on the bottom
17 line that says, you owe X number of dollars. I would also
18 hope that I would see some unbundled charges in this
19 operation.

20 That issue probably has not been covered, and in
21 looking at the petition that PP&L submitted to the PUC of
22 their pilot program, they make numerous comments in here
23 about what they going to -- they're going to read the meters
24 and they're going to bill customers.

25 And one of the things I find in here, that they have

1 proposed that they are going to reduce me 2.36 cents per
2 kilowatt-hour. Now, fellows, I don't know how you came up
3 with that number, but I see that the PUC was not in favor of
4 that, and they almost doubled it.

5 If that comes about, then I can understand my 15
6 percent reduction. However, I cannot see a 15 percent
7 reduction if you're going to stick me for the cost of
8 installing a new meter which may cost 150 or 200 bucks,
9 which the average electrician cannot install. According to
10 some of the literature that I read, you're going to have to
11 be a technician to install that. You're going to put a lot
12 of electricians out of business.

13 You also cover things about, who is going to repair
14 these things or who is going to pay for the cost of repair.
15 I would suggest to you, you take a good, long, hard look at
16 some of these things because you are not talking about a
17 reduction, you are talking about an increase.

18 I would also like to discuss something about your
19 stranded costs. PP&L says that you've got \$4.6 billion in
20 stranded costs. I have not read anything in the paper to
21 find out what portion of that the PUC has approved for you
22 to recoup.

23 PECO has been approved \$1.6 billion, but they still
24 have about \$4.5 billion or \$5 billion that they don't know
25 how they're going to recover.

1 The decision will not be made until December of this
2 year, and there's a possibility that that cost will be
3 passed on to the stockholder.

4 If that is the case that you're going to consider for
5 stockholders of PP&L to pass this stranded cost onto the
6 consumer, onto the stockholder, I would suggest that you
7 take a good, long, hard look at that.

8 Currently, I am paying eight cents a kilowatt-hour
9 for the first 100 hours. I am paying 7.5 for everything
10 over 200 hours. I have no idea what portion of that
11 includes stranded costs.

12 This is why I suggest or I would like to see
13 unbundled costs.

14 JUDGE KASHI: Excuse me. Mr. Tamski, just let me
15 interject here one second. Do you realize that the petition
16 before us at the present time has not yet been litigated?
17 The proposals as to stranded costs and anything else that
18 has been proposed in this application has not yet gone to
19 trial.

20 The parties here who explained tonight their
21 functions, when we begin hearings in August, and I believe
22 we have 18 days of hearings scheduled starting in August,
23 each and every component of the application will be assessed
24 and will in fact be either proven by the company or they
25 won't be able to prove it.

1 What I'm hearing, there seems to be some kind of
2 finality in your understanding as to what has happened
3 already, and I just want to assure you that nothing has
4 happened already, that the case is going to be tried in
5 August and briefed sometime in September and October, and my
6 recommended decision to the Commission isn't even going to
7 go out until sometime in early November, and the Commission
8 makes a decision I believe sometime in the first week in
9 January.

10 THE WITNESS: Your Honor, if my reading is correct,
11 for PECO --

12 JUDGE KASHI: We're not here about PECO, sir. I'm
13 sorry.

14 THE WITNESS: Okay. But if you would permit me, sir,
15 each bill consists of \$16.90 of stranded costs that are
16 passed on to the consumer.

17 I have to believe that PP&L is also passing a portion
18 of the stranded costs onto me now for their generating
19 facility.

20 I cannot make myself believe that they built these
21 nuclear plants up at Berwick and what have you and they're
22 not assessing me a portion of the stranded costs.

23 Therefore, I would like to see something unbundled or
24 I would like to know what portion of my bill currently
25 consists of stranded costs so if I can get an opportunity to

1 shop and pick up power from Allegheny or some other utility,
2 they may not be passing any stranded costs on to me at all.

3 That summarizes my comments, Your Honor, and I
4 appreciate your giving me the opportunity to speak.

5 JUDGE KASHI: We would like to at this time allow for
6 some comments to you from the Office of Consumer Advocate.

7 THE WITNESS: Go ahead, sir.

8 MR. POPOWSKY: Maybe I could try to respond to at
9 least one of your questions. I think you are exactly right.
10 The costs that PP&L spent to build their various plants
11 including the Susquehanna nuclear plant are included in
12 rates today.

13 We don't call them stranded costs yet because they
14 haven't been stranded. They are in your rates and they have
15 a regulated monopoly today.

16 Now, at the end of this case, after we get Judge
17 Kashi's decision and the Commission decision, the rates will
18 be unbundled as you suggested.

19 At that time, we will know, you will know on your
20 bill exactly what portion of those costs are the stranded
21 costs, that is the uneconomic costs that can't be recovered
22 in a competitive market, and you'll know what portion of the
23 costs are the competitive market price.

24 And what we're going to be disputing, as Judge Kashi
25 said, over the next several months is how much of those

1 stranded costs the company should be permitted to continue
2 to charge the ratepayers, that is costs that are currently
3 being recovered in the bundled rates, what portion of those
4 costs will continue to be charged to you in the future.

5 And that's what we're going to be arguing about over
6 the next several months.

7 THE WITNESS: The reason I used the term "stranded
8 costs" is because that's the terminology that has appeared
9 in every docket that I have received from the PUC.
10 Therefore, nobody has identified current costs for current
11 generation. The reference is always towards stranded costs,
12 so therefore I used that terminology.

13 Whether or not we refer to it as stranded costs, the
14 point is, I am still paying for that \$4 billion construction
15 job up there on the Susquehanna River at Berwick.

16 So that is the portion that I would like to see be
17 broken out, because this will give me an opportunity to
18 compare prices with other utilities across the state or
19 other utilities out of the state.

20 Now, you know, if somebody chooses to not refer to
21 them as stranded costs until such time as a decision is
22 made, that's fine. I can go along with that.

23 But in the meantime, I have not seen any other
24 terminology to identify the current generation costs other
25 than the terminology of stranded costs.

1 Thank you, Your Honor.

2 JUDGE KASHI: Thank you. Are there any questions?

3 Ms. Pennington?

4 MS. PENNINGTON: No, Your Honor.

5 JUDGE KASHI: Do you have any, Mr. Popowsky?

6 MR. POPOWSKY: No, Your Honor.

7 JUDGE KASHI: Ms. Moury?

8 MS. MOURY: Your Honor, I do, actually.

9 JUDGE KASHI: Could you come back, sir?

10 CROSS-EXAMINATION

11 BY MS. MOURY:

12 Q. Mr. Tamski, you had indicated at the beginning
13 that you were testifying on behalf of yourself --

14 A. Yes, ma'am.

15 Q. -- but then you were mentioning some consumption
16 or demand data that sounded like you might be a business,
17 and I just wondered --

18 A. No, ma'am. I'm a retired homeowner, and I look
19 at it from the standpoint of a 70 year old retiree living on
20 Social Security and everything that I have read in these
21 docket numbers relative to multiple bills, relative to meter
22 installation, the cost that somebody's talking about
23 converting my current meter from the little old round dial
24 to an analog for 150 or 200 bucks.

25 My comment is, hey, I'm perfectly satisfied with what

1 I have. You don't have to come and change it. You just
2 send me an unbundled bill, whether it's analog or digital or
3 what have you, just so there are numbers down there that I
4 can understand, and I'll be glad to pay it.

5 MS. MOURY: The only other thing I had wanted to
6 interject, Your Honor, is that I don't happen to have it
7 with me right in this room, but in the car, I do have -- and
8 I'm sure Mr. Russell probably has it with him, and maybe
9 afterwards we can look at the information that PP&L has
10 supplied.

11 And there are some sample bills that would show you
12 how the unbundling would occur. We can't know exactly what
13 those numbers will be until this case is resolved and we
14 know what the stranded costs are, and we would have to look
15 at each individual bill at that time, but I think I can pull
16 something out that --

17 THE WITNESS: Okay, I would appreciate it, ma'am.
18 Thank you very much.

19 JUDGE KASHI: Mr. Russell, any questions?

20 MR. RUSSELL: No questions, Your Honor. I would just
21 add that I agree with Ms. Moury. I think we can look at
22 some sample unbundled bills later in the proceeding.

23 MR. ROHRBACH: I would just like to add, sir, that
24 the Commission on the metering issue is addressing that in
25 more of a generic fashion than each utility, and I'd like to

1 speak to you about how the Commission is going to address
2 your metering concerns afterwards. We can talk about that
3 informally.

4 THE WITNESS: Good enough. Thank you.

5 JUDGE KASHI: Thank you very much, sir. You are
6 excused.

7 (Witness excused.)

8 JUDGE KASHI: Mr. Brubaker? Do you wish your
9 testimony to be sworn or unsworn?

10 MR. BRUBAKER: Yes, sworn.

11 Whereupon,

12 CLAIR BRUBAKER

13 having been duly sworn, testified as follows:

14 DIRECT TESTIMONY

15 JUDGE KASHI: Could you please state your name and
16 address for the record, sir?

17 THE WITNESS: Clair Brubaker, 21 East Walnut Street,
18 Lancaster.

19 JUDGE KASHI: What brings you out tonight, sir?

20 THE WITNESS: The recoverable costs, PUC said, "Build
21 Berwick, you'll recover your costs in 30 years." Now, in
22 midstream, no way. Nobody is going to invest in utility
23 stocks unless they'll be able to recover a fair amount.

24 PP&L is investing overseas. They're not going to
25 invest here if they can't recover any costs. Nobody is

1 going to invest in stock. They won't be able to build new
2 plants, and then we'll have brown-outs like we did right
3 here on -- I lived one block up here. We had a brownout in
4 February, '94, zero.

5 Last May, two days, 100 degrees, you had it reduced
6 five percent. No investors in the utility stocks if they're
7 not allowed to recovery, which you said you could recover
8 when you built Berwick, am I right? Now, you stab them in
9 the back in mid-stream.

10 Orphans and widows will not invest. PP&L will invest
11 overseas. They won't build new plants, and we'll have
12 brown-outs, I'll guarantee you that. That's it.

13 JUDGE KASHI: Thank you, sir.

14 Any questions of the gentleman?

15 (No response.)

16 JUDGE KASHI: Thank you, Mr. Brubaker.

17 (Witness excused.)

18 JUDGE KASHI: At the current time --

19 MS. STERNER: May I? I didn't sign, but can I?

20 MR. STEWART: I did sign --

21 JUDGE KASHI: Wait.

22 At the current time, that's all the people that I
23 have listed on the sign-up sheet.

24 MR. STEWART: Sir, that's not correct.

25 JUDGE KASHI: At this time, I would like to ask if

1 there is anybody here in this room who has not signed up,
2 who has not spoken, who would at this time like to speak,
3 and if so, could you please come forward and sign up at this
4 time?

5 MR. STEWART: Sir, I already signed. I'm the second
6 one on the list.

7 JUDGE KASHI: I didn't take that as a signature, sir.
8 I wouldn't have the vaguest idea what to call you from that.

9 Sir, can you come forward? Would you like your
10 testimony to be sworn or unsworn?

11 MR. STEWART: Sworn.

12 Whereupon,

13 JOHN STEWART

14 having been duly sworn, testified as follows:

15 DIRECT TESTIMONY

16 JUDGE KASHI: Can you please state your name and
17 spell it and give us your address, sir?

18 THE WITNESS: My name is John Stewart, S-T-E-W-A-R-T.
19 I'm at 420 North Maple Street in Ephrata. I have
20 essentially a two-prong question or comments. Number one,
21 in the current rate filings that PP&L or incurring this, in
22 the T&D rates, distribution, we've been noticing and we're
23 wondering how it's going to work when the upgrades to small
24 business occur, like we go to single-phase, to three-phase
25 for extra capacity.

1 In the last five years, PP&L's rates has dramatically
2 increased their cost of construction to small business. If
3 they're running a new line let's say to a factory that's in
4 the outskirts, it used to be all subsidized.

5 There would be a certain portion that they would
6 write off, assuming other customers are going to pick up.
7 In the current structure that they have set up, there is no
8 subsidization of that line, and businesses are going to have
9 to pay the total fare, and that's going to make certain
10 areas undeveloped.

11 And PP&L will make a fortune in -- or not really
12 PP&L, but their subcontractors, what have you -- will make
13 an unproportional amount of money supplying additional
14 services to the customer and to small business. That's "A".

15 "B", I also live in the Borough of Ephrata which is a
16 FERC. And I see that PP&L has no plans to work with the
17 FERCs as early competition.

18 Two questions in that regard, when the FERCs are
19 going to be deregulated for the end consumer; and number
20 two, in the unbundling of rates, where PP&L has a contract
21 with a FERC like the Borough of Ephrata, has a five year
22 contract, the borough currently is in litigation with PP&L
23 because the uncontrolled costs have escalated.

24 And we're wondering, that probably should be
25 addressed in this rate filing or in this discussion, because

1 they're raising the energy costs, stranded costs to the
2 FERCs, Ephrata Borough being the largest customer, I think
3 largest FERC that PP&L has. And it affects a lot of the
4 businesses in town that I deal with.

5 There's quite a few people that are looking to
6 upgrade, but we're doing a simple thing, too, and saying,
7 "Let's look at all the other options, whether we go gas,
8 electric or some other source of energy." PP&L no longer
9 becomes or electric no longer becomes the primary source.

10 Thank you very much.

11 JUDGE KASHI: Ms. Moury, do you have some questions?

12 MS. MOURY: Yes, I do, Your Honor.

13 CROSS-EXAMINATION

14 BY MS. MOURY:

15 Q. Mr. Stewart, what kind of business do you have?

16 A. I run an electrical contracting business.

17 Q. And how big of a business is that?

18 A. In sales or people?

19 Q. People.

20 A. We had as high as 40 people at one time.

21 Q. Do you know offhand what size of bills you have
22 on a monthly basis?

23 A. In the PP&L territory?

24 Q. Just your, what do you pay PP&L a month.

25 A. Well, what I pay PP&L for service that I have in

1 the PP&L territory is negligible because it's only a
2 warehouse.

3 What my concern is on the T&D rates that they're
4 bringing out and they're not addressing is the subsidization
5 of the added utilities to let business grow.

6 Now they're looking at it strictly as, to recover
7 total cost of their line construction instead of saying,
8 fine, we'll build so far, allow business to do a prorating
9 thing.

10 If they had to build like five miles of line, now
11 they say, okay, fine, you owe us \$150,000 before we'll bring
12 three-phase power to your plant.

13 Small business are going to say, gee, that's \$15,000
14 a year, we can't afford that. And it will essentially drive
15 the small business out of rural or less dense areas and out
16 of the state. So that is a major problem.

17 The FERCs, that is a major problem, too, because we
18 don't know how their current rate filings will affect the
19 small business in that district.

20 MS. MOURY: I understand. Thank you.

21 JUDGE KASHI: Mr. Popowsky, any questions of the
22 gentleman?

23 MR. POPOWSKY: No. I was just going to suggest, and
24 perhaps Mr. Russell recalls better than I do, but my
25 recollection is that the Borough of Ephrata and other

1 boroughs are not -- consumers within those boroughs are not
2 subject to competition, will not get competition unless the
3 borough tries to sell outside of the borough.

4 Is that your recollection?

5 MR. RUSSELL: That's my recollection.

6 THE WITNESS: The borough is already filing to be an
7 aggregator, in which case they would sell outside. They're
8 playing both sides of the stream, and that's something that
9 the PUC and PP&L -- you know, basically what PP&L is doing
10 now, and other utilities, say, you want to play the game,
11 fine; you're going to pay the bill.

12 And industries within the borough who depend upon
13 PP&L as a major source are saying -- especially I'm working
14 with a foundry that's looking to go electric melt. They're
15 saying, "Why should we do this? If the borough is becoming
16 our major source, they're not deregulating. We can't get
17 the better rate."

18 And then we have to go back to the Federal Energy
19 Regulatory Commission and file to become a utility or a
20 holding company and do the legal stuff, and you're looking
21 probably a quarter of a million dollars in legal expense to
22 become a separate utility in order to get competition.

23 And I don't think PP&L's plan here addresses the
24 FERCS, and I think it has to somehow address that.

25 JUDGE KASHI: Ms. Pennington?

1 MS. PENNINGTON: No questions, Your Honor.

2 JUDGE KASHI: Thank you very much, sir.

3 (Witness excused.)

4 JUDGE KASHI: Ms. Sterner? Do you wish your
5 testimony to be sworn or unsworn?

6 MS. STERNER: Sworn.

7 Whereupon,

8 TAMASIN STERNER

9 having been duly sworn, testified as follows:

10 DIRECT TESTIMONY

11 JUDGE KASHI: Please state your name and address for
12 the record, ma'am.

13 THE WITNESS: Tamasin Sterner, 531 West Frederick
14 Street in Lancaster.

15 JUDGE KASHI: And what brings you here tonight,
16 ma'am?

17 THE WITNESS: I have a small company, a small
18 business in Lancaster called Pure Energy.

19 JUDGE KASHI: And what does it do?

20 THE WITNESS: We do energy conservation education for
21 low-income customers and inspect weatherization work. I
22 have had a contract with PP&L for 11 years, and I just want
23 to say that PP&L has an excellent low-income program.

24 I've been involved in the Universal Service Working
25 Fund Group, and PP&L is well known in the state as having a

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1 very, very good rapport with low-income customers, excellent
2 low-income programs.

3 I'm involved in those programs and have been for
4 many, many years. I've been in over 10,000 low-income homes
5 myself in my career.

6 And I want to say that I support PP&L's desire to
7 administer the program, to continue to administer the
8 program instead of using a third party administrator, and
9 also, that I support their plan for education.

10 JUDGE KASHI: That's it?

11 THE WITNESS: Yes.

12 JUDGE KASHI: Any questions of the witness from
13 counsel? Mr. Popowsky?

14 CROSS-EXAMINATION

15 BY MR. POPOWSKY:

16 Q. Have you had a chance to review PP&L's
17 subsequent filing that they actually made on April 1st,
18 since our prior meetings?

19 A. Yes. I read everything. I'm also on the
20 mailing list, and my pile is about this tall (indicating)
21 right now, and I have read everything. Yes, I have read
22 that.

23 Q. Do you have any suggestions with respect to
24 weatherization or any of the other matters on that?

25 A. At this point, I don't.

1 Q. Thank you.

2 A. I think that their plan as I have read it was to
3 continue at the funding level that they're at now; is that
4 correct?

5 Q. I think some parts of the plan include
6 increases. I'm not sure about the weatherization.

7 A. Increases I believe in the CARES program and --

8 Q. And the CAP?

9 A. CAP, yes. I think what's unique about PP&L and
10 their weatherization program is that there are plenty of
11 low-income customers with electric heat that can still be
12 treated in the PP&L territory, which is unlike some of the
13 other areas in the state.

14 I work with four utilities in Pennsylvania, doing
15 inspections for their weatherization programs and education,
16 and we handle most of eastern Pennsylvania, essentially, and
17 PP&L still has plenty to do.

18 MR. POPOWSKY: Thank you.

19 JUDGE KASHI: Thank you very much. You are excused.

20 (Witness excused.)

21 JUDGE KASHI: Once more, I would ask at this point
22 that, those people who have signed the sheet have all been
23 called at this particular time, and if there's anybody here
24 in the hearing room who has not yet signed, who has not yet
25 been heard who would like to be heard, would you please come

1 forward and sign the sheet.

2 (Pause.)

3 JUDGE KASHI: Mr. Richards, do you wish your
4 testimony to be sworn or unsworn, sir?

5 MR. RICHARDS: Sworn is fine.

6 Whereupon,

7 FRANK RICHARDS

8 having been duly sworn, testified as follows:

9 DIRECT TESTIMONY

10 JUDGE KASHI: Please state your name and address for
11 the record, sir?

12 THE WITNESS: My name is Frank Richard, 1325 Crown
13 Vetch Drive, Landisville.

14 JUDGE KASHI: And what is it you do, sir?

15 THE WITNESS: I'm a consulting engineer. I work with
16 industrials and commercials, mid-size, on energy issues to
17 try to save money.

18 JUDGE KASHI: And are you familiar with the
19 restructuring plan that's before the Commission?

20 THE WITNESS: That's what I'd like to talk about.
21 Yes, I am somewhat familiar from some of the newspaper
22 articles and such. I had an opportunity two weeks ago, Mr.
23 Hanger and several others had -- the Newspaper Association,
24 they did a seminar on it, so PP&L was there and they talked
25 about that, a lot of issues on that.

1 My problem with information is, for me to really have
2 input to you, I really have to know what is really out
3 there. And I am, first of all, not likely to read the 3,000
4 pages that PP&L submitted to you.

5 One of my questions is, have you folks directly read
6 it?

7 JUDGE KASHI: I am working on it.

8 THE WITNESS: I mean, it's got to be a bear.

9 JUDGE KASHI: It's a bear.

10 THE WITNESS: My problem is, I haven't been able to
11 find anything that's somewhat shorter than that but somewhat
12 less generic than press releases, so I really can't comment
13 on how this is going to affect the people that I represent,
14 businesses that I work with to try to help them in energy
15 issues and I have to recommend things to them as far as what
16 they should be doing.

17 I have some concerns that small business may be, as
18 it has in the past -- the Consumer Advocate usually, you
19 know, there's a lot of people out there, and the large
20 industrials, they all have a lot of people working for them
21 directly on these specific issues.

22 But the folks in between sometimes, it's difficult
23 for them to really know what's happening when it gets down
24 to it. I guess that's in your area of work.

25 And frankly, until about a year or so ago, I really

1 didn't know there was a Small Business Advocate. I would
2 always see Mr. Popowsky's name in the paper all over the
3 place, but not really the small business.

4 Anyhow, I guess what I'm wondering about is, first,
5 when you started out today, I think you said that you're on
6 the Net, the filing is on the Net. But as of yesterday, I
7 couldn't find it under the PUC.

8 MR. ROHRBACH: I have that address. I can give it to
9 you. Shall I put it on the record so everyone knows it?

10 JUDGE KASHI: Sure, please.

11 MR. ROHRBACH: It's puc -- there's no www. It's
12 <http://puc.paonline.com>. I'll say that again:
13 puc.paonline.com.

14 JUDGE KASHI: Mr. Rohrbach, can you tell me, do you
15 know if it's hyperlinked so that he doesn't have to --

16 MR. ROHRBACH: It is hyperlinked. It's not
17 officially running until Monday, but it's under
18 construction. The hyperlink PL might not be up yet, but it
19 will be.

20 JUDGE KASHI: So you won't have to go through all
21 3,000 pages.

22 MR. ROHRBACH: That's right.

23 THE WITNESS: And there will be some kind of a
24 synopsis of it or a brief or a, this is what is really in
25 there?

1 MR. ROHRBACH: I expect that the utilities will put
2 some type of synopsis on there. I can't guarantee that, but
3 as I understand the case, there is a synopsis in the case
4 already.

5 JUDGE KASHI: There is. There's a summary up front.
6 There's an executive summary in it that would help you into
7 the hyperlink.

8 THE WITNESS: I've seen the statement of reasons.
9 PP&L put that on their on-line.

10 MR. RUSSELL: Your Honor?

11 JUDGE KASHI: Sir?

12 MR. RUSSELL: I think the statement of reasons is a
13 good roadmap to the filing, and if you go through that, I
14 think what we tried to do is construct it so that if you're
15 interested in a certain topic, it would lead you to certain
16 testimony.

17 THE WITNESS: Parts of it, yes.

18 MR. RUSSELL: Parts of it.

19 THE WITNESS: But that testimony is not available --
20 well it is now, apparently, that you can go to those areas,
21 so that would be helpful.

22 That's my whole thing on information. I'd love to
23 provide comments. but I don't think I know that much about
24 what's really in there and I don't really know what the PUC
25 is thinking about it at this point.

1 I just saw the -- well, Mr. Hanger had the fact that
2 the pilot program, you're looking to, took it up to 3 cents
3 a kilowatt-hour plus reducing the transition costs for 25
4 percent for the pilot program, and PP&L has now responded to
5 that. They just put that on line just the other day.

6 I don't quite understand from that whether they've
7 totally agreed with that. It sounds like there's some
8 disagreement on -- there's something that has to meet, but I
9 don't know what that is. I don't know exactly what's going
10 to be happening.

11 So my main issue here is the information that I would
12 like to see readily available, I've had to work at. And
13 that's some of the things I do, is look for that kind of
14 stuff.

15 JUDGE KASHI: Could I make a suggestion to you, sir,
16 then, that if in fact you are able to access that
17 information and that in fact if you have other comments that
18 you would like to provide, that perhaps you can get those to
19 Ms. Moury and the Office of Small Business Advocate, and
20 that they could provide the forum in the context of what it
21 is that they are providing for the record when we begin the
22 hearings on the matter.

23 And that way, we can assure that in fact what you
24 want to get in has at least an opportunity if it meets with
25 what they're thinking.

1 THE WITNESS: Great.

2 JUDGE KASHI: Ms. Moury?

3 MS. MOURY: That's an excellent suggestion, Your
4 Honor.

5 THE WITNESS: Do you have a card or something?

6 MS. MOURY: Yes. I will get that for you.

7 THE WITNESS: Great. Another issue I would just like
8 to raise, and it's just mimicking some of what's been said
9 before, the return on investment that PP&L is getting now
10 has been approved by the utility commission and was judged
11 to be fair and equitable for them.

12 And of course, people invest and people put money
13 into the company based on that. And there is supposed to
14 be, what, 20, 25 years worth of that left, but in nine
15 years, the way I read what I've read, in nine years it
16 stops.

17 The transition costs, whatever number -- if you give
18 them 100 percent of what they're asking for, in nine years,
19 they won't get any more, when they were supposed to recover
20 that over 25 or 30 years.

21 That leaves quite a bit not recovered, and that means
22 a rather large investment that was made in good faith by
23 PP&L over the years, good old utility, because they're
24 always there and they are always going to be providing
25 service for everyone, they're left kind of high and dry on

1 that.

2 And you can't really blame them for going off-shore
3 for some of that stuff, but it's a real shame that's
4 happening. And that I see as a major problem with the whole
5 deregulation issue, is new generation -- the utilities --
6 well, not all utilities; I'd like to say that a lot of the
7 utilities in this area, especially PP&L, had in the past
8 always made fairly reasoned decisions based on what they
9 knew now on long-term, what's the best thing to do, what's
10 the best kind of generation to install for everyone for the
11 future, taking all kinds of things into consideration.

12 The environmental, they've always been very high on
13 environmental type things. And what's happening now is,
14 you're forcing, by forcing free competition, you're forcing
15 the cheapest decision, the cheapest present day decision
16 right now, you know.

17 You're going to have to put in gas combined cycle
18 units, period. That's it. You're not going to be able to
19 -- you know, someday maybe someone will realize that nuclear
20 really still is a great boon to install.

21 Even Three Mile really didn't do anything when it had
22 its problem. It did what it was supposed to do and shut
23 down, and not too many people got affected by it.

24 People were building things properly, and there's no
25 emissions from that kind of a generation like there is from

1 coal and gas and just about everything else, and you don't
2 cover up the entire earth like you would with photovoltaics,
3 and you don't mess up the landscape with all the windmills
4 that won't work because there's not enough wind around here
5 anyhow. So you're kind of left with not an awful lot of
6 choices.

7 And the utilities tried to make the best decisions
8 they could for the future, in looking at the economics as
9 well as figuring they're going to see some kind of return on
10 that over the 20 or 30 or 40 years it will take to get the
11 return.

12 Industries won't do that. They want a two-year
13 return or they're not going to do things. They're not going
14 to put money into stuff until they get a fast return. But
15 the utilities traditionally were willing to do that.

16 And now, it looks like that's just not going to be
17 happening because, how can they? They can't. They're not
18 going to be able to recover the costs.

19 JUDGE KASHI: Thank you, sir.

20 Are there any questions from counsel?

21 Ms. Pennington?

22 MS. PENNINGTON: No, Your Honor.

23 JUDGE KASHI: Mr. Popowsky?

24 MR. POPOWSKY: No, Your Honor.

25 JUDGE KASHI: Ms. Moury?

1 MS. MOURY: No, Your Honor.

2 JUDGE KASHI: Mr. Russell?

3 MR. RUSSELL: No, Your Honor.

4 JUDGE KASHI: Thank you very much, sir. You are
5 excused. Thank you for coming.

6 (Witness excused.)

7 JUDGE KASHI: And one last time I will ask, is there
8 anyone in the hearing room who has not signed up, who has
9 not been heard, who would yet still this evening like to be
10 heard?

11 (Pause.)

12 JUDGE KASHI: Mr. Fitzkee?

13 MR. FITZKEE: Yes.

14 JUDGE KASHI: Would you like your testimony, sir, to
15 be sworn or unsworn?

16 MR. FITZKEE: Sworn.

17 Whereupon,

18 JOHN FITZKEE

19 having been duly sworn, testified as follows:

20 DIRECT TESTIMONY

21 JUDGE KASHI: Could you please state your name and
22 address and spell it for the record, sir?

23 THE WITNESS: My name is John Fitzkee, F-I-T-Z-K-E-E.
24 I live at 134 Woodside Road in Lancaster.

25 JUDGE KASHI: And are you familiar with the

1 restructuring plan, sir?

2 THE WITNESS: Yes, I am.

3 JUDGE KASHI: What brings you out tonight?

4 THE WITNESS: I'm kind of mixed on this, my role here
5 tonight. What I do is, I'm a business representative that
6 represents PP&L employees' union, so I get involved in all
7 aspects of it. But I'm also here as a consumer, someone who
8 uses the product that we have to produce.

9 JUDGE KASHI: Let me ask you a couple questions,
10 first. Are you authorized, sir, as a union representative
11 for PP&L employees to testify here tonight in this
12 proceeding?

13 THE WITNESS: No.

14 JUDGE KASHI: Then I would suggest that your role is
15 not necessarily that, that that's just your background.

16 THE WITNESS: Right. I come from that background.

17 So as a consumer, I appreciate, and as somebody that
18 is familiar with PP&L employees, I appreciate the comments
19 that I heard here tonight about PP&L service.

20 I know for a fact that the employees take great pride
21 in trying to do their jobs to the best of their ability.
22 What we have, what we're concerned about as consumers is
23 service and reliability. And I've heard that throughout the
24 system.

25 I believe that there's only so much to be cut when a

1 business has to lower prices. There's only so many places
2 they can cut. Now, where are they going to cut to try and
3 get these lower prices when we're trying to compete with
4 outfits that are sitting on coal mines out there in the
5 midwest and can produce electricity much cheaper than we can
6 because of cost.

7 So are we going to have to reduce essential
8 personnel? Is PP&L going to have to reduce essential
9 personnel in order to get the cheapest kilowatt out there?

10 Already I'm concerned that, like the gentleman said,
11 he has brown-outs for the first time ever. My own
12 electricity has gone off for hours on end, and it has never
13 happened before.

14 So what I see is there's going to be so much
15 competition that, are we going to be looking at the ValuJet
16 of the utility industry. Is everybody going to get to the
17 bottom line, which means as low as they can possibly get?
18 And that's my concern as a consumer and also as a person
19 that knows how the employees feel about this thing. And
20 that's what I'm concerned about.

21 JUDGE KASHI: Thank you, sir.

22 Do you have anything else you want to add?

23 THE WITNESS: No. I just appreciate you guys coming
24 down here. I know it's a late night, and it's going to be a
25 long five days, whatever you have to do.

1 JUDGE KASHI: We've got six days of these.
2 THE WITNESS: Six days.
3 JUDGE KASHI: Questions, Ms. Pennington?
4 MS. PENNINGTON: No, Your Honor, thank you.
5 JUDGE KASHI: Mr. Popowsky?
6 MR. POPOWSKY: No, Your Honor.
7 JUDGE KASHI: Ms. Moury?
8 MS. MOURY: No, Your Honor.
9 JUDGE KASHI: Mr. Russell?
10 MR. RUSSELL: No, Your Honor.
11 JUDGE KASHI: Thank you very much, sir. You are
12 excused.

13 (Witness excused.)

14 JUDGE KASHI: And one last call: Is there anyone in
15 the hearing room who has not yet been heard, who would at
16 this time still like to be heard?

17 (No response.)

18 JUDGE KASHI: Let the record show that there is no
19 response.

20 I would like to thank everybody for coming out this
21 evening. I know it took time out of your schedule on a
22 Friday night to do that, and I genuinely appreciate the fact
23 that you all testified under oath and that the comments were
24 pointed and they were not just a repetition from one to the
25 other. There was a wide range of issues that I now have

1 some grasp as to what some of the people are thinking about.

2 I can assure you that the people here who are going
3 to be responsible for addressing the issues during the
4 hearings with their witnesses will in fact discuss these
5 issues with their witnesses and make sure that the matter is
6 fairly and adequately presented on the record that will be
7 developed before me during the evidentiary hearings.

8 So that which you have in fact testified to, you can
9 be assured will be considered in the record by myself and
10 will also be considered by the Commission and all of the
11 advocates here who will be filing briefs in the matter.

12 One of the things I'd like you to know is that there
13 are a number of parties that are actively participating in
14 this proceeding, too.

15 They are not here as the statutory parties are, but
16 there are a number of interests. I think as of last count,
17 my last order had over 30 parties that have formally
18 intervened, filed complaints and are participating and
19 putting together their testimony and their positions which
20 in fact will be presented.

21 So it's going to be a long haul, and on behalf of
22 myself and the Commission, I would like to thank you for
23 coming out this evening.

24 There are some people who said they wished to talk to
25 -- Mr. Popowsky, you are going to talk to some people?

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MR. POPOWSKY: I know Mr. Atkins and anybody else that wanted to discuss some of these issues, I'll be glad to stay.

JUDGE KASHI: All right. They are going to stay, and I am going to adjourn for the evening. Once again, thank you very much. We stand adjourned.

(Whereupon, at 8:15 p.m., the hearing was adjourned, to be reconvened at 1:00 p.m., Monday, June 2, 1997, in Allentown, Pennsylvania.)

FORM 2

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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By: John A. Kelly

John A. Kelly,
Certified Verbatim Reporter

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FORM 2