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COMMONWEALTH OF PENNSYLVANIA  
PUBLIC UTILITY COMMISSION

**ORIGINAL**

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MEM

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Pennsylvania Power & Light Company : Docket No.  
 Application for approval of a : R-00973954  
 Restructuring Plan. :  
 :  
 Public Input Hearing :  
 :  
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Pages 341 through 353

**DOCKETED**  
JUN 11 1997

Courtroom No. 1  
Pottsville Courthouse  
401 North Second Street  
Pottsville, Pennsylvania

Wednesday, June 4, 1997

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

BEFORE:

GEORGE M. KASHI, Administrative Law Judge

APPEARANCES:

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(For Office of Trial Staff)

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WITNESSES

PAGE

(None.)

E X H I B I T S

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FOR IDENTIFICATION

IN EVIDENCE

(None.)

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FORM 2

P R O C E E D I N G S

1  
2 ADMINISTRATIVE LAW JUDGE GEORGE M. KASHI: Good  
3 evening, ladies and gentlemen. I am Judge Kashi. I am an  
4 Administrative Law Judge for the Public Utility Commission,  
5 and I am responsible for the matter of the application of  
6 Pennsylvania Power & Light in the restructuring plan that  
7 has been filed. I am responsible for conducting the  
8 hearings, marshalling the evidence, and making a recommended  
9 decision to the Commission sometime in the beginning of  
10 November. The parties will then file exceptions to my  
11 decision, and the Commission will decide the case at the  
12 beginning of April.

13 We have been traveling through the PP&L territory to  
14 these public input hearings, and our purpose here is to hear  
15 from you tonight. We want to know what your concerns are  
16 about the restructuring plan, what it is you think about the  
17 restructuring plan, and we want you to provide us with that  
18 information. There are two ways that you can do that  
19 tonight. You can come forward at this table here and we  
20 will swear you in and take your testimony, and as such, that  
21 testimony will become part of the record and I can use that  
22 testimony in making my decision. The parties can use that  
23 testimony when they file their briefs, and the Commission  
24 can use that testimony when in fact they make their  
25 decision.

1           If, on the other hand, you just want to get something  
2 off your chest, we'll listen to that, too. Unfortunately,  
3 that does not become part of the record which can be  
4 useable. It doesn't become something that I can make  
5 findings of fact based upon that.

6           The proceeding at the present time is in a process  
7 called discovery, where after the company filed its  
8 application and prefiled its testimony, the other parties  
9 that are involved in the case -- and the other parties,  
10 there are at least 30 parties presently in the case  
11 involving various groups from environmentalists, to large  
12 business concerns, to power brokers that are appearing in  
13 the case -- they will all be filing testimony, and we have  
14 scheduled in the latter part of August the cross-examination  
15 of all that testimony in Harrisburg.

16           When that is concluded, the parties will then file  
17 their briefs; and like I said, I will then make my decision  
18 and make the recommended decision to the Commission sometime  
19 at the beginning of November. I think my decision is due  
20 November the 8th.

21           I am going to encourage you to come forward and give  
22 us that testimony. And for those folks who are totally  
23 unfamiliar with what is going on as far as this  
24 restructuring plan that is taking place, there are four  
25 major components to the plan. That doesn't mean there are

1 only four issues. It's just that there are four components  
2 that the issues are kind of gathered into.

3 The first component is the terms and conditions for  
4 open access for retail competition, including a proposal to  
5 provide comparable access to the company's transmission and  
6 distribution system. In addition to that, the second  
7 component is the calculation of the company's stranded costs  
8 or transition costs, as defined in the Act that was passed  
9 by the Legislature. The third component involves the  
10 unbundling of rates for generation, transmission and  
11 distribution of electricity, including the competitive  
12 transition charge. And finally, we have proposals from the  
13 company for continued ratepayer protection, including  
14 expanded company programs for assistance to low-income  
15 consumers and other measures to assure continued safe,  
16 reliable and efficient service to customers at reasonable  
17 rates.

18 The people who are with me tonight are major  
19 statutory offices created for various protections to various  
20 individuals. I am going to introduce them and give them an  
21 opportunity to address you as far as what it is that their  
22 offices do.

23 To my extreme left is Mr. Bernard Ryan, who is the  
24 Small Business Advocate of Pennsylvania. He heads that  
25 office, and we'll hear from him in a bit. Next to him is

1 Mr. James Mullins, who is with the Office of Consumer  
2 Advocate. They have a specific statutory role to play in  
3 these proceedings, also. To my immediate right is Mr.  
4 Johnnie Simms, who is with the Office of Trial Staff for the  
5 Public Utility Commission. They, too, are statutorily  
6 created, and they, too, have a specific charge in  
7 proceedings before the Commission. And finally, to my far  
8 right is Mr. Paul Russell, who is counsel for PP&L; and he  
9 is the fellow who filed this thing, I believe.

10 MR. RUSSELL: Yes, sir.

11 JUDGE KASHI: We'll start with Mr. Ryan tonight. Mr.  
12 Ryan.

13 MR. RYAN: Thank you, Judge Kashi. The Office of  
14 Small Business Advocate has the duty under law to represent  
15 the interests of small business customers of all of  
16 Pennsylvania's public utilities, and that, of course, would  
17 include Pennsylvania Power & Light Company. So when this  
18 restructuring plan was filed, it was filed pursuant to the  
19 new Generation Choice Act that was signed into law late last  
20 year.

21 We entered the case, and we have hired an expert  
22 witness to help us analyze the filing. Our purpose in doing  
23 so is to insure that the interests of the small business  
24 customers are adequately protected as we move through this  
25 period of transition from the system by which electricity

1 was sold to customers for the last 75 to 100 years to a new  
2 competitive environment that will be starting in the very  
3 near future. So we will be in the case for that purpose.

4 If any of you are here speaking on behalf of small  
5 business customers of PP&L, I'd appreciate it if you would  
6 indicate that when you testify tonight, but we're here to  
7 hear you, and that's all I'm going to say for now. Thank  
8 you.

9 JUDGE KASHI: Thank you, Mr. Ryan.

10 Mr. Mullins.

11 MR. MULLINS: Thank you, Your Honor. Good evening.

12 My name is James A. Mullins, and I represent the  
13 Pennsylvania Office of Consumer Advocate. The current  
14 Consumer Advocate is Irwin A. Popowsky, and he has served in  
15 that capacity since 1990. The primary function of our  
16 office is to represent the residential customers before the  
17 Pennsylvania Public Utility Commission.

18 As some of you may know, this is an extremely  
19 important case in that it may dictate how you receive  
20 electricity in the future and what price you pay for that.  
21 Our office has hired a team of experts to analyze PP&L's  
22 restructuring proceeding, and at a later date they will make  
23 a determination as to how we're going to proceed with this  
24 particular case.

25 The main goal of our office in this proceeding is to

1 insure that all of PP&L's customers receive reasonable,  
2 competitive alternatives for electricity service at rates no  
3 more expensive than they are now and hopefully lower than  
4 even that.

5 As the Judge indicated, this is a public input  
6 hearing. We're here to hear from you, so please feel free  
7 to take the stand and give your testimony under oath. I'll  
8 look forward to hearing from you. Thanks a lot.

9 JUDGE KASHI: Thank you, Mr. Mullins.

10 Mr. Simms.

11 MR. SIMMS: Thank you, Your Honor. Good evening,  
12 ladies and gentlemen. My name is Johnnie Simms. I'm an  
13 attorney with the Commission's Office of Trial Staff. The  
14 Office of Trial Staff was created to present evidence and  
15 represent the public interest in proceedings before the  
16 Commission. The Chief Prosecutor is Charles F. Hoffman. We  
17 not only have attorneys, but we also have accountants and  
18 engineers, who are expert witnesses.

19 As you know, Governor Ridge signed into law  
20 Generation Choice for consumers. PP&L has made its filing  
21 in compliance with that law. As Judge Kashi has indicated,  
22 we are now engaged in the process of discovery. Our expert  
23 witnesses are engaged in that process and are preparing  
24 direct testimony and exhibits to be filed in this case in  
25 the public interest.

1 I ask that you give your testimony tonight so that we  
2 may have the opportunity to review your testimony. Your  
3 testimony will be helpful to our office in insuring that  
4 PP&L's filing is in the public interest. I welcome your  
5 testimony and I look forward to it. Thank you very much.

6 JUDGE KASHI: Thank you, Mr. Simms.

7 Mr. Russell.

8 MR. RUSSELL: Thank you, Your Honor. My name is Paul  
9 Russell. I am a lawyer in the Legal Department of PP&L.  
10 PP&L was an early advocate of retail competition. We  
11 supported passage of the Customer Choice Act. One provision  
12 of that Act requires each utility to file restructuring  
13 plans with the Commission to explain how that utility plans  
14 to move to competition. PP&L asked permission to file early  
15 in the process. That request was granted, and we filed our  
16 restructuring plan on April 1st. That plan is the subject  
17 of this evening's public input hearing.

18 PP&L strongly supports public input hearings. We  
19 believe they are an essential part of the Commission  
20 process. They provide an opportunity for customers to  
21 provide input to the Commission, the Commissioners and the  
22 Administrative Law Judge. We thank you for attending today  
23 and encourage you to testify. We're interested in hearing  
24 what your views are on the issues raised by the  
25 restructuring plan.

1           In closing, I'd like to introduce one other person  
2 from PP&L. Frank Staudenmeier, the Community Development  
3 Director, is sitting down in the front to my left. Frank  
4 and I will be available all evening to answer any questions  
5 you might have about your specific rates or service.

6           Again, thank you for attending.

7           JUDGE KASHI: Thank you, Mr. Russell.

8           Two public service kind of announcements. The first  
9 is regarding the filing itself. It is many, many pages.  
10 There are hard copies of it that are on file at the  
11 Commission and also at the company's office. However, it  
12 has been placed on the Internet. The address at which, if  
13 you so desire to go through it -- it is hyperlinked -- is,  
14 it's not www, but it's <http://puc.paonline.com>. You can go  
15 through that and find out whatever interest you have in the  
16 filing and go through the thousands of pages that this thing  
17 involves.

18           The second announcement involves leaving here. You  
19 must leave the same way you came, back through that  
20 entryway, and you must sign out. Otherwise, they will be  
21 looking for our bodies all night I've been told. The  
22 Sheriff's Office asked that we please exit that way.

23           I would at this time ask the court reporter to please  
24 bring me the sign-up sheet.

25           (Document handed to Judge Kashi.)

1 JUDGE KASHI: Well, we attempted to have a public  
2 input hearing, and no one wants to say anything. I have no  
3 one on the sign-up sheet, no one who wishes to speak here  
4 tonight.

5 I would ask -- there is someone that just came into  
6 the room. If you in fact wish to speak here this evening, I  
7 would ask you to sign up on the sheet that I have provided  
8 for everyone. Otherwise, what I will do is I will, in hopes  
9 that some folks who did want to speak yet want to come  
10 tonight, I will recess for 15 minutes, at which time I will  
11 ask if there is anybody who wants to speak then; and if not,  
12 I will adjourn for the evening.

13 Is there anyone who has not had the opportunity at  
14 this time to sign up on the sheet who wishes to testify  
15 tonight?

16 (No response.)

17 JUDGE KASHI: I have no response.

18 All right. Let's take that 15-minute recess.

19 (Recess.)

20 JUDGE KASHI: Going back on the record.

21 I would at this time ask the reporter to give me the  
22 sign-up sheet.

23 (Document handed to Judge Kashi.)

24 JUDGE KASHI: And the sign-up sheet again is empty.  
25 So I would ask one last time for the record: is there

1 anyone here who has not signed up, who has not been heard,  
2 who would like to be heard?

3 (No response.)

4 JUDGE KASHI: Let the record show that there is no  
5 response.

6 I would like to thank you for coming out this evening  
7 anyway even though we didn't get the testimony. There will  
8 be people who, if you still want to ask some questions, will  
9 hang around for a bit. On behalf of myself and the  
10 Commission I'd like to thank you for coming out, and we will  
11 adjourn for the evening.

12 We stand adjourned.

13 (Whereupon, at 7:40 p.m., the public input hearing  
14 was adjourned, to be reconvened at 1:00 p.m., Thursday, June  
15 5, 1997, in Williamsport, Pennsylvania.)

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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.

COMMONWEALTH REPORTING COMPANY, INC.

By: Sandra Milus Brown

Sandra Milus Brown

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FORM 2