

STATEMENT CONCERNING PP&L RESTRUCTURING CASE
DOCKET NUMBER R-00973954
BY ROBERT D. GENS
FOR THE DAUPHIN COUNTY AREA AGENCY ON AGING
ADVISORY COMMITTEE.

Gens Statement No. 1

5/30/97 Hbg

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R-973954

MEM

I am a member of the Dauphin County Area Agency on Aging Advisory Committee. This committee advises the county on programs, issues, and policies which affect persons 60 years of age and older.

The PP&L Restructuring Application proposes that "stranded" costs be recovered from consumers through a transition period. Our committee believes that PP&L should meet these "stranded" costs from operating funds and shareholder distributions and only partially from consumers. The PP&L company was responsible for the construction of generation plants which are now more costly than anticipated, such as the nuclear power plant near Berwick.

PP&L Resources common stock pays shareholders an amount which is said to be about 1% higher than the average electric utility. We believe that PP&L shareholders can assume part of the "stranded" costs.

Our committee believes that the Restructuring Application does not address the policy issue of fair treatment of consumers. Over 14% of Dauphin County residents are sixty-five years of age and older. Most of these persons must pay expenses from fixed income. Residential electricity rates will be reduced if the proposed "competitive transition charge" is reduced.

Although PP&L has programs to assist low-income persons in the proper use of electric power and in the payment of their electric bills, most older adults are not aware of this assistance. PP&L must improve access to these service programs.

Robert D. Gens 5/30/97
Robert D. Gens (date)
6013 Devonshire Hts. Rd.
Harrisburg, PA 17112

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PP&L
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May 20, 1997

Mr. Irwin A. Popowsky, Consumer Advocate
1425 Strawberry Square
Harrisburg, Pa. 17120

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CONSUMER ADVOCATE

Dear Mr Popowsky,

Thank you for the notification of a Public Hearing on May 30 in regards to de-regulation of the electrical generation industry.

Because of a prior commitment I will not be in attendance. However, I would like the following statement to be read into the record.

"I strongly oppose the recovery of stranded costs in what will become a competitive market for electrical generation. Any stranded costs over the past that can be ascribed to the PUBLIC UTILITY COMMISSION is another matter. Consumers should not pay for blunders and mistakes made by utility executives.

The private sector must absorb the cost of their mistakes. Why should it be any different for utilities in a competitive market. Stockholders do hold corporate executives accountable for their mistakes. Unless the generating industry be made to "eat" their bad decisions, there would be no incentives for utilities to be more prudent with their decisions.

To allow a utility to recover stranded costs punishes other utilities who have little or no stranded costs. Further, to recover stranded costs belies the concept of a competitive market."

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Sincerely,

Joseph C. Rosi
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Mechanicburg, Pa 17055